

Public Law 94-395
94th Congress

An Act

To provide assistance to the Government of Guam, to guarantee certain obligations of the Guam Power Authority, and for other purposes.

Sept. 3, 1976

[H.R. 13679]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 11 of the Organic Act of Guam (64 Stat. 387, 48 U.S.C. 1423a) is hereby amended by adding at the end thereof the following language: "The Secretary of the Interior (hereafter in this section referred to as 'Secretary') is authorized to guarantee for purchase by the Federal Financing Bank bonds or other obligations of the Guam Power Authority maturing on or before December 31, 1978, which shall be issued in order to refinance short-term notes due or existing on June 1, 1976 and other indebtedness not evidenced by bonds or notes in an aggregate amount of not more than \$36 million, and such bank, in addition to its other powers, is authorized to purchase, receive or otherwise acquire these same. The interest rate on obligations purchased by the Federal Financing Bank shall be not less than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities, adjusted to the nearest one-eighth of 1 per centum, plus 1 per centum per annum. The Secretary, with the concurrence of the Secretary of the Treasury, may extend the guarantee provision of the previous sentence until December 31, 1980. Such guaranteed bonds or other obligations shall, while outstanding, include a provision for semiannual payments of interest only. If the Secretary determines that the Guam Power Authority will not meet its obligation to pay interest, the Secretary shall request the Secretary of the Treasury to deduct such payments from sums collected and paid pursuant to Section 30 of this Act (48 U.S.C. 1421h). Should there be default at maturity on the bonds or other obligations so guaranteed, (1) the Secretary may withhold such sums as he determines may be necessary from sums collected by the Secretary of the Treasury pursuant to Section 30 of this Act (48 U.S.C. 1421h) until losses incurred by the Secretary under the guarantee plus interest at the rate specified in this section have been reimbursed to the Secretary and (2) notwithstanding any other provision of law, Acts making appropriations may provide for the withholding of any payments from the United States to the Government of Guam which may be

Guam Power Authority.
Guaranteed bonds or other obligations.

Interest rate.

Semiannual interest payments.

Matured bonds, default.
Withholding from collected sums.

Withholding payments from United States to Guam.

"Person."

or may become due pursuant to any law and offset the amount of such withheld payments against any claim the United States may have against the Government of Guam or the Guam Power Authority pursuant to this guarantee. For the purposes of this Act, under Section 3466 of the Revised Statutes (31 U.S.C. 191) the term 'person' includes the Government of Guam and Guam Power Authority. The Secretary may place such stipulations as he deems appropriate on the bonds or other obligations he guarantees."

Approved September 3, 1976.

LEGISLATIVE HISTORY:

SENATE REPORT No. 94-1155 accompanying S. 3681 (Comm. on Interior and Insular Affairs).

CONGRESSIONAL RECORD, Vol. 122 (1976):

July 1, considered and passed House.

Aug. 24, 25, considered and passed Senate, in lieu of S. 3681.