

September 3, 1976

Office of the White House Press Secretary

NOTICE TO THE PRESS

The President has signed H.R. 13679 , Guam Power Authority guarantee. This bill authorizes the Secretary of the Interior to guarantee not more than \$36 million in obligations for the Guam Power Authority.

The Guam Power Authority (GPA) is a public utility which was created by the Territorial Government of Guam as the sole electric power supplier for the entire island including the needs of the U. S. Defense Department.

H.R. 13679 will authorize:

- the Secretary of the Interior to guarantee for purchase by the Federal Financing Bank bonds or other obligations, in an amount not to exceed \$36 million, of the Guam Power Authority which mature on or before December 31, 1978;
- interest rates, as determined by the Secretary of the Treasury, at levels equivalent to comparable Treasury issues, plus one percent per annum (only interest payments would be required until the guarantee is terminated);
- repayment of interest and/or principal, if necessary, through deductions from (a) Federal income taxes and customs duties that are collected from Federal employees and their dependants during their residency in Guam and subsequently returned to the Government of Guam, and (b) any congressional appropriation which would otherwise go directly to Guam; and
- the Secretary to place any stipulations he deems appropriate on any bond or obligation he guarantees.

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