



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

August 14, 2018

The Honorable Eddie Baza Calvo
Governor of Guam
Executive Chamber
P.O. Box 2950
Agana, GU 96932

Dear Governor Calvo:

Hafa Adai Governor.

I wanted to provide you additional details related to the 2014 base amount threshold determined by the Department of the Treasury. On April 28, 2017, Congresswoman Bordallo requested that the Department of the Treasury provide an interpretation of the specific threshold that Treasury will utilize for the 2014 base amount to comply with Section 1703c of the National Defense Authorization Act for fiscal year 2017. This Act established the Guam World War II Claims Fund and specifies that the deposits will be comprised of the amounts of duties, taxes, and fees collected under Section 30 of the Organic Act of Guam (48 USC 1421h) after fiscal year 2014 in amounts in excess of the 2014 base level.

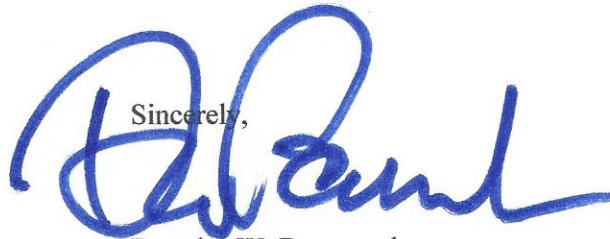
As you know, on March 15, 2018 the Department of the Treasury responded to Congresswoman Bordallo's request. In the response, the Department of the Treasury states that the amount of duties, taxes, and fees collected under Section 30 of the Organic Act of Guam during fiscal year 2014 was \$68,603,100.

I received your May 19, 2018 letter explaining Guam's position that the fiscal year 2014 threshold should be \$120,185,702. Your letter pointed out that the threshold was to be what was collected *during* 2014. Please note that any inquires on the 2014 threshold calculation should be sent to the Department of Treasury as they are directed to calculate the threshold and future year adjustments for the Guam War Claims Fund. However, according to our records, please note that the figure you provided, \$120,185,702, does not reflect amounts collected *during* 2014 only. That figure, \$120,185,702, includes: (a) \$1,158,676 which was collected *during* 2012, (b) \$7,869,385 which was collected *during* fiscal years 1988 to 2011, (c) \$30,446,906 which was collecting *during* fiscal years 1977 to 2011, and (d) \$80,710,735 which was not collected during 2014 but rather remitted *during* fiscal year 2014 as the 2015 advance payment.

The amounts are collected real time through the Federal Income Tax Withholding process. The actuals, including a notation of the years in which the amounts were collected, are tracked by the Internal Revenue Service of the Department of Treasury. According to our records based upon IRS reports, the amounts of duties, taxes, and fees collected *during* fiscal year 2014 are as follows: Federal Agency Cover Over \$59,263,722, Military Home of Record Cover Over (filers) \$3,209,709, Military Cover Over (non-filers) \$3,785,388, and Private Sector Sourced Income \$2,344,281.

We hope this is helpful to you. Please direct any future inquires on the Guam War Claims Fund to the Department of the Treasury, as Treasury is responsible for the payments to be made through the War Reparations Claims Fund.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Domenech', written over the word 'Sincerely,'.

Douglas W. Domenech
Assistant Secretary
Insular and International Affairs