

GUAM CUSTOMS AND QUARANTINE AGENCY

ECONOMIC IMPACT STATEMENT

Proposed ASYCUDA Rules and Regulations - Draft for AAL Record

I. Purpose and Legal Framework

This Economic Impact Statement (EIS) is prepared for the proposed ASYCUDA rules under 5 GCA Chapter 9. Section 9301(f) identifies minimum subjects that an economic impact statement must directly address, including purpose and need; risk and cost; financial impact on directly affected persons or entities and Guam's economy; cost-of-living effects; employment effects; cost-of-doing-business effects; and other adverse or beneficial economic impacts. Section 9301(i) provides an exemption from the EIS requirements when a preliminary cost impact assessment determines that annual economic impact to the general public is \$500,000 or less. This draft is structured as a full EIS so the agency record can address the statutory factors even if a later validated preliminary assessment establishes eligibility for the exemption.

II. Purpose, Need, Risk, Cost, and Justification

The proposed rules implement the Legislature's direction to establish ASYCUDA as Guam's official customs automated system and to remedy deficiencies associated with fragmented and manual customs and revenue processes. The principal risks of failing to implement an enforceable framework include continued unreliable or delayed revenue information, backlogs, incomplete exemption documentation, weak system interfaces, inconsistent collection controls, inadequate auditability, cybersecurity and access-control weaknesses, and increased exposure to revenue leakage, fraud, waste, and abuse.

Implementation also carries costs. Government costs may include system implementation/configuration, infrastructure, cybersecurity, integration, training, support, backup, disaster recovery, staffing, and transition operations. Private-sector costs may include user training, connectivity, equipment, credentials, software changes, EDI/API integration, transition time, and recurring compliance activities. These costs must be quantified from certified project and stakeholder data before the final EIS is certified.

III. Directly Affected Persons and Entities

- Air and ocean carriers; air-cargo operators; freight forwarders; Non-Vessel-Operating Common Carriers.(NVOCCs); consolidators/deconsolidators; container freight stations; express consignment operators; importers; exporters; customs representatives and other authorized filers; bonded warehouses; terminal operators; cargo handlers; trucking/drayage firms; postal operators; trade-software/interface providers; and small or occasional self-filers.
- Government entities whose systems or statutory functions interface with ASYCUDA, including CQA, Department of Revenue and Taxation, Office of Technology, Port Authority of Guam, Guam International Airport Authority, and other authorized partners.

IV. Statutory Economic-Impact Factors

Required Factor	Potential Adverse Impact	Potential Beneficial Impact	Final Quantification / Evidence
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Financial impact on directly affected persons/entities	Training time; equipment/connectivity; integration; transition and compliance costs.	Reduced paper/manual handling; fewer duplicate entries; faster processing; improved predictability and error reduction.	TBD from user census, training plan, technical requirements, stakeholder survey and vendor estimates.
Impact on Guam's people/economy	Short-term adjustment burden; possible disproportionate effect on small/occasional filers.	Trade facilitation; more reliable revenue administration; improved data for fiscal/economic decisions.	TBD; quantify affected users and annualized private costs/benefits.
Cost of living / price or availability of goods/services	Compliance costs could be passed through in prices if material.	Reduced delays and transaction costs may offset or reduce pass-through costs.	No reliable quantified effect established yet; stakeholder evidence required.
Employment	Training and process changes may alter clerical/manual work.	Demand may increase for customs compliance, IT, data, cybersecurity and logistics skills; automation may redirect staff to higher-value work.	No net employment effect quantified yet.
Cost of doing business	Onboarding, technical compliance, credentials, integration and contingency procedures.	Faster clearance, electronic submission, fewer physical trips/paper records, improved status visibility and reconciliation.	Annualized costs and savings to be validated by sector.
Other adverse/beneficial impacts	Cybersecurity, outage, transition and digital-access risks if controls are inadequate.	Revenue assurance, auditability, accountability, fraud deterrence, data reliability, resilience and government integration.	Qualitative benefits established by legislative purpose; monetary valuation remains TBD.

V. Government Implementation Costs

Cost Category	One-Time	Recurring Annual	Evidence Required
UNCTAD implementation/configuration	\$1.7 M	NONE	Executed/project agreement and budget
Infrastructure/hosting/network	TBD	TBD	CQA/OTECH architecture and procurement estimates
Cybersecurity/access controls	TBD	TBD	Security architecture and licensing estimates
Interfaces/integration	TBD	TBD	DRT/OTECH/CQA interface plan
Training/change management	TBD	TBD	Training plan and staff-hour assumptions
Support/help desk/system administration	TBD	TBD	Staffing/support model
Backup/COOP/disaster recovery	TBD	TBD	DR/COOP design and vendor estimates

Parallel/transition operations	TBD	TBD	Deployment schedule and staffing model
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VI. Public and Trade-Sector Cost Calculation

For final certification, CQA should calculate: Annual Public Cost = mandatory training cost + annualized equipment/connectivity cost + annualized integration cost + recurring credential/compliance cost + documented transition cost - reasonably certain direct savings. One-time costs should be annualized using a stated and reasonable useful-life assumption. Government expenditures should be reported separately unless they are directly passed through to the public.

VII. Present Determination and Data Limitation

A final dollar estimate cannot responsibly be stated from the information presently available in this drafting record. CQA should not characterize the rule as having zero economic impact merely because ASYCUDA is legislatively mandated. Before final certification, CQA should obtain and preserve: the UNCTAD project budget; system architecture and recurring support costs; external-user counts by sector; mandatory training hours; minimum technical requirements; expected private integration costs; transition requirements; and reasonably certain savings.

Accordingly, this document is a DRAFT EIS for the administrative record. Its statutory-factor analysis is complete in structure, but all monetary findings marked TBD must be supported by certified agency data or documented stakeholder evidence before the Director certifies the final record.

VIII. AAL Record and Transmittal

Under 5 GCA § 9303, the proposed rules and the entire agency record must accompany the filings with the Governor and Attorney General and, after their required approvals, the Speaker of I Liheslaturan Guåhan. The agency record expressly includes the certification of compliance, economic impact statements, and transcripts of public hearings. CQA should therefore preserve all cost worksheets, source documents, stakeholder submissions, assumptions, methodologies, and revisions supporting this EIS.