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Feds weigh-in on government's plans to finance Ordot

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By [Mindy Aguon](#)

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And the federal government's concerns are much like that of the federal receiver.

The feds say the Guam Legislature's priorities came across loud and clear when they amended and passed public laws 30-1 and 30-7. In a brief filed with the District Court today, the federal government noted that in passing the pair of laws, lawmakers made it clear that paying cost of living allowance and tax refunds were more important than finding financing to close the Ordot Dump.

Like federal receiver Gershman, Brickner & Bratton, Assistant U.S. Attorney Mikel Schwab expressed concerns about the viability of the government obtaining financing for Ordot consent decree related projects while at the same time obtaining deficit financing. Federal consultant Jonathan Shefftz concluded that there was no purpose tying the two bonds together, and in fact, doing so leaves "much room for skepticism" and would likely be extremely difficult with the current market conditions.

Schwab said by doing so, "The Legislature has put the successful sale of these bonds in potential jeopardy". The feds also supported GBB's position that the court could suspend the weekly one million dollar payments with the imposition of several conditions including:

- \$120,000,000 in bond funding be available for consent decree projects by June 30
- Biweekly separate progress reports on the bond issuance be submitted by the government, its underwriters, and the Bank of America
- GovGuam must provide assurances that the Legislature will not exercise the option of pledging Section 30 funds for deficit funding bonds and they will only pledge that money for landfill financing
- The government must also provide assurances that it will sell the remaining authorized landfill bonds for the closure of the dump prior to June 30, 2010

Meanwhile, Chief Judge Frances Tydingco-Gatewood is expected to hear arguments next week Tuesday - just a day after the government must make another \$1,000,000 payment.

[U.S. Government's response \(April 10, 2009\)](#) (414 KB)



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