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THE U.S. MILITARY BUILDUP ON GUAM AND CHALLENGES FACING THE COMMUNITY

OVERSIGHT FIELD HEARING

BEFORE THE

SUBCOMMITTEE ON INSULAR AFFAIRS

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

FIRST SESSION

Monday, August 13, 2007, in Mangilao, Guam

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CONTENTS

	Page
Hearing held on Monday, August 13, 2007	1
Statement of Members:	
Bordallo, Hon. Madeleine Z., a Delegate in Congress from Guam	4
Prepared statement of	9
Christensen, Hon. Donna M., a Delegate in Congress from the Virgin Islands	1
Prepared statement of	3
Statement of Witnesses:	
Bice, David F., Major General (Retired) USMC, Executive Director, Joint Guam Program Office	17
Prepared statement of	19
Camacho, Hon. Felix P., Governor of Guam	37
Prepared statement of	39
Cohen, Hon. David B., Deputy Assistant Secretary for Insular Affairs, U.S. Department of the Interior	13
Prepared statement of	15
Cristobal, Hon. Hope A., Former Senator, Guam Legislature	68
Prepared statement of	71
Leberer, Trina, Marine Conservation Coordinator, The Nature Conservancy, Micronesia Program	80
Prepared statement of	82
Lujan, Kenneth Q., Guam Branch Manager, U.S. Small Business Administration	22
Prepared statement of	24
Robertson, John M., P.E., Chairman, Government, Military, and Labor Affairs Committee, Guam Contractors Association	89
Prepared statement of	91
Ruder, Stephen C., Chairman of the Board, Guam Chamber of Commerce	75
Prepared statement of	77
Sanchez, Simon A., II, Chairman, Consolidated Commission on Utilities	49
Prepared statement of	50
San Nicolas, Benny P., Chairman, Southern Soil & Water Conservation District	72
Prepared statement of	73
Savares, Hon. Melissa, Mayor of Dededo, Guam, President, Mayor's Council of Guam	46
Prepared statement of	48
Won Pat, Hon. Judith T., Minority Leader, 29th Legislature of Guam	41
Prepared statement of	43
Additional materials supplied:	
List of individuals submitting statements for the record	12

OVERSIGHT FIELD HEARING ON "THE U.S. MILITARY BUILDUP ON GUAM AND CHALLENGES FACING THE COMMUNITY."

Monday, August 13, 2007
U.S. House of Representatives
Subcommittee on Insular Affairs
Committee on Natural Resources
Mangilao, Guam

The Subcommittee met, pursuant to call, at 10:10 a.m., at the College of Liberal Arts and Social Sciences Lecture Hall, University of Guam, Mangilao, Guam, Hon. Donna Christensen [Chairwoman of the Subcommittee] presiding.

Present: Delegates Christensen and Bordallo.

STATEMENT OF THE HON. DONNA M. CHRISTENSEN, A DELEGATE IN CONGRESS FROM THE VIRGIN ISLANDS

Mrs. CHRISTENSEN. The Oversight Field Hearing by the Subcommittee on Insular Affairs will come to order. The Subcommittee is meeting today to hear testimony on the "U.S. Military Buildup on Guam and Challenges Facing the Community."

Good morning and Hafa Adai. Let me begin by welcoming the First Lady and by thanking the University of Guam and its President, Harold Allen, for hosting us today. There's no better place to conduct a hearing such as this than in a public university, a place that promotes not only education and the free exchange of ideas, but also works to create the kind of strong community that we are talking about today.

The staff and faculty have been wonderful to work with and we really appreciate all of the assistance that they've provided to us in helping to put this hearing together. It is truly an honor for me to be on this beautiful island of Guam where America's day begins and where our nation's westernmost border also begins.

As our country better prepares to protect our people and our homeland, we are all challenged by change. Nowhere though is a challenge greater than on Guam, as we look to the potential military buildup plan for this island paradise, this piece of America closest to Asia. It is therefore fortuitous that there is a Subcommittee on Insular Affairs which was re-established by the House Natural Resources Full Committee Chairman, Nick Rahall, at the beginning of this 110th Congress.

I believe Chairman Rahall recognized that our U.S. territories and also those island nations freely associated with the United States have great challenges in front of us today. Developing and diversifying economies, preserving culture and language, protecting the environment, resolving political status, these issues are not new, nor are they exclusive to any one territory. They are issues that have no immediate solution, issues that require time, energy, political will power, debate, deliberation, and compromise to reach resolution.

We are here this morning because an additional set of issues has presented itself in the past few years. It is one that is exclusive to Guam, as there is no other territory or state in our union which has undergone what Guam could potentially undergo if a final decision is made to buildup the military presence here in Guam as has been projected.

The Subcommittee is here with you on Guam because we are prepared to be your partners on this path. As the Chair of this subcommittee and as a representative of your sister territory in the Caribbean, I want to be sure that we are engaged, and that military planners and your leaders are aware that we are sensitive to the concerns which will be raised throughout this process. We are prepared to see the challenges become opportunities, that concerns are replaced with confidence, and that obstacles are overcome with advocacy.

Along with me today is, of course, your own delegate, The Honorable Madeleine Bordallo. She and I have a very strong relationship and it is because of her determination that we begin this step with you today. In Congress, she has been steadfast in representing the interest of the people of Guam. It is because of her that I was happy to take on your fight and revisiting the issue of providing equity to Guam for war claims resulting from the island's World War II occupation. It was a fight with an overwhelming result as the House of Representatives passed it by more than a two-thirds majority in favor of the Guam World War II Loyalty Recognition Act. I continue and I will continue to work with Ms. Bordallo to have this Senate act on her legislation because the claims should be revisited and equity restored.

During the past few days of my visit here, I've begun to get a good sense of what the big military picture is and how the plans for Guam, and now in their early stages, are beginning to take shape. We have also heard from many different sectors of the Guam community. Many are hopeful and positive even in the midst of uncertainty. The questions run the gamut; infrastructure, schools, business, culture, society, healthcare, roads, housing, labor. These are all very fair and very appropriate concerns that any community would have. We have the opportunity to discuss these today and Congresswoman Bordallo, of course, is going to provide another opportunity on Thursday at her town meeting, and I hope that many who would have wanted to testify today, but who we could not accommodate, and those who are testifying by their protest outside, will take the opportunity to make their voices heard on Thursday evening.

So, the challenge for now is twofold; determining the new role of Guam in defending our nation, and defining the Federal Govern-

ment's responsibility to the people of Guam as this role unfolds. The first can only be done by military planners and is driven by threats to our nation. Latter though, cannot be done without the input of the people of Guam.

Today, we will be receiving testimony which will build upon the first impressions we've received, the meetings and the discussions we've already had. We will also begin to build the Congressional record on the military buildup and the possible impact on the Guamanian people.

It is important to remember that we are only at the beginning of this process, which only the most optimistic project will really end in 2014. So, time is on all of our side.

It is also important to remember that all of the right elements are here. All that is needed is a commitment to work collaboratively to make the buildup as a success that I know it can be.

I want to welcome our witnesses. I want to welcome all and thank all who have provided us with information already, and all who are here with us in this auditorium today.

[The prepared statement of Mrs. Christensen follows:]

Statement of The Honorable Donna Christensen, Chairwoman, Subcommittee on Insular Affairs

Good morning and Hafaa Adai.

Let me begin by thanking the University of Guam and its President Harold Allen for hosting us today. There is no better place to conduct a hearing than at a Public University—a place that promotes not only education and a free exchange of ideas but also creates a strong community. The staff and faculty have been wonderful to work with and we truly appreciate all the assistance they have provided in helping to put this hearing together.

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House of Representatives passed by more than a two-thirds majority in favor of the Guam World War II Loyalty Recognition Act. I continue to work with Ms. Bordallo to have the Senate act on her legislation because claims should be revisited and equity restored.

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So, the challenge, for now, is twofold. Determining the new role of Guam in defending our Nation; and defining the Federal Government's responsibility to the people of Guam as this determination unfolds. The first can only be done by military planners and driven by threats on our Nation; the latter cannot be done without the input of the people of Guam.

Today we will be receiving testimony which will build upon those first impressions, and which will also begin to build the congressional record on the military buildup and the possible impact on the Guamanian people.

It is important to remember that we are only at the beginning of a process which only the most optimistic project will end in 2014. So time is on all of our side.

All of the right elements are here. All that is needed is a commitment to work collaboratively to make the buildup the success I know this can be.

Mrs. CHRISTENSEN. And now, the Chair recognizes Congresswoman Madeleine Bordallo for any statement that she might have.

STATEMENT OF THE HON. MADELEINE Z. BORDALLO, A DELEGATE IN CONGRESS FROM GUAM

Ms. BORDALLO. Good morning and Hafa Adai. First Lady Camacho, members of the Legislature, the Mayors, Dr. Allen, and the faculty of the University of Guam, thank you for allowing us to use the facility, our distinguished witnesses, ladies and gentlemen.

Madam Chairwoman, I thank you for agreeing to hold this very important hearing today on Guam about the impending military buildup for our island. As you know, this hearing is very important to us, to my constituents, as it is the first Congressional hearing to be held in Guam in 24 years. It has been my firm belief that the military buildup on Guam will offer our community a unique opportunity to roll our economy and to improve our public works and infrastructure.

The 2005 Integrated Global Presence and Basing Strategy from the Overseas Basing Commission, which was chartered by Congress, laid the groundwork for the rebasing of roughly 8,000 Marines from the 3rd Marine Expeditionary Force to Guam from Okinawa, Japan. The Overseas Basing Commission report reaffirmed a strategic importance of Guam in the region. By placing United States Armed Forces on Guam, it affords the Department of Defense the flexibility and the freedom of action to respond to regional threats in crises, while providing our island and our people additional security in the face of rising global threats.

This very point of the strategic value of Guam has been underscored in Washington before Congress by many Defense analysts and leaders, including our immediate previous Secretary of Defense, The Honorable Donald Rumsfeld, who traveled to Guam in 2003 to review for himself the opportunities for and the value of placing additional assets and personnel on our military bases.

The strategic value of Guam was also emphasized by Governor Camacho, the Guam Chamber of Commerce, and myself before the BRAC Commission in 2005. And the recognition of this strategic value of Guam is a key reason why we now see renewed interest and investment from DOD in our military bases.

I continue to believe and maintain that the BRAC closures in 1990s were a mistake, including the closure of SRF, PWC, the redeployment of ships and aircraft based here, and the downsizing of NCTAMS.

The Secretary of State, Dr. Condoleezza Rice, has declared 2007 to be the Year of the Pacific. The United States is increasingly focusing on efforts in our region to increase stability, good governance, and economic development through closer political economic and cultural ties to our neighbors. Our island is central to these efforts. All of this has laid a foundation for renewed lateral defense alliance with our friend and ally, Japan, which has moved Guam into a unique and high-level focus inside the Pentagon.

Secretary Rumsfeld reminded me on several occasions that the U.S. Military goes where we are wanted. Such sentiment is particularly relevant to the buildup for Guam. I have consistently maintained throughout my public career that the partnership we enjoy here on Guam with the U.S. Military is beneficial to us overall, and represents a key area which through mutual respect and cooperation we have and continued to grow our economy. My belief in this regard has only grown stronger over the years and been reenforced with the opportunities presented before us with this buildup.

Although the size of the military buildup is substantial in terms of investment needed for infrastructure, the total number of military personnel that will be moving to our island is roughly the same as the total number of military personnel that were stationed on Guam during the 1980s and early 1990s. In fact, the 3rd Marine Expeditionary Force realignment is a homecoming for the same division of Marines that liberated our island from enemy occupation 63 years ago. The Marines are returning to a community that respect and appreciate their selfless dedication in heroism.

Many of our own sons and daughters have served and continue to serve proudly and honorably in the United States Armed Forces today. We welcome this move, just as we would expect other communities to welcome our sons and daughters on the bases in their communities.

The United States Marine Corps and the Navy have had a long and storied history on Guam. It is this history that bounds our island community and our partners in the military together. The military buildup signals the beginning of a new chapter in the partnership between the residents of Guam and the United States Armed Services.

Beyond the historic symbolism of the move, the military buildup offers our community and the Federal Government a unique opportunity to coordinate local and Federal resources to improve the overall infrastructure on our island, which is key to our economic growth and achieving an overall better quality of life for our families and military service personnel on Guam. Moreover, the defense alliance and agreement with the government of Japan will bring

about increased military cooperation and training exercises on Guam.

Guam welcomes these exercises that further strengthen the strategic partnership. Operation Valiant Shield is evident of the growing interest in hosting multilateral training exercises from Guam. These exercises translate into security for our island in the region, and into jobs and earnings for our businesses that will increase government revenues and enable infrastructure improvements.

Moreover, even before the buildup begins in earnest, we are seeing the early fruits of economic prosperity. Media reports have shown that property values have risen by 300 percent over the past year. Rising property values means equity for the residents of Guam, and that translates into wealth. A well-planned, integrated and coordinated master plan for the buildup will ensure that all of our residents can benefit from future economic opportunities that will improve their quality of life without sacrificing our heritage and culture.

The buildup also offers other areas for improving our quality of life. The increased military presence stands to bring about better veterans services. Two weeks ago, the Secretary of Veterans Affairs announced the approval of a $5.4 million clinic to provide veterans on Guam with access to a modern healthcare facility. This announcement is indicative of new services on the way for our veterans.

Also, we can expect that there will be increased medical expertise at the Naval Hospital with growth in our island's population. Residents of Guam will benefit from the increase of medical expertise on the island. I encourage the Department of Defense and the Government of Guam to review areas for increased cooperation between the Naval Hospital and GMH in light of the buildup. These opportunities will only come if local, Federal, and military leaders cooperate and integrate their planning.

The military buildup on Guam has been described as difficult, unique, impossible, and doomed for failure. Well, I would beg to differ with such characterizations. Instead, I believe the military buildup presents our community with opportunities that we would be foolish to ignore. Yet, we would also be foolish to underestimate the challenges it presents.

There is no question in my mind that we face many challenges, but I think all of us would prefer to be facing these challenges that are associated with growth rather than facing challenges associated with decline. We must be honest with ourselves and each other in this process. I prefer to be optimistic, but realistic. We must keep things in perspective if we are to succeed.

The announcements and initial planning to date have generated senses of elation, anger, anxiety, but some view the buildup from a broad and balanced perspective. Others are concerned with certain angles and elements given their roles and standing in the community, past experiences or education, and professional background.

This hearing, this morning, and the dialogue that will be continued after today, is meant to capture a wide range of views and concerns. Three panels have been organized today with witnesses representing a broad cross-section of our community.

This hearing marks the beginning of our dialogue and will lay the foundation for a Congressional record on the buildup with focus on the civilian community and the concerns of our people.

As Senator Pangelinan has stated, this buildup is an unprecedented move that we cannot afford to have addressed in a precedented way. It is an opportunity for the Federal Government and the Government of Guam to develop together innovative solutions to the challenges it presents.

Since the establishment of a Joint Chiefs of Staff, the Department of Defense has been moving toward the creation of a truly joint or total force concept for all military forces. The Department of Defense has, with the Guam buildup, the unique opportunity to trail blaze a new era in the management of complex projects and to further its jointness approach beyond simply its own services.

At the end of the day, the buildup of forces on Guam should be held as an example of how interagency cooperation and integration with civilian authorities can lead to successful outcomes. Cooperation and integration are critical to ensuring that the challenges surrounding the buildup can be overcome with innovative and forward-thinking solutions. A jointness approach should be adopted by the Department of Defense and the Government of Guam.

Allow me to touch upon a few of the challenges that I know will be discussed by our witnesses today. One challenge that has been identified is the availability of sufficient human capital for projects. The Fiscal Year 2008 budget should contain up to $345 million in military construction alone. To put that figure in perspective, the Department of Defense estimates that the on-island capacity for all construction is about $400 million. By Fiscal Year 2010, we are told that initial plans call for an increase in military construction to approach $2.5 billion for this buildup to work, a sevenfold increase over Fiscal Year 2008 funding.

We will have to continue working together to ensure that our workforce currently on Guam is provided with adequate training opportunities in order to take advantage of skilled labored jobs that become available as a result of the buildup. That is why Chairwoman Christensen and I visited GCC last week. We need to exhaust this option before we earnestly discuss access to human capital beyond our borders.

Another challenge that has been raised is the capacity of our port. The port has to prepare for the increase in shipping traffic, possibly as much as a 70 percent increase within the next four years. I have consulted with Governor Camacho and Federal officials about the port, and I am confident that the port will be able to adapt and make the necessary improvements that we need if cooperation begins today. Our community has to find consensus on the issue of port expansion, and policy makers have to really consider what the future of the port will be.

Finally, while the buildup will provide a better quality of life and economic opportunity for residents of Guam, we cannot sacrifice the beauty and the ecological integrity of our island. Earlier this year, the Department of Defense commenced scoping meetings for the Environmental Impact Statement or the EIS. As General Bice will testify, the next step is to have the military do a more comprehensive analysis of the environmental impacts the buildup will bring

for our island. The EIS may take 2 to 3 years to complete, and I assure you that wait will be worth it. A thorough analysis of all opportunities for improving infrastructure must be looked at and addressed in the final EIS document.

In keeping with our promise to be innovative and forward-thinking, I hope that an EIS and a master plan will take into account opportunities for development of green infrastructure. In all cases where it is feasible we should be trying to build environmentally friendly and sensitive projects. I support the process and the approach that the Department of Defense has adopted in this early stage of planning.

A single, comprehensive EIS for the buildup best ensures that our community has the opportunity to comment on all aspects of the planning, and that it compels the Department of Defense to render a balanced assessment of the impacts for our community, our environment. I urge the Department of Defense to continue strong public dialogue in this process, and to agree to reasonably mitigation in the event of adverse impacts.

A project of this magnitude does not come without considerable challenges. However, I believe that our challenges will lead to progress. I'm optimistic that we can overcome these challenges, but I recognize that our goals must remain realistic as we move forward. The people of Guam have faced countless challenges over the course of our history, and have overcome these challenges time and time again.

Our hearing today marks the beginning of an oversight role in Congress on the military buildup. It was important to hold our first such oversight hearing right here in Guam so that all of our citizens can listen to the concerns, the ideas, and the solutions proposed by various local and Federal leaders involved with the military buildup.

Federal officials should be honest and direct in responding to Congress, and to the Government of Guam on this project. I have confidence in the Federal leaders that we will hear from today, and I have confidence in the talents and the potential of our community.

Our role in Congress will continue to be to hold officials accountable in this process, and to ensure that all levels of government and civilian private sector leaders are working together for the benefit of all our residents. I am here today as a representative of all the people of Guam, and I am willing and ready to do my part to assist our leaders in working with the Federal Government.

I want to commend Deputy Assistant Secretary David Cohen in cooperation with General David Bice, and the Joint Guam Program Office for beginning an interagency dialogue with Federal partners in the Government of Guam.

It is time to get serious about the planning. There will be no blank check written to the Department of Defense or the Government of Guam. There is no magic wand that either the Federal Government or the Government of Guam can wave to solve these challenges. Success will be brought by planning and prioritization.

We must fully take advantage of and utilize existing Federal programs and the mechanisms to meet identified needs. This is where partnership becomes the critical link to making this buildup work

for all of us, for all the people of Guam, the military, the Federal Government.

Again, I thank Chairwoman Christensen for holding this hearing, and I look forward to all the witnesses testimony. Thank you.

Mrs. CHRISTENSEN. Thank you, Madam Chairwoman Bordallo.

[The prepared statement of Ms. Bordallo follows:]

Statement of The Honorable Madeleine Z. Bordallo, a Delegate in Congress from Guam

Madam Chairwoman, thank you for agreeing to hold this very important hearing today on Guam about the impending military build-up for our island. As you know, this hearing is very important to us—to my constituents—as it is the first Congressional hearing to be held on Guam in 24 years. It has been my firm belief that the military build-up on Guam will offer our community a unique opportunity to grow our economy and to improve our public works and infrastructure.

The 2005 Integrated Global Presence and Basing Strategy (IGPBS) from the Overseas Basing Commission, which was chartered by Congress, laid the groundwork for the rebasing of roughly 8,000 Marines from the 3rd Marine Expeditionary Force to Guam from Okinawa, Japan. The Overseas Basing Commission report reaffirmed the strategic importance of Guam in the region. By placing United States Armed Forces on Guam it affords the Department of Defense the flexibility and freedom of action to respond to regional threats and crises, while providing our island and our people additional security in the face of rising global threats.

This very point of the strategic value of Guam has been underscored in Washington before Congress by many defense analysts and leaders, including our immediate previous Secretary of Defense, Donald Rumsfeld, who traveled to Guam in 2003, to review for himself the opportunities for and value of placing additional assets and personnel on our military bases. The strategic value of Guam was also emphasized by Governor Camacho, the Guam Chamber of Commerce, and myself, before the Base Closure and Realignment (BRAC) Commission in 2005. And the recognition of the strategic value of Guam is a key reason why we now see renewed interest and investment from DoD in our military bases. I continue to believe and maintain that the BRAC closures in the 1990s were a mistake, including the closure of the Ship Repair Facility (SRF), the Public Works Center (PWC), the redeployment of ships and aircraft that were based here, and the downsizing of the Naval Computer and Telecommunications Area Master Station Pacific (NCTAMS).

The Secretary of State, Dr. Condoleezza Rice, has declared 2007 to be the "Year of the Pacific." The United States is increasingly focusing on efforts in our region to increase stability, good governance and economic development through closer political, economic and cultural ties to our neighbors. Our island is central to these efforts.

All of this has laid a foundation for a renewed bilateral defense alliance with our friend and ally, Japan, which has moved Guam into a unique and high-level focus inside the Pentagon.

Secretary Rumsfeld reminded me on several occasions that the U.S. military "goes where we are wanted." Such sentiment is particularly relevant to the build-up for Guam. I have consistently maintained throughout my public career that the partnership we enjoy here on Guam with the U.S. military is beneficial to us overall and represents a key area, which through mutual respect and cooperation, we have and can continue to grow our economy. My belief in this regard has only grown stronger over the years and been reinforced with the opportunities presented before us with this build-up.

Although the size of the military build-up is substantial in terms of investment needed for infrastructure, the total number of military personnel that will be moving to our island is roughly the same as the total numbers of military personnel that were stationed on Guam during the 1980s and early 1990s. In fact, the realignment of the 3rd Marine Expeditionary Force is a homecoming for the same division of Marines that liberated our island from enemy occupation 63 years ago. The Marines are returning to a community that respect and appreciate their selfless dedication and heroism. Many of our own sons and daughters have served and continue to serve proudly and honorably in the United States Armed Forces today. We welcome this move just as we would expect other communities to welcome our sons and daughters on the bases in their communities.

The United States Marine Corps and the Navy have had a long and storied history on Guam. It is this history that bonds our island community and our partners in the military together. The military build-up signals the beginning of a new chap-

ter in the partnership between the residents of Guam and the United States Armed Forces.

Beyond the historic symbolism of the move, the military build-up offers both our community and the federal government a unique opportunity to coordinate local and federal resources to improve the overall infrastructure on our island—which is key to our economic growth and achieving an overall better quality of life for our families and military service personnel on Guam. Moreover, the defense alliance and agreement with the Government of Japan will bring about increased military cooperation and training exercises on Guam. Guam welcomes these exercises that further strengthen this strategic partnership. Operation Valiant Shield is evidence of the growing interest in hosting multilateral training exercises from Guam. These exercises translate into security for our island and the region, and into jobs and earnings for our businesses, that will increase government revenues and enable infrastructure improvements.

Moreover, even before the build-up begins in earnest we are seeing the early fruits of economic prosperity. Media reports have shown that property values have risen by 300% over the past year. Rising property values mean equity for the residents of Guam—and that translates into wealth. A well planned, integrated and coordinated master plan for the build-up will ensure that all of our residents can benefit from future economic opportunities that will improve their quality of life without sacrificing our heritage and culture.

The build-up also offers other areas for improving our quality of life. The increased military presence stands to bring about better veterans' services. Two weeks ago, the Secretary of Veterans' Affairs announced the approval of a $5.4 million Community Based Outpatient Clinic (CBOC) to provide veterans on Guam with access to a modern health care facility. This announcement is indicative of new services on the way for our veterans. Also, we can expect that there will be increased medical expertise at the Naval Hospital with growth in our island's population. Residents of Guam will benefit from the increase of medical expertise on-island. I encourage the Department of Defense and the Government to Guam to review areas for increased cooperation between Naval Hospital and Guam Memorial Hospital (GMH) in light of the build-up.

These opportunities will only come to fruition if local, federal and military leaders cooperate and integrate their planning. The military build-up on Guam has been described as difficult, unique, impossible, and doomed for failure. I would beg to differ with such characterizations. Instead, I believe the military build-up presents our community with opportunities we would be foolish to ignore. Yet, we would also be foolish to underestimate the challenges it presents. There is no question that we face many challenges, but I think all of us would prefer to be facing these challenges that are associated with growth, rather than facing challenges associated with decline. We must be honest with ourselves and each other in this process. I prefer to be optimistic, but realistic. We must keep things in perspective if we are to succeed.

The announcements and initial planning to date have generated senses of elation, anger, anxiety, and trepidation. Some view the build-up from a broad and balanced perspective; others are concerned with certain angles and elements given their roles and standing in the community, past experiences, or education and professional background.

This hearing, and the dialogue that will be continued after today, is meant to capture a wide range of views and concerns. Three panels have been organized today with witnesses representing a broad cross-section of our community. This hearing marks the beginning of our dialogue, and will lay the foundation for a Congressional record on the build-up with focus on the civilian community and the concerns of our people.

As Senator Pangelinan has stated, this build-up is an unprecedented move that we cannot afford to have addressed in a precedented way. It is an opportunity for the federal government and the Government of Guam to develop together innovative solutions to the challenges it presents.

Since the establishment of a Joint Chiefs of Staff (JCS), the Department of Defense has been moving towards the creation of a truly "joint" or "Total Force" concept for all military forces. The Department of Defense has—with the Guam build-up—the unique opportunity to trail blaze a new era in the management of complex projects and to further its "jointness" approach beyond simply its own services. At the end of the day, the build-up of forces on Guam should be held as the example of how interagency cooperation and integration with civilian authorities can lead to successful outcomes. Cooperation and integration are critical to ensuring that the challenges surrounding the build-up can be overcome with innovative and forward-thinking solutions. A "jointness" approach should be adopted by the Department of Defense with the Government of Guam.

Allow me to touch upon a few of the challenges that I know will be discussed by our witnesses today.

One challenge that has been identified is availability of sufficient human capital for projects. The Fiscal Year 2008 budget could contain up to $345 million in military construction alone. To put that figure in perspective, the Department of Defense estimates that the on-island capacity for all construction is about $400 million. By Fiscal Year 2010, we are told initial plans call for an increase in military construction to approach $2.5 billion for this build-up to work—a seven fold increase over Fiscal Year 2008 funding.

We will have to continue working together to ensure that our workforce currently on Guam is provided with adequate training opportunities in order to take advantage of skilled labor jobs that become available as a result of the build-up. That is why Chairwoman Christensen and I visited Guam Community College (GCC) last week. We need to exhaust this option before we earnestly discuss access to human capital beyond our borders.

Another challenge that has been raised is the capacity of our port. The port has to prepare for the increase in shipping traffic, possibly as much as a 70% increase within four years. I have consulted with Governor Camacho and federal officials about the port, and I am confident that the port will be able to adapt and make the necessary improvements that we need if cooperation begins today. Our community has to find consensus on the issue of port expansion and policy makers have to really consider what the future of the port will be.

Finally, while the build-up will provide a better quality of life and economic opportunity for residents of Guam we cannot sacrifice the beauty and ecological integrity of our island. Earlier this year the Department of Defense commenced scoping meetings for the Environmental Impact Statement or the EIS. As General Bice will testify, the next step is to have the military do a more comprehensive analysis of the environmental impacts that the build-up will bring for our island. The EIS may take two to three years to complete and I assure you that the wait will be worth it. A thorough analysis of all opportunities for improving infrastructure must be looked at and addressed in the final EIS document. In keeping with our promise to be innovative and forward-thinking, I hope that an EIS and master plan will take into account opportunities for development of "green" infrastructure. In all cases where it is feasible, we should be trying to build environmentally friendly and sensitive projects. I support the process and approach that the Department of Defense has adopted in this early stage of planning. A single, comprehensive EIS for the build-up best ensures that our community has the opportunity to comment on all aspects of the planning, and that it compels the Department of Defense to render a balanced assessment of the impacts for our community and our environment. I urge the Department of Defense to continue strong public dialogue in this process, and to agree to reasonable compensatory mitigation in the event of adverse impacts.

A project of this magnitude does not come without its share of considerable challenges. However, I believe that our challenges will lead to progress. I am optimistic that we can overcome these challenges, but I recognize that our goals must remain realistic as we move forward. The people of Guam have faced countless challenges over the course of history and have overcome these challenges time and time again.

Our hearing today marks the beginning of our oversight role in Congress on the military build-up. It was important to hold our first such oversight hearing right here on Guam so that all of our citizens can listen to the concerns, ideas and solutions proposed by various local and federal leaders involved with the military build-up. Federal officials should be honest and direct in responding to Congress and to the Government of Guam on this project. I have confidence in the federal leaders that we will hear from today, and I have confidence in the talents and potential of our own community. Our role in Congress will continue to be to hold officials accountable in this process and to ensure that all levels of government and civilian private-sector leaders are working together for the betterment of all residents. I am here as the representative of all the people of Guam, and I am willing and ready to do my part to assist our leaders in working with the federal government. I want to commend Deputy Assistant Secretary David Cohen, in cooperation with General David Bice and the Joint Guam Program Office, for beginning an interagency dialogue with federal partners and the Government of Guam.

It is time to get serious about the planning. There will be no blank check written to the Department of Defense or the Government of Guam. There is no magic wand that either the federal government or the Government of Guam can wave to solve these challenges. Success will be brought by planning and prioritization. We must fully take advantage of and utilize existing federal programs and mechanisms to meet identified needs. This is where partnership becomes the critical link to making this build-up work for all of us.

Again, I thank Chairwoman Christensen for holding this hearing and I look forward to all of the witnesses' testimony.

Mrs. CHRISTENSEN. If there are no objections, I'd now like to submit, for the official record, the written testimony of the following individuals: John and Cherry Aguon, Carlotta Leon Guerrero, The Honorable Judith Paulette Guthertz of the 29th Guam Legislature, Wayne Nastri, Regional Administrator for Region 9 of the U.S. Environmental Protection Agency, Michael D. Setzer II, Abraham Wong, Division Administrator, Hawaii Division of the Federal Highway Administration. And hearing no objections, so ordered.

[NOTE: Statements submitted for the record by the following individuals have been retained in the Committee's official files:]

- John and Cherry Aguon
- Antonio Artero, Realtor/ Submariner-U.S. Navy (Ret.)
- Deborah C. Belanger
- Senator Frank F. Blas Jr., Legislature of Guam
- Yvonne M.G. Blas
- Bob Bureau
- Senator Edward J.B. Calvo, Vice Speaker, 29th Legislature of Guam
- Robert N. Celestial Sgt, President, "Pacific Association For Radiation Survivors" (PARS)
- Manuel Cruz, Acting Executive Director of the Guam Development Disabilities Council (GDDC)
- Arnold Davis, Major, USAF (Ret)
- Felixberto R. Dungca Jr.
- Florence Dungca
- George C. Eustaquio
- Monaeka Flores
- Fuetsan Famaloa'an
- Carlotta Leon Guerrero
- Judith Paulette Guthertz, 29th Legislature of Guam
- Cole Herndon
- Dr. Thomas J. Iverson, Professor of Economics, University of Guam
- Senator Frank T. Ishizaki, 29th Guam Legislature
- Jesse Anderson Lujan, 29th Guam Legislature, Chairman of Committee on Aviation, Federal Affairs, Labor, Housing, Banking and Insurance
- Saina Ma'ase
- Greg S. Massey, Administrator, Alien Labor Processing and Certification Division, Guam Department of Labor
- Peter C. Mayer, Ph.D.
- Prudencio F. Meno
- Wayne Nastri, Regional Administrator, U.S. Environmental Protection Agency
- Mary A. Y. Okada, President, Guam Community College (on behalf of)
- John A.B. Pangelinan
- Debbie Quinata
- Matt Rector, President, AFT Local 1581, AFL-CIO
- Senator Rory J. Respicio, 29th Legislature of Guam
- Michael D. Setzer
- Peter R. Sgro, Chairman, Guam Hospital Development Forum
- Dr. David L.G. Shimizu, 29th Guam Legislature
- Berrie Straatman
- Kenneth T. Tagawa, General Manager, Port Authority of Guam
- John Ray Taitano, President, Veterans Advisory Council
- Albert S. Topasna, Investigator
- Mary Torre, President, Guam Hotel and Restaurant Association
- Charles H. Troutman
- David B. Tydingco, Chairman, Guam Visitors Bureau Board of Directors
- Antonio R. Unpingco, 29th Guam Legislature
- Richard H.J. Wyttenbach-Santos
- Alfred Ysrael

Mrs. CHRISTENSEN. I would now like to recognize the first panel of witnesses, The Honorable David B. Cohen, Deputy Assistant Sec-

retary for Insular Affairs at the U.S. Department of the Interior; Mr. David F. Bice, Executive Director of the Joint Guam Program Office; and Mr. Kenneth Lujan, Administrator for Guam and the CNMI for the U.S. Small Business Administration.

The Chair now recognizes Deputy Assistant Secretary Cohen to testify for five minutes. The timing lights for all of the witnesses is on the table and will indicate when your time has concluded. And please remember that your full statements will be admitted into the record.

STATEMENT OF DAVID B. COHEN, DEPUTY ASSISTANT SECRETARY FOR INSULAR AFFAIRS, U.S. DEPARTMENT OF THE INTERIOR

Mr. COHEN. Hafa Adai, Madam Chairwoman and Madam Congressman. It is a pleasure to appear before you today.

As you know, the Department of Defense is planning to transfer approximately 8,000 Marines and 9,000 family members from Okinawa to Guam at the cost of more than $10 billion. Impacts for Guam will be significant.

Secretary Dirk Kempthorne and the Department of the Interior have a great interest in these developments. The Secretary is responsible for generally administering the Federal Government's relationship with the territories. The Secretary also chairs the Interagency Group on Insular Areas, or the IGIA, which coordinates Federal policy with respect to the U.S. territories. The Secretary of the Interior has offered the services of the IGIA to the Department of Defense to coordinate Federal agency participation in this project.

The IGIA has established a working group on Guam military expansion to address issues related to the military buildup. The working group supports the efforts of General Bice and DOD's Joint Guam Program Office, and follows its lead, and includes in addition to DOD and Interior, the Departments of State, Agriculture, Health and Human Services, Labor, Justice, Transportation, Housing and Urban Development, Education, Veterans Affairs, as well as the Small Business Administration, the Office of Management and Budget, the U.S. Postal Service and others. We are working closely with the Government of Guam, both the Governor's administration and the Legislature, whom the Secretary met with when he was here, Guam's Delegate to the U.S. House of Representatives, Congresswoman Bordallo, members of the community, and will be working closely with the leaders of other island communities as well.

On August 2nd, the IGIA hosted a meeting of numerous Federal agencies regarding the Guam military buildup. Besides the general meeting, five specialty workshops were convened to discuss policy and resource requirements relating to (1) labor and workforce issues, (2) Guam civilian infrastructure needs, (3) health and human services requirements, (4) the environment, and (5) socioeconomic issues.

At this point, we are making a comprehensive effort to identify issues that will need to be addressed in order for the buildup to proceed smoothly, and are tasking agencies with the responsibility to address issues that fall within their respective domains.

It is anticipated that this project will require 12,000 to 15,000 construction workers. This large requirement for construction workers can be satisfied from pools of U.S. citizens located in Guam, the CNMI, other territories in the 50 states, Freely Associated State citizens, and foreign nationals, mainly from nearby countries.

Currently, the number of journeyman construction workers that are labor eligible on Guam is limited. Journeyman workers from Asia can be relocated for work on Guam, but they must acquire an H-2B visa. Nationally, only 66,000 H-2B visas are issued annually. The Guam requirement for construction workers alone is approximately 20 percent of this nationwide cap. Attracting labor eligible journeyman workers from the 50 states may be quite a challenge, given that the construction industry has been so fully engaged in Hawaii and in parts of the Western U.S. mainland.

There are pools of underemployed workers on Guam, in the CNMI, and in the Freely Associated States, who can be trained, placed in apprenticeship programs, fill in behind journeyman workers for a time, and later become journeymen themselves. But we need sufficient planning and lead time to make this scenario a reality.

We are coordinating our efforts with the U.S. Department of Labor to establish training and apprenticeship programs in Hawaii, Guam, the CNMI, and the Freely Associated States. The job opportunities created by such programs will not only benefit the military on Guam, but will benefit our island communities in the Pacific.

After the primary facilities are constructed, the new infrastructure on Guam should provide the people of Guam with good job opportunities over the long term. The Federal Government will need to partner with the Government of Guam and with the private sector to ensure that Guam's workforce will be ready to take advantage of opportunities in information technology, management, and other fields, as well as a whole range of opportunities that will result from an expanding economy.

One of the challenges that we will face will be to ensure that Guam civilian infrastructure can keep pace with the demands of the buildup and the results of the buildup. It will take creative collaboration among the Federal Government, the Government of Guam, the community in Guam and the private sector to address this challenge.

Throughout Secretary Kempthorne's recent trip to the U.S.-affiliated Pacific, accompanied by Assistant Secretary of the Navy B.J. Penn, the Secretary stressed the need to ensure that Guam's military buildup is good for Guam and good for the neighborhood. If the project is planned and implemented properly, Secretary Kempthorne's vision will indeed come to pass. And in fact, it is not only Secretary Kempthorne's vision, but it is a vision that's constantly resided by the Department of Defense, Assistant Secretary Penn, and General Bice as well.

The construction of military facilities, and accompanying improvements to civilian infrastructure, will create job opportunities for the people of Guam, with opportunities left over for the people of the CNMI, other territories and the Freely Associated States. The resulting infrastructure will result in the opportunity for good

long-term jobs. The increase in Guam's population, by an estimated 35,000 to 40,000 people, or over 20 percent, will create opportunities. All of these new people will, after all, need places to live, places to shop, places to dine, products and services to buy, roads to travel on, utilities to serve them. All of these needs will give rise to business opportunities and job opportunities. These people will also need places to visit for a change of pace, and many nearby island communities will be waiting to fill that need. Saipan, Tinian, Rota, Palau, Yap, Chuuk, Pohnpei, Kosrae, the Marshall Islands, and even American Samoa, all offer stunning natural beauty and a slower pace than they'll find in Guam. There will be tourism development opportunities in these places.

In order for us to realize this positive scenario, we will have to do our homework. We will have to identify critical path items and potential bottlenecks, and find ways to ensure that we address our challenges in a timely fashion. We don't have all of the answers yet, but we have begun in earnest the task of identifying issues and developing solutions in partnership with the community in Guam. This effort will take a great deal of collaboration among the Federal Government, the Government of Guam, the people of Guam, the private sector and peoples of the surrounding islands. As the leader of the Interagency Group on Insular Areas, the Department of the Interior is prepared to do its part to make this massive endeavor a success. Si Yu'us Ma'ase.

Mrs. CHRISTENSEN. Thank you, Deputy Assistant Secretary.

[The prepared statement of Mr. Cohen follows:]

Statement of David B. Cohen, Deputy Assistant Secretary for Insular Affairs, U.S. Department of the Interior

Madam Chairwoman and members of the panel, it is a pleasure to appear before you today to discuss the U.S. military buildup on Guam and the challenges facing the military and civilian communities.

As you know, the Department of Defense is planning to transfer approximately 8,000 Marines and 9,000 family members from Okinawa to Guam at a cost of more than $10 billion. This cost will be shared between the U.S. Government and the Government of Japan. As General David Bice notes in his statement, impacts for the U.S. territory of Guam will be significant.

Secretary Dirk Kempthorne and the Department of the Interior have a great interest in these developments. The Secretary has two responsibilities that connect the Department to the realignment of Pacific forces. First, the Secretary is responsible for generally administering the Federal Government's relationship with the United States territories, and administers the financial assistance that the U.S. provides to the Freely Associated States (FAS) under the Compacts of Free Association. Second, the Secretary chairs the Interagency Group on Insular Areas, which is tasked with coordinating Federal policy with respect to the U.S. territories.

Interagency Group on Insular Areas

The Interagency Group on Insular Areas (IGIA) was re-established by President Bush on May 8, 2003 when he signed Executive Order No. 13299. The President designated the Secretary of the Interior as the presiding officer of the IGIA, and the Secretary of the Interior has offered the services of the IGIA to the Department of Defense to aid in coordinating Federal agency participation in this important base realignment project. In this regard, the IGIA has established a Working Group on Guam Military Expansion to address issues related to the military buildup. The Working Group includes the Departments of State, Agriculture, Health and Human Services, Labor, Justice, Transportation, Housing and Urban Development, Education, Veterans Affairs, as well as the Navy, the Small Business Administration, the Office of Management and Budget, and others. We are working closely with the Government of Guam and Guam's Delegate to the U.S. House of Representatives, and will be working closely with the leaders of other island communities as well.

On behalf of the IGIA, I have met several times with General Bice, most recently on August 2, when the IGIA hosted a meeting of numerous Federal agencies regarding the Guam military buildup. Besides the general meeting, five specialty workshops were convened to discuss policy and resource requirements relating to (1) labor and workforce issues, (2) Guam civilian infrastructure needs, (3) health and human services requirements, (4) the environment, and (5) socio-economic issues.

This is the beginning of a massive effort. The overall task is challenging, not only for the Department of Defense, but for contributing Federal agencies and, most certainly, for Guam. At this point, we are making a comprehensive effort to identify issues that we will need to address in order for the buildup to proceed smoothly, and are tasking agencies with the responsibility to address issues that fall within their respective domains.

Labor Needs

Facilities must be constructed for the 8,000 Marines and 9,000 family members. It is anticipated that such construction will require 12,000 to 15,000 construction workers, with 75 percent of such workers coming from outside of Guam. This large requirement for construction workers can be satisfied from pools of United States citizens located in Guam, the Commonwealth of the Northern Mariana Islands ("CNMI"), other territories, and the 50 states; labor-eligible FAS citizens; and foreign nationals, mainly from nearby countries.

Currently, the number of journeyman construction workers that are labor-eligible on Guam (U.S. and FAS citizens) is limited—both in absolute numbers for the region and because of distance from the U.S. mainland. Journeyman workers from Asia can be located for work on Guam, but they must acquire an H-2B visa, which allows the importation of temporary workers for temporary jobs. Nationally only 66,000 H-2B visas are issued annually. The Guam requirement for construction workers alone is approximately 20 percent of this nationwide cap. As we plan for construction, we must consider pay and transportation incentives for attracting labor-eligible journeyman workers from territories, the 50 states and the FAS. This may be quite a challenge, given that the construction industry has been so fully engaged in Hawaii and in parts of the Western U.S. mainland.

Additionally, there are pools of underemployed workers on Guam, in the CNMI, and in the FAS, who can be trained, placed in apprenticeship programs, fill-in behind journeyman workers for a time, and later become journeymen themselves. But we need sufficient planning and lead time to make this scenario a reality.

We are coordinating our efforts with the U.S. Department of Labor to establish training and apprenticeship programs in Hawaii, Guam, the CNMI, and the FAS. The job opportunities created by such programs will not only benefit the military on Guam, but will benefit our island communities in the Pacific region. In the short-term, the training envisioned will provide immediate economic stimulus for the U.S. Pacific region; in the long-term it will provide valuable skills and higher incomes, which today are in short supply in most of our U.S.-affiliated islands.

After the primary facilities are constructed, the new infrastructure on Guam should provide the people of Guam with good job opportunities over the long term. The Federal Government will need to partner with the Government of Guam and with the private sector to ensure that Guam's workforce will be ready to take advantage of opportunities in information technology, management, and other fields, as well as a whole range of opportunities that will result from an expanding economy.

Financing of Improved Civilian Facilities

One of the challenges that we will face will be to ensure that Guam's civilian infrastructure can keep pace with the demands of the buildup and the results of the buildup. The buildup itself will strain the capacity limitations of Guam's port facilities. The population increase resulting from the buildup will challenge the capabilities of Guam's civilian infrastructure, which is inadequate as it is to address the needs of Guam's current population. It will take creative collaboration among the Federal Government, the Government of Guam and the private sector to address these challenges.

Making Sure the Buildup is "Good for Guam; Good for the Neighborhood"

Throughout Secretary Kempthorne's recent trip through the U.S.-affiliated Pacific, he stressed the need to ensure that Guam's military buildup is "good for Guam and good for the neighborhood." Indeed, if the project is planned and implemented properly, Secretary Kempthorne's vision will indeed come to pass. The construction of military facilities, and accompanying improvements to civilian infrastructure, will create job opportunities for the people of Guam, with opportunities left over for the people of the CNMI, other territories, the Freely Associated States and other Pacific nations. The resulting infrastructure will result in the opportunity for good, long-

term jobs. The increase in Guam's population, by an estimated 35,000 to 40,000 people or over 20 percent including military and family members, construction workers, and other public and private sector service providers, will create opportunities. All of these new people will, after all, need places to live, places to shop, places to dine, products and services to buy, roads to travel on, utilities to serve them. All of these needs will give rise to business opportunities and job opportunities. These people will also need places to visit for a change of pace, and many nearby island communities will be waiting to fill that need. Saipan, Tinian, Rota, Palau, Yap, Chuuk, Pohnpei, Kosrae, the Marshall Islands and even farther away American Samoa all offer stunning natural beauty and a slower pace than they will find on Guam. There will be tourism development opportunities in all of these places.

In order for us to realize this positive scenario, we will have to do our homework. We will have to identify critical path items and potential bottlenecks, and find ways to ensure that we address our challenges in a timely fashion. We don't have all of the answers yet, but we have begun in earnest the task of identifying issues and developing solutions. This effort will take a great deal of collaboration among the Federal Government, the Government of Guam, the people of Guam, the private sector and peoples of the surrounding islands. As the leader of the Interagency Group on Insular Areas, the Department of the Interior is prepared to do its part to make this massive endeavor a success.

Thank you.

Mrs. CHRISTENSEN. And the Chair now recognizes General Bice for his testimony.

STATEMENT OF GENERAL DAVID F. BICE, USMC, EXECUTIVE DIRECTOR, JOINT GUAM OFFICE

General BICE. Thank you, Madam Chair and Congresswoman Bordallo. This a great opportunity to lay out the Department of Defense plans for the U.S. Military buildup on Guam and address the challenges facing the community.

On the 1st of May 2006, the United States and Japan agreed to the realignment of forces on Japan and in the Pacific. One of the several initiatives concerns the move of approximately 8,000 3rd Marine Expeditionary Force personnel and approximately 9,000 family members from Okinawa to Guam. The desired completion date for the relocation is 2014. The total estimated development cost for the relocation of the Marine units to Guam is about $10.27 billion. The Government of Japan will provide up to a total of $6.09 billion, with the remaining $4.18 billion provided by the U.S. Government, as well as any additional cost.

A Guam Joint Military Master Plan is currently being developed. Land-use alternatives are expected to be developed by November 2007, with a planning-level master plan to be completed by July 2008.

An Environmental Impact Statement is also in development. The notice of intent was published in March 2007, and public scoping meetings held on Guam, Tinian, and Saipan in April 2007. The Final Environmental Impact Statement is scheduled for completion in October 2009, with the Record of Decision expected to be signed by the Assistant Secretary of the Navy for Installations Environment by January 2010.

Guam and the surrounding islands' economies will be impacted through the multi-billion dollar construction projects and improvements to the islands' utility services that support the military forces. The addition of approximately 20,000 U.S. service members and their families will add considerably to the islands' economies and tax base through increased demand for retail goods and serv-

ices, airline transportation, housing, entertainment, and consumer spending. The buildup will attract a wide range of individuals from the private sector who engage in professional services, such as medical, education, legal, engineering, human services and others, which will impact the overall quality of life to the island residents.

As Secretary Cohen stated, it is estimated that between 12,000 and 15,000 workers will be needed on Guam to construct the necessary operational, training, housing, and other support facilities. We are working closely with other Federal department agencies and the Government of Guam to create training opportunities for the residents of Guam, CNMI, and Freely Associated States to acquire new skills to be ready for these increased job opportunities. Additionally, we will work with these department agencies to coordinate medical care, support facilities, homeland security impacts, and human services for the arriving U.S. and foreign workers.

We are concerned about the strain on Guam's safety and security services, the impact on small businesses and local job opportunities, and the effect on local quality of life, roads, and access to recreational areas. In many cases, such as police, fire, and roads, the increased capabilities must be in place even before the construction phase begins.

Infrastructure improvements remain a particular area of concern. The commercial port will require significant improvements and upgrades to adequately handle the inflow of construction materials and supplies during and after the military buildup. The capacities for water, power, solid waste, and wastewater are all major concern due to the predicted increase in demand. We will work with other Federal agencies and the Government of Guam to find mutually beneficial ways to improve the existing infrastructure on Guam, where practicable.

DOD is committed to being a good steward of the environment. In partnership with Federal and Guam agencies, we will carefully build in protection for Guam's precious resources—coral reefs, cultural and historic sites, endangered species, and other natural resources. We will take special precautions and actions on invasive species, noise, and air quality. Where needed, we would develop appropriate mitigation plans. We are mindful of Guam's water, wastewater, and solid waste challenges and will do our part in helping Guam in meeting EPA standards.

We recognize Guam's culture and heritage. We will work diligently with Guam's people to ensure that protection. The patriotic spirit of Guam is well-known throughout our services. We honor their service and the sacrifice of those who gave their life in defense of our nation. Their sacrifices will never be forgotten.

The buildup on Guam is one of the most significant events in the region since the end of the Vietnam War. This will bring unprecedented beneficial opportunities to the region. Department of Defense is committed to building a responsible program that supports our national interest, ensures peace and stability in the region, and benefits the people of Guam.

Thank you for this important opportunity to discuss the military buildup on Guam. I also would like to thank you for your continued support for our forces and their missions. Thank you.

Mrs. CHRISTENSEN. Thank you, General Bice.

[The prepared statement of Mr. Bice follows:]

Statement of David F. Bice, Executive Director, Joint Guam Program Office

Madam Chairperson and members of the Subcommittee, thank you for the opportunity to testify on U.S. Military Buildup on Guam and challenges facing the community. As the Executive Director for the Joint Guam Program Office, I am responsible for the planning and integration of the Department of Defense infrastructure capabilities, master plan development, program and budget synchronization, construction oversight, government and business coordination, and strategic communications for the realignment of military forces to Guam.

BACKGROUND

The proposed military buildup on Guam is a key component of the United States Pacific Command's initiative known as the Integrated Global Presence and Basing Strategy (IGPBS). IGPBS transforms U.S. global posture by increasing the flexibility to contend with uncertainty; strengthen allied roles; build new partnerships; create the capacity to act both within and across the Pacific region; develop rapidly deployable capabilities, and focus on effective military capabilities. Principle elements of the IGPBS initiative include the relocation of U.S. Marine Corps ground and air assets to Guam from various locations; creation of a U.S. forward based operating port for modern littoral warfare ships, combat logistics force ships, submarines, surface combatants, and high-speed transport vessels; continued efforts to develop a U.S. Air Force Global Intelligence, Surveillance, and Reconnaissance and Strike hub; and to develop and maintain a robust Western Pacific logistics hub sufficient to support United States Pacific Command's requirements.

Guam's strategic location as the U.S. most western territory in the Pacific will enhance military force flexibility, freedom of action, prompt global reaction, regional engagement, and crisis response. Forces to be located on Guam will be readily employable and positioned forward with strategic and operational maneuver space. Operationally, Guam's location in the Pacific enhances power projection and flexibility for expeditionary missions.

On May 1, 2006, the U.S.-Japan Security Consultative Committee (SCC), consisting of the Secretaries of Defense and State and their Government of Japan counterparts, released a "U.S.-Japan Roadmap for Realignment Implementation" document. The SCC document outlines the schedules and timelines for implementation of the realignment initiatives in the October 29, 2005 SCC document, "U.S.-Japan Alliance: Transformation and Realignment for the Future". One of the several initiatives concerns the move of approximately 8,000 III Marine Expeditionary Force (MEF) personnel and their approximately 9,000 dependents from Okinawa to Guam. The desired completion date for the relocation is by 2014, a date requiring substantial U.S. and Government of Japan financial support and commitment. The estimated total development cost of the relocation of Marine units to Guam is $10.27 billion. The Government of Japan will provide up to a total of $6.09 billion, including $2.8 billion in cash for facilities and infrastructure and $3.29 billion in equity investments and loans to special purpose entities that will provide housing and utilities to support the Marines. The remaining $4.18 billion, and any additional cost growth, will be provided by the U.S. government.

PLANNING

A Guam Joint Military Master Plan is currently being developed. Land use alternatives are expected to be developed by November 2007, with the planning-level master plan to be completed by July 2008. Our preference is to remain on land owned by the federal government, but at this stage we have not determined whether our requirements will fit on existing DoD lands. Our master planning and environmental planning process will determine the appropriate course of action regarding land use.

An Environmental Impact Statement (EIS) is also in development. The Notice of Intent was published in March 2007, and public scoping meetings held on Guam, Tinian, and Saipan in April 2007. As a result of the scoping meetings we received 990 comments from private citizens, elected officials, and numerous organizations and agencies. Some examples of concern expressed by the Public centered on social-economics, utilities, land use planning, public health and social services, and traffic. Consideration of the comments will be ongoing throughout the development of the Environmental Impact Statement. At the request of the Chief of Naval Operations, the EIS will also examine alternatives to support a transient CVN for a period of

21 days several times per year. The Final Environmental Impact Statement is scheduled for completion in October 2009, with the Record of Decision expected to be signed by the Assistant Secretary of the Navy, Installations and Environment by January 2010.

Once the Environmental Impact Statement is complete and the Record of Decision is signed, actual construction may begin. In order to complete the relocation by 2014, it is estimated that the island's construction capacity must exceed $3.0 billion per year, more than three times the highest level of construction activity ever conducted on Guam. We are developing an acquisition strategy and working with the construction industry to find ways to achieve the necessary supply of materials, skilled labor, and management oversight on Guam to support the necessary level of construction activity.

The Department of Defense's Office of Economic Adjustment, which normally assists BRAC-affected communities, is playing a critical role in helping the Government of Guam to plan and prepare for the military build-up. The Office of Economic Adjustment will, in coordination with other Federal Departments and Agencies, provide technical and financial assistance to Guam. Their engagement with the Government of Guam will continue over the long run and will focus on developing a sound, comprehensive and effective assistance strategy and action plan to assist the Government of Guam and its agencies in adjusting to support the construction phase and the eventual arrival of military members and their families.

BENEFITS TO THE AFFECTED COMMUNITIES

Guam and the surrounding island's economies will be impacted though the multi-billion dollar construction projects and improvements to the islands' utility services that support the military forces. The addition of approximately 20,000 U.S. service members and their families will add considerably to the islands' economies and tax base through increased demand for retail goods and services, airline transportation, housing, entertainment, and consumer spending. The build-up will attract a wide range of individuals from the private sector who are engaged in professional services, such as medical, education, legal, engineering, human services, and others, which will improve the overall quality of life to the island residents. The arrival of men and women who routinely volunteer and support churches, schools, youth sports, philanthropic organizations, and community events will add to the social fabric of the communities. The increase in population is expected to spur entrepreneurship; people will invest in island projects and take increased risks that demand greater capital because of the assurance that a population-base exists that will create the demand for new goods or services.

Allied and regional military forces will frequently visit Guam and the surrounding islands for training and military exchanges. The region will benefit by the near-by presence of highly trained and capable forces ready to respond to crises, natural disasters, and events requiring humanitarian assistance. The increased military presence will serve to maintain commercial access to the Pacific Region.

CHALLENGES FACING THE COMMUNITY

We expect the DoD population on Guam will expand from approximately 14,190 to nearly 38,000. This will result in an overall 10 year total population growth rate of nearly 28%—twice the historic high in the 1990s. This does not include construction induced temporary population increase.

It is estimated that 12,000 to 15,000 workers will be needed on Guam to construct the necessary operational, training, housing and other support facilities. Many, perhaps as many as 75% or more of these workers will come from off island and may require H-2B visas ("off island" workers may be FAS workers or other U.S.-authorized workers who do not need H-2B visas). There is a nationwide H-2B Visa cap at 66,000 per year, while the nationwide demand for H-2B Visa workers exceeds that cap. We are working closely with other Federal Departments and Agencies and the Government of Guam to create training opportunities for residents of Guam to and the surrounding U.S. territories to acquire new skills to be ready for these increased job opportunities. Additionally, we will work with these departments and agencies in coordinate medical care, support facilities, homeland security impacts, and human services for arriving U.S. and foreign workers. We will also consider the effects on tourism, local business and fishing industries, and the long term impact on labor opportunities for local citizens and military family members.

Socio-economic areas of concern include the strain on safety and security services (police, fire, and emergency medical support), the impact on small business and local job opportunities, and the effect on local quality of life, roads, and access to recreational areas. Schools are also a priority; the Department of Defense Education Administration Schools and the Guam Public School System must attract and retain

quality teachers for both school systems. In many cases, such as police, fire, and roads, the increased capabilities must be in-place even before the construction phase begins. As you will hear, we are working closely with other Federal Departments and Agencies and the Government of Guam to resolve these issues.

In terms of health and human services, we are concerned about specialty medical care availability on island, medical care for foreign workers, infectious disease risk and public health, the need for additional counseling services, and affordable quality housing. We will be working with Federal and Guam authorities to address these concerns.

Infrastructure improvements remain a particular area of concern. The commercial port will require significant improvements and upgrades to adequately handle the inflow of construction materials and supplies during and after the military build-up. The capacities for water, power, solid waste, wastewater, hazardous waste, roads, and the commercial airport are all of major concern due to the predicted increase in demand. All of these areas will be addressed in the Environmental Impact Statement. We expect the study to identify a substantial need and opportunity to improve the existing infrastructure on Guam. The Government of Guam has identified millions of needed improvements for the island's infrastructure. Although the DoD / Government of Japan funds are intended to provide only facilities to support the arrival of the Marines and their dependents, we will work with other federal agencies and the Government of Guam to find mutually beneficial ways to improve the existing infrastructure on Guam, where practicable.

On August 2, 2007, Department of the Interior, Deputy Assistant Secretary for Insular Affairs, David Cohen and I co-chaired an Inter Agency conference to examine how the Federal Government can better coordinate support and assistance in helping Guam to prepare for this rebasing program. All attendees, representing nearly every Federal Department and Agency, recognized that we need to engage all elements of the Federal Government to support the people of Guam as we ask them to assume a more strategic role in the security of our Nation. As I stated earlier, some of this additional support and assistance to Guam must be in place prior to the construction phase. As we proceed with the relocation effort, Secretary Cohen and I will continue to hold regular Inter Agency meetings to help synchronize Federal support to Guam and the CNMI.

DoD is committed to being a good steward of the environment. We have concurrence from following agencies to serve as cooperating agencies to assist us to adequately evaluate the potential environmental effects of the proposed action: U.S. Department of Agriculture, Federal Highways Administration, Federal Aviation Administration, U.S. Army Corps of Engineers, U.S. Air Force, and the U.S. Environmental Protection Agency. Additionally, in partnership with Federal and Guam agencies, we will carefully build-in protection for Guam's precious marine resources, coral reef, cultural and historic sites, endangered species, and other natural resources. We will take special precautions and actions on invasive species, noise, and air quality standards. Where needed, we will develop appropriate mitigation plans. We are mindful of Guam's water, wastewater, and solid waste challenges and will do our part in helping the Government of Guam in meeting EPA standards. On June 4-5, we conducted a partnering session with all Federal and Guam regulators, where all attendees acknowledged the need to work closely to develop a comprehensive and successful Environmental Impact Statement and action program.

CONCLUSION

The Department of Defense recognizes Guam's culture and heritage. The patriotic spirit of Guam is well known throughout our military services. Men and women from Guam serve our nation around the world. We honor their service and the sacrifice of those who gave their lives in defense of our great nation. We give special tribute to those who have given their lives in the current Global War on Terror. Their sacrifices will never be forgotten.

The Guam relocation requires a coordinated effort involving the Government of Guam, Department of Defense, Federal Agencies, and private businesses. The build-up on Guam is one of the most significant events in the region since the end of the Vietnam War. Relocating over 17,000 military personnel and family members to Guam will have significant impact to the island and region. This will bring unprecedented beneficial opportunities for the region. We need innovative solutions to make this a success. The Department of Defense is committed to building a responsible program that provides for peace and stability in the region, enables operational maneuver for our forces and benefits the people of Guam and the surrounding islands.

Thank you for this important opportunity to discuss the military build-up on Guam. I would also like to thank you for your continued support and dedication.

We have a challenging and exciting program to accomplish and I look forward to working with all involved in the future.

Thank You

Mrs. CHRISTENSEN. The Chair now recognizes Mr. Lujan to testify for five minutes.

STATEMENT OF KENNETH Q. LUJAN, ADMINISTRATOR FOR GUAM AND CNMI, U.S. SMALL BUSINESS ADMINISTRATION

Mr. LUJAN. Hafa Adai and good morning, Chairwoman Christensen and Congresswoman Bordallo. Thank you for inviting me to discuss SBA's commitment to assisting small businesses on Guam. I am Kenneth Lujan, Guam Branch Manager for the U.S. Small Business Administration, SBA. I oversee the areas of responsibility that are in Guam, CNMI, the FSM, Republic of Palau, and Republic of the Marshall Islands.

The mission of the SBA is to aide, counsel, and protect the interests of small business concerns, as well as to advocate on their behalf. SBA's outreach of assistance to small businesses extends to all 50 States, as well as all U.S. territories, in the form of technical, financial, contracting, and disaster recovery assistance. For many years, SBA has aided the island communities with its direct loan programs after natural disasters and its guaranty loan program for start-up and existing small businesses. SBA continues to remain committed to existing small businesses in achieving the entrepreneur spirit on the island of Guam.

I want to provide the Subcommittee with a small business background of the island of Guam. In the year 2002, Guam's establishments numbered 2,926, employed 43,104 people, and generated $4.6 billion in revenues. Small employer establishments with 50 or more employees represented 97.2 percent of businesses on the island. Establishments with 50 or more employees accounted of 51 percent of employed persons and almost 50 percent of revenues. Most of these jobs were in retail trade, accommodations and food services, administrative, support, waste management, and remedial services. In addition, the total number of bank branches in Guam also declined from 34 in 2004 to 31 in 2005. SBA recognizes the challenges of the small business concern and continues to work with the island small business community, as well as our government to adjust such concerns.

Additional statistics for Guam reveal that there currently 38 8(a) firms, 48 Service-Disabled Veteran Owned firms, 104 Women-Owned firms and 203 Minority-Owned firms on Guam that are registered to do business with the Federal Government. SBA is actively engaging with a number of government, private, and nonprofit organizations to expand our public-private partnerships. By doing this, we plan to achieve improved local outreach efforts following a disaster, improving plan capabilities and bolstering processing capabilities.

A challenge affecting the small business community in Guam and its neighboring islands is having the necessary data to make sound business decisions. SBA encourages each business obtaining an SBA-guaranteed loan to develop a business plan to serve as their roadmap to success. Feasibility studies, estimation of cost,

budget forecasting, and management of operations play an intricate role in operating a successful business on this island. SBA provides resources necessary to develop such a roadmap to success. To provide adequate training, counseling, and business development plans, SBA sponsors several Small Business Development Centers on Guam, as well as throughout the islands. And they're there to assist the small businesses.

Guam continues to experience discussions of military buildup, which have stimulated the business environment, as witnessed by the increase in business activity throughout the island. The massive influx of military personnel and their families will bring new business, as well as potential new business owners to the island. SBA will continue to provide assistance to existing small business owners and potential new small businesses, as well as assists them in securing government contracts on the island of Guam, many of which are associated with the Guam Integrated Military Development Plan. These contracts will be crucial to ensure that the island can accommodate the potential reassignment of thousands of military personnel.

Based on Defense Federal Acquisition Regulation (DFAR) 236.570(c)(1), solicitations for military construction contracts that are funded with military construction appropriations and are estimated to exceed $1 million will allow a preference to United States firms. To qualify for the preference, contract performances must be in a United States territory or possession in the Pacific, or in a country bordering the Arabian Gulf. To be defined as the U.S. firm, (1) the corporate headquarters must be in the United States; (2) the firm must have filed corporate and employment tax returns to the United States for a minimum of 2 years, and must have filed State and Federal tax returns for 2 years, and must have paid taxes due as a result of these filings, and (3) the firm must employ the United States citizens in key management positions. This provision allows for contracts to be made to U.S. firms if they are made using appropriate funds.

Since the passage of the Small Business Act in 1953, it has been the policy of Congress to ensure that small businesses receive a fair portion of Federal contracts. The Small Business Acts sets the goal of 23 percent of all Federal contract dollars for small businesses. SBA's Office of Government Contracting and Business Development works to create an environment for maximum participation by the service-disabled veteran-owned, disadvantaged, and woman-owned small businesses in Federal contracting and large prime contract awards.

Guam has experienced an increase in the number of firms that have been certified under HUBZone program or the Historically Underutilized Business Zone. The HUBZone program stimulates economic development and creates business in urban and rural communities by providing Federal contracting preference to small businesses. These preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in the HUBZone.

Under the Transportation Equity Act, the entire island of Guam was designated as a HUBZone location, and as a result, the HUBZone-certified companies are beginning to receive Federal con-

tracts. Currently, there are 122 HUBZone-certified companies located on Guam.

To further assist businesses, SBA is continuously working with our entrepreneur development partners, including the SPDCs, to develop a strategy in which they can play an integral part in assisting small companies that are interested in doing business with the Federal Government. Outreach efforts are being directed toward potential businesses to assist them in registering their companies on the Central Contractor Registry, or CCR, website.

Extensive training modules are planned for the next fiscal year to assist those businesses who are beyond the startup stage, and additional training for those who are just getting started.

With discussions of the Guam Integrated Military Development Plan, SBA will continue to prepare the community with the necessary training, as well as inform small businesses on how to do business with the Federal Government. SBA plans to work with the Department of Defense and U.S. GSA, General Service Administration, to ensure that small businesses in Guam receive a fair opportunity compete for contracts.

With that, I'd like to thank you, Si Yu'us Ma'ase, for the opportunity to speak to you today about this very important topic for the island of Guam. And this concludes my testimony. I look forward to answering questions you may have.

Mrs. CHRISTENSEN. Thank you, Mr. Lujan.

[The prepared statement of Mr. Lujan follows:]

Statement of Kenneth Q. Lujan, Guam Branch Manager, U.S. Small Business Administration

Hafa Adai, Chairwoman Christensen, Ranking Member Fortuño and distinguished members of this subcommittee. Thank you for inviting me to discuss SBA's commitment to assisting small businesses in Guam. I am Kenneth Lujan, Guam Branch Manager for the U.S. Small Business Administration (SBA).

The mission of the U.S. Small Business Administration is to aide, counsel, and protect the interests of small business concerns, as well as to advocate on their behalf SBA's outreach of assistance to small businesses extends to all 50 States, as well as all U.S. territories, in the form of technical, financial, contracting and disaster recovery assistance. For many years, SBA has aided the island communities with its direct loan programs after natural disasters and its guaranty loan program for start-up and existing small businesses. SBA continues to remain committed to assisting small businesses achieving the entrepreneurial spirit on the island of Guam.

I want to provide this subcommittee with a small business background of the island of Guam. In 2002, Guamanian establishments numbered 2,926; employed 43,104 people; and generated S4.6 billion in revenues. Small employer establishments with 50 or more employees represented 97.2 percent of business on the island. Bankruptcies in Guam totaled 10 in 2005, compared to a total of 6 in 2004. Establishments with 50 or more employees accounted for 51.0 percent of employed persons and almost 50 percent of revenues. Most of these jobs were in retail trade, accommodation and food services, administrative, support, waste management and remediation services. In addition, the total number of bank branches operating in Guam declined from 34 in 2004 to 31 in 2005. SBA recognizes the challenges of the small business concern and continues to work with the island small business community, as well as our government to address such concerns.

Additional statistics for Guam reveal that there are currently 38 8(a) firms, 48 Service-Disabled Veteran Owned firms, 104 Women-Owned firms and 203 Minority-Owned firms on Guam that are registered to do business with the federal government. SBA is actively engaging with a number of government, private, and nonprofit organizations to expand our public-private partnerships. By doing this, we plan to achieve improved local outreach efforts following a disaster, improving planning capability and bolstering processing capability.

A challenge affecting the small business community on Guam and its neighboring islands is having the necessary data to make sound business decisions. SBA encourages each business obtaining an SBA-guaranteed loan to develop a business plan to serve as their roadmap to success. Feasibility studies, estimation of costs, budget forecasting and management of operations play an intricate role in operating a successful business on the island of Guam. SB A provides resources necessary to develop such a roadmap to success. To provide adequate training, counseling and business development plans, SBA cosponsors a chapter of Service Corps of Retired Executives (SCORE) and seven Small Business Development Center locations on Guam to assist local small business owners.

Guam continues to experience discussions of military buildup, which have stimulated the business environment as witnessed by the increase in business activity throughout the island. The massive influx of military personnel and their families will bring new business as well as potential new business owners to the island. SBA will continue to provide assistance to existing small business owners and potential new small businesses, as well as assist them in securing government contracts on the island of Guam, many of which are associated with The Guam Integrated Military Development Plan. These contracts will be crucial to ensure that the island can accommodate the potential reassignment of thousands of military personnel.

Based on Defense Federal Acquisition Regulation (DFAR) 236*.570(c)(l), solicitations for military construction contracts that are funded with military construction appropriations and are estimated to exceed $1 million will allow a preference to United States firms. To qualify for the preference, contract performance must be in a United States territory or possession in the Pacific or in a country bordering the Arabian Gulf. To be defined as a U.S. firm: 1) the corporate headquarters must be in the United States; the firm must have filed corporate and employment tax returns in the United States for a minimum of 2 years (if required), must have filed State and Federal income tax returns (if required) for 2 years, and must have paid any taxes due as a result of these filings; and the firm must employ United States citizens in key management positions. (DFAR 252.236-7010). This provision allows for contracts to be made to U.S. Firms if they are made using appropriated funds.

Since the passage of the Small Business Act in 1953, it has been the policy of Congress to ensure that small businesses receive a fair portion of Federal contracts. The Small Business Act sets a goal of twenty three percent of all Federal contract dollars for small businesses. SBA's Office of Government Contracting and Business Development (GCBD) works to create an environment for maximum participation by service disabled veteran-owned, disadvantaged, and woman-owned small businesses in federal government contract awards and large prime subcontract awards. GCBD advocates on behalf of small business in the federal procurement world.

Guam is experiencing an increase in the number of firms that have been certified under the HUBZone (Historically Underutilized Business Zone) certification program. The HUBZone Program stimulates economic development and creates jobs in urban and rural communities by providing Federal contracting preferences to small businesses. These preferences go to small businesses that obtain HUBZone certification in part by employing staff who live in a HUBZone. Under the Transportation Equity Act, the entire island of Guam was designated as a HUBZone location, and as a result, the HUBZone-certified companies are beginning to receive federal contracts. Currently, there are 122 HUBZone certified companies located on Guam.

To further assist small businesses, SBA is continuously working with our entrepreneurial development partners, including SBDCs to develop a strategy in which they might play an integral part in assisting companies that are interested in doing business with the federal government. Outreach efforts are being directed toward potential businesses to assist them in registering their company on the Central Contractor Registry (CCR) website. Extensive training modules are planned for the next fiscal year to assist those businesses who are beyond the "start-up" stage with additional training for those who are just getting started.

With discussions of The Guam Integrated Military Development Plan, SBA will continue to prepare the community with the necessary training as well as inform small businesses on how to do business with the federal government. SBA plans to work with the Department of Defense and U.S. General Services Administration to ensure that small businesses in Guam receive a fair opportunity to compete for contracts.

Thank you and Si Yu'us Ma'ase for the opportunity to speak to you today about this very important topic for the island of Guam. This concludes my testimony; 1 look forward to answering any questions you may have.

Mrs. CHRISTENSEN. I recognize myself for five minutes of questions, and I'll begin with the Deputy Assistant Secretary Cohen. This is a question that really has always—I've always felt I needed to have answered. The IGIA does play a very important role in coordinating the activities leading up to the military buildup, coordinating with different Federal agencies, and you say that its role is in coordinating Federal policy with respect to the territories. Can you—is there a framework for that Federal policy? What is the Federal policy with respect to territories?

Mr. COHEN. Thank you, Madam Chairman. Well, what the IGIA attempts to do is make sure that when the Federal Government does adopt policies that affect the territories, that those policies are adopted, number one, in coordinated fashion, and number two, in a way that's cognizant of the special needs and circumstances of the territories.

So, as you well know, a lot of times, policies might be adopted that applies to the territories as well as to the 50 States, but the policies are designed for the 50 States, and when you apply them to the territories, they have unintended consequences. For example, when a law on airport screeners made citizens of American Samoa ineligible to work at their own airport, that was an example of that type of thing. And then sometimes territories can be inadvertently left out of policies that they should be included in.

So, the IGIA is designed to try to address those issues, number one, making sure that policy toward the territories is well-coordinated, and that's why we think it is very—it is an effective mechanism to bring all the agencies together and to make sure that the special circumstances of the territories are taken into account.

Mrs. CHRISTENSEN. OK, thank you. General Bice, you spoke about training and that the DOD would be involved in training for the jobs and the different needs that will develop out of this military buildup. How is DOD collaborating with the Guam Community College and the Construction Association members here on the island?

General BICE. Thank you, Madam Chairman. We are working closely with the Guam Department of Labor in establishing what we see is our worker requirements and what skills we see that will be needed, and then also working closely with the Secretary Cohen, the U.S. Department of Labor, U.S. Department of Education, and how we can address training here on Guam.

The Department of Defense sees the critical need to get that established, not only for the immediate construction phase that's impending, but also for the long term requirements after the construction is completed.

We see a need for high-tech services, IT, Services and Support Industry, that's going to be here supporting the Federal Government, the military here on Guam. It is going to place great demand for high-skilled workers here, and we would like to see that filled predominantly by Guam citizen and citizens from the local islands. So, yes, we are working closely with Mrs. Connelley at the Guam Department of Labor in establishing those requirements.

Mrs. CHRISTENSEN. Thank you. Mr. Lujan, you gave a history of the small businesses on Guam and gave some statistics, but I'm still not clear on how you assess the health of this small business

sector on Guam today? What is your assessment of the health of the sector of the economy in Guam?

Mr. LUJAN. The health of the economy, thank you——

Mrs. CHRISTENSEN. Small business.

General BICE. Thank you for the question, Madam Chair. The health of the economy right now is, we are still looking at this and ensuring that we improve upon the health. With the influx of the military personnel plus the number of dollar amounts coming through, we are there to try to help and see if we can improve it. At this point in time, as Congresswoman Bordallo mentioned, that with the increase of, the 300 percent increase and real estate prices have gone up, it has afforded the economy some room for some improvements, and there's room for growth. What we like to see, as we go forward with this, is to see that we see more small businesses interact and get engaged with the economy, and get engaged with the contracting activity.

Mrs. CHRISTENSEN. OK. I'm going to stop now because I expect that we are going to have several rounds of question for this panel, and I'd now recognize Congresswoman Bordallo for her questions.

Ms. BORDALLO. Thank you very much, Madam Chair. Good morning, Mr. Cohen——

Mr. COHEN. Good morning.

Ms. BORDALLO.—and welcome back to Guam.

Mr. COHEN. Thank you.

Ms. BORDALLO. My first question is for you. The President's Interagency Group on the Insular Area is known, of course, to everyone here as the IGIA, and it was established by executive order in 2003. It seems to be well-suited and designed to facilitate cooperation with the Federal Government and between the Federal Government and the Government of Guam with respect to this buildup. In what ways has the IGIA engaged in this process to date, and in what function is it being tapped and used with respect to the ongoing buildup? Do you envision a budget formulation and recommendations to OMB through the IGIA? And can the Government of Guam expect Federal partners to come forward with the Department of the Interior in helping to fund identified priorities and requirements?

Mr. COHEN. Thank you for the question, Madam Congresswoman. What the IGIA is doing is facilitating the effort to identify the needs for this buildup, the needs both from the Federal side and the needs as they relate to the community in Guam. And then, whether under the auspices of the IGIA or whether the auspices under the individual agencies, if there are resource requirements that are best addressed by the Federal Government, then we can work within the administration to try to secure those commitments.

What we are doing, for example, is getting all the agencies together to work with the representatives from Guam to identify the critical path items that need to be addressed, and then we are going to get a sense of how much it is going to cost. And the Government of Guam has already done a great deal of work in this regard as well. So, we are in the process of comparing notes. Then we want to look at what existing resources there are to address these and identify any gaps that will prevent us from successfully

implementing the project, both from the military's perspective and from the perspective with the people of Guam. And at that point, certainly, under the leadership of the Department of Defense, possible resource commitments from individual agencies can be explored and formulated. We are not at that point yet, but of course, we have to move very quickly to identify these needs and any resource requirements.

Ms. BORDALLO. So, in your mind, the process is working?

Mr. COHEN. Yeah. We think it is working.

Ms. BORDALLO. General Bice, I have a question for you. Would you care to comment on the role of the IGIA from the Joint Guam Program Office perspective, and how does the Department of Navy intend to help the Government of Guam access and receive Federal support and Federal funds for identified projects that fall outside the gate?

General BICE. Thank you very much, Congresswoman Bordallo. We are working closely with Secretary Cohen and the IGIA on establishing a sense of urgency with other Federal agencies in getting ready for this military buildup. We see that, as I mentioned in my testimony, that there are going to be requirements long before the first construction worker ever shows up, such as police, fire, roads. And we are working closely with respective Federal agencies to identify those requirements, identify the resources needed to provide them, and then certainly the Department of Defense will work in coordination with them to make sure Congress understands those requirements and hopefully gets the funding to support it.

Ms. BORDALLO. Thank you. I have another round of questions, Madam Chair, so if you're going to the second round, I would like to ask.

Mrs. CHRISTENSEN. You can go ahead and ask.

Ms. BORDALLO. All right. This question is for both Mr. Cohen and General Bice. Concerns have been expressed about the social impacts that would likely result from a population increase associated with the military buildup. Senator Won Pat, later today, will testify to these concerns, and states in her written testimony a specific desire for gender issues to be examined. In what ways will the Federal Government be sensitive to the social impacts, and how will social impact be measured, gauged, and mitigated by the Federal Government? Do you believe commissioning a study of social impacts is warranted? And, if so, at what time would such a study be most relevant within the projected time frame for planning, and how might it be pursued and funded? Mr. Cohen, you first.

Mr. COHEN. Sure. I think it is important to address the gender issues in the broader context of the possible—or the likely social impacts of the relocation. From the Department of the Interior's perspective, we are prepared to help with funding. We have a technical assistance budget that can be helpful in this regard. But we also want to talk to our colleagues in the Federal family, you know, as one of the seminars that we had on August 2nd was on socioeconomic impacts. So, we have a number of agencies that are very actively looking at these very issues, Health and Human Services, Department of Education, and others. General Bice highlighted this in his testimony, and so the Department of Defense is sensitive to it. We will defer to the experts in the Federal Government

as to timing, but we are certainly willing to work with our partners in the Federal Government, and the government and community of Guam, to do our part to contribute to this effort.

Ms. BORDALLO. Well, Mr. Secretary, you and I worked very well together since I've been in Congress, so I will look forward to working together with you on these particular issues.

Mr. COHEN. Certainly.

Ms. BORDALLO. General Bice?

General BICE. Yes, ma'am. And, for the Department of Defense, during our scoping sessions we held in April for the Environmental Impact Study, we received over 900 comments from the public. Most of them dealt with socioeconomic issues, and that's going to help us guide our Environmental Impact Study and Statement to address those specific issues. Of course, there's always room and opportunity for additional studies and clarity in that, and certainly speaking on behalf of the Department of Defense, we would welcome any support or any analysis in there that can be taken to make this a beneficial for both the military as well as the people of Guam.

Ms. BORDALLO. Thank you very much. And, Madam Chair, I still have a few more questions.

Mrs. CHRISTENSEN. We will have as many rounds as is needed to get our questions out.

I'm glad to hear the U.S. Assistant Secretary Cohen say that the OIA will be prepared to provide technical assistance grants to do studies that might be needed, because I know that that's a relatively easy process to apply for those funds, and I hope that some would be set aside specifically to deal with the issues that Guam is going to need to research here.

And, Secretary Bice, I'm also glad to hear your answer as well.

I have a couple of other questions. I guess I would go to Secretary Cohen first, as well, on the second round. You've listed the members of the IGIA, and I don't know if it is an oversight, but I don't see Homeland Security listed as a member of the IGIA. And I think, and I'm sure you would agree, that it is a very important—would have a very important role to play, especially in the one that is specifically addressing the issues that come out of the military buildup.

Do you plan to include the Department of Homeland Security? Have you had any informal or formal discussions with the Department? And, if so, could you identify what program offices that you have met and the kinds of discussions, insofar as you can reveal them today, that have gone on?

Mr. COHEN. Oh, certainly. Thank you, Madame Chairwoman.

And, it was an oversight, because they are involved. They are a member of the IGIA and they've been participating with us fully. A number of offices and agencies within Homeland Security have been participating with us.

Off the top of my head, of course, we have U.S. Citizenship and Immigration Services that are going to be instrumental in any effort that we have to seek supplemental labor to the extent that the citizens of Guam and the surrounding territories and Freely Associated States cannot provide enough labor for this project. You know,

we are going to have to explore Federal policies that Homeland Security is going to be centrally involved with.

Mrs. CHRISTENSEN. Do you have an idea of how much of the needed labor can be supplied by CNMI and the Freely Associated States, do you have any idea?

Mr. COHEN. Well, we don't want to totally prejudge it, but the Department of Defense, in its testimony and also in my written statement, is anticipating that perhaps 75 percent of the labor may have to come from outside.

Having said that, it is our intention to maximize the amount of labor that's provided by the citizens of Guam, to the extent that these are the opportunities the citizens want, and we know that the citizens of Guam also want to focus on the long-term higher level managerial opportunities.

But, this is the island of the people of Guam, so they should have first dibs on whatever opportunities——

Mrs. CHRISTENSEN. Absolutely.

Mr. COHEN —they want, and then, you know, Northern Mariana Islands and others.

But—and the General can correct me if I'm wrong—but I believe we are trying to prepare for that type of eventuality where you might need that level of supplementation from the outside. Other agencies as well are participating with us.

Mrs. CHRISTENSEN. Did you want to add anything to that?

I'm assuming that you agree that——

General BICE. Yes ma'am.

Mrs. CHRISTENSEN —Guam, people of Guam first——

General BICE. We certainly want to, because we do want to make this good for the neighborhood. So, we want to exploit as much training as we can for the citizens of Guam, CNMI, and Freely Associated States. But, in the end, we don't think that there's going to be a sufficient labor pool out there to meet all of our needs, and we have to prepare for that eventuality.

What the exact number is, we certainly don't know it at this point, but we know that we are going to have to go for both, and we want to have priority for the Guam labor, CNMI, and for the Freely Associated States.

Mrs. CHRISTENSEN. Thank you.

General Bice, in your statement, you said something to the effect that DOD will work to improve the infrastructure of Guam where practical.

Do you consider power to be an essential element of the operations of the military bases on Guam, and would you say that that's critical? And, if so, isn't it in the military's interest to ensure that the civilian power infrastructure on Guam, which the bases are dependent on, is as robust as possible, or do you believe that it is the local government that should be solely responsible for making those upgrades that would be necessary?

General BICE. Madam Chair, thanks for that answer (sic). It is a good question, and it is an issue that was addressed in the agreement between the United States and Japan. Japan agreed to provide up to $700 million in utility upgrade in support of the Marine relocation here, in the areas of water, wastewater, power, and solid waste management.

In the area of power, we do see a need to increase, add to the capacity, if you will, of Guam's electrical grid, and we are currently doing studies in conjunction with the Guam Power Authority and the Consolidated Commission on Utilities, doing analysis as to how best to do that.

The arrangement we had through special purpose entities with the Government of Japan allows us to extend that beyond the military base, where we would normally stop, and it could positively affect the Guam costumer base.

Mrs. CHRISTENSEN. But I know that in testimony that we will probably hear later from Mr. Sanchez of the Consolidated Commission on Utilities, that he'll say that the military would best be served by using the existing grid rather than creating a new and entirely new system. I'm hearing that, yes, you would help to build up the power infrastructure here, but you're still planning on a separate entirely new system. Don't you know?

General BICE. That is not correct. And——

Mrs. CHRISTENSEN. OK. I'd like to have——

General BICE —we are looking at all options. And, preferably, the Department of Defense does not want to be in the power business. We want to be buying power. We want to be a costumer of power. And working with the Consolidated Commission on Utilities, as well as the Government of Japan, who is making the investment into the infrastructure, we are looking on how best to do that.

But preferably, we'd like to be part of, you know, have to be part of the Guam grid. So, it adds capacity to the grid in support of the military buildup.

Mrs. CHRISTENSEN. But from the U.S. side, the current Guam grid is, or is not, considered critical infrastructure to DOD?

General BICE. Oh, it is certainly is considered critical, yes, ma'am.

Mrs. CHRISTENSEN. OK. Thank you.

Thank you, General.

I now recognize Ms. Bordallo for her questions.

Ms. BORDALLO. Thank you, Madame Chair.

Mr. Lujan, I have a question for you. I've worked with you in the past couple of years to have Guam designated as a HUBZone, all of Guam. And as a result of these developments, I have encouraged eligible small businesses on Guam to apply for the HUBZone certification.

In your testimony today, you noted that there are now 122 such certified firms; is that correct?

Mr. LUJAN. Yes.

Ms. BORDALLO. Yes.

Mr. LUJAN. Yes, it is.

Ms. BORDALLO. OK.

Mr. LUJAN. 122 right now.

This is a moving target actually, because as we see the firms get certified, they also have the responsibility of maintaining that certification. Unlike most of the perception out there, just because the island of Guam is considered to be a HUBZone, they still have to get certification from the SBA.

Ms. BORDALLO. That is correct, yes.

Mr. LUJAN. So, we encourage online applications to get certifications from the SBA.

What we believe, we believe that the HUBZone certification really helps out small businesses. We've seen an increase in contracting activities within both activities, both the Navy and the Air Force.

Ms. BORDALLO. That is going to be the second part of my question. I want to know exactly the numbers. I would encourage the Navy to include HUBZone requirements and local preferences in its contracts related to the buildup as the process moves forward.

And I believe that the set of sites provided for by the HUBZone programs could help Guam small business successfully compete for contracts during the buildup.

First, Mr. Lujan, can you describe how the HUBZone designation has benefited business on Guam so far? And second, can you describe whether you believe HUBZone certified small businesses are more competitive in the Federal marketplace than those companies that are not so certified?

Mr. LUJAN. Well, several years ago when we first started, there was zero. There were no HUBZone companies that were eligible for military contracts here in Guam.

As a result of your assistance and your legislation that help push through HUBZone activity, we've seen a vast improvement upon it. Again the contracting activities are happy with it, both from the subcontracting and contracting, prime contracting submissions. Also, they are also satisfies with the quality of work that's being submitted there.

So, there are opportunities out there for small businesses, and we have seen a vast improvement upon it.

Ms. BORDALLO. Just off-hand can you give me the number of businesses now doing a certified HUBZone, businesses that are doing business with the military as of today?

Mr. LUJAN. As of today, there's approximately about, probably about 20 contracts that have been made by the above.

Ms. BORDALLO. Oh. Very good. All right.

The next question I have is for General Bice. As I mentioned in my opening statement, I believe close coordination and integration of appropriate parties from all levels of government and private industries crucial to the successful buildup. I want to ensure that all parties have appropriate levels of access to and input into the studies that will shape the buildup.

How is the Department of Defense integrating local government and business leaders into the EIS and the Guam Master Plan studies? And, second, is the Department of Defense using the Interagency Group that recently met in Washington, D.C., as the primary mechanism for coordination in integration, and what can Congress do, if anything, to support your coordination with other Federal agencies in the local government?

General BICE. Thank you, ma'am, for the question.

As far as coordinating with agencies, the EIS study will look at a wide range of information, from reference information, from existing Environmental Impact studies that the Air Force, the Navy, has already done here, as well as consulting with local leaders,

local business communities, academia, and experts in the respective field.

So, the EIS is a thoroughly researched and developed document, taking into account all the experts, primary locally here, who can address the impact for this military buildup.

As far as the interagency, we do see a prime role for the interagency to play, because as I've stated before, this is not just a military action, it is a Federal Government action, and that we need to support of all the Federal agencies and departments in helping us to make this a success. And I was glad to see that the meeting that Secretary Cohen and I co-chaired, that we had a response from just about every department agency in the Federal Government in Washington, as well as a large contingent from the Government of Guam and the Task Force Commander to. So we are pleased to see that, and we think that's critical.

Ms. BORDALLO. Thank you.

General, this is a rather difficult question, but I'm going to ask it anyway. Can you give us some idea of the extent of assistance you are giving our local government outside the gate during this military buildup?

I mean, certainly——

General BICE. Yeah.

Ms. BORDALLO —you know, a lot of people are very concerned.

General BICE. Yes. And I certainly understand that there are a lot of questions. We have a lot of questions, as we do our planning.

The National Environmental Protection Act requires a deliberate process to go through as we do our planning. It requires that studies and analysis precede any sort of decision-based planning that we go through. So up to this point, we have been relying heavily on the analysis done by the experts in addressing the impact on a community to potential options. And we will be developing a, what we call a diagrammatic plans, within a month. These are bubbles, if you will, on a map that show the potential way down, and within that, may have different options. From that, we will come up with feasible alternatives that will be developed by November this year. And then from that again, we will come up with a planning level master plan by July of next year.

So, this is a process. I understand the frustration, but believe me, I would like to see the outcome just like anyone elsewhere. But the law requires us to follow through a deliberate process to make sure that we take everything into account before we start deciding anything.

Ms. BORDALLO. Thank you, General.

Thank you, Madam Chair.

Mrs. CHRISTENSEN. Thank you, General Bice.

As you develop that plan, when the plan is in draft, before it comes final, do you then come back to the Government of Guam and the public before it becomes a final document?

General BICE. Thanks for that question, Madam Chair.

Our master plan has to dovetail in closely with the Guam—the Government of Guam's master plan. They currently, as you undoubtedly hear, they currently are also in a master planning process, and that our master plan and their master plan has to build together, because we share the same rose, we share the same infra-

structure. And so we cannot do our planning independent of theirs, neither can they do their planning independent of ours. So we will be closely coordinating and dovetailing our respective plans.

Mrs. CHRISTENSEN. OK.

You know, we hear a lot about the $10 point-something billion dollars. Can you tell us about the $6.02 billion that the Japanese are proposing to put in and the $4-plus billion from the U.S.? Are they dedicated to specific projects, or is there some flexibility that could enable other local projects to use some of that funding?

General BICE. Thank you, Madam Chair, for that question.

The Japanese are committed to provide a little over $6 billion in funding in support of this military buildup. $2.8 billion worth of that is established in—what we will call a Japanese direct funding. That's cash that the DIACT and the Government of Japan will provide to the United States for the building of operational facilities, that is headquarters elements——

Mrs. CHRISTENSEN. So, it is a dedicated that the funding is dedicated to that——

General BICE. Dedicated to the military, operation facilities, as well as barracks, and (unintelligible), mess halls, and that.

Now 3.29 billion of that is established in, what we would call, is often called, Special Purpose Entities, and there's two parts of that. One part is housing, and that includes $2.55 billion for homes, right approximately 3500 homes that we are talking about. And then the $740 million in Special Purpose Entities, it would cover the upgrades to utilities that would support the military move. And the utilities we are talking about was a power, water, wastewater, and solid waste management.

Mrs. CHRISTENSEN. Can you dispel the notion that there is a secret plan for where to house the Marines, and are you being totally open with the public on these issues? There seems to be some sense that there's a secret plan that no one else is—that is not being shared. And I realize there may be some security issues, but in terms of the housing of the Marines, is there some kind a secret plan?

General BICE. No. No, ma'am, there's no secret plan.

Of course, we are looking at Department of Defense lands first, and, you know——

Mrs. CHRISTENSEN. In terms of housing the Marines——

General BICE. In terms of——

Mrs. CHRISTENSEN.—you will be discussing it with the government and the public.

General BICE. Yes, ma'am.

In terms of lay down, we are looking at DOD lands first, and that's where our study started. And then if it is determined that we need other lands, then we will look for that.

We've been approached by landowners on Guam about using——

Mrs. CHRISTENSEN. And those would be lease or purchase. You would look to lease or——

General BICE. To an acquisition program.

And we have been——

Mrs. CHRISTENSEN. And that would be at fair market value?

General BICE. Yes, ma'am.

Mrs. CHRISTENSEN. Thank you.

I have a question that I wanted to ask Mr. Lujan as well. With regard to the Defense Federal Acquisition Regulation, I'm concerned and there's a lot of concern on Guam that the small businesses or the businesses that are located here get first preference for work to be done here. And based on your testimony and your description of what that regulation is affirmed and from anywhere can move to Guam today and meet a two-year requirement, be classified as a U.S. firm and compete on equal footing with a Guamanian company for the work?

Mr. LUJAN. Yes, ma'am, that's correct.

Mrs. CHRISTENSEN. And is there any—do SBA rules or regulations preclude giving preference to companies who've been here longer or which are local over someone that's just been here for two years to qualify?

Mr. LUJAN. Thank you for the question, Madam Chair.

Unfortunately, because of the way DFAR regulations are outlined, there won't be any preference given to any local companies here, per se, which is the reason why we continuously look for opportunities for veteran-owned businesses, women-owned businesses and minority-owned businesses. And we try to get them into the 8(a) Programs so that we could set aside some of these fundings and perhaps also get them into HUBZone——

Mrs. CHRISTENSEN. So, you're going to try to, in the time that we have, to make them more competitive for the projects that will be coming online?

Mr. LUJAN. Correct.

The fastest way of a fast track avenue is to go to through programs that we have currently in place as policy. Any deviation of that policy would create probably delays in the process, which would also ultimately become a delay for small businesses as they're operating their business here locally.

Mrs. CHRISTENSEN. Congresswoman Bordallo, do you have another question that you—(pauses).

OK. I'll ask my last and then I'll turn to you for your last, and we will have questions submitted in writing to the panel for your responses for the record.

During the brief with Administrator Finch—Admiral French and—French, and your staff on the issue—this is to General Bice, the issue was raised regarding the distribution between military personnel stationed and deployed and how such distinction captures or misses taxes which could be collected.

As part of the planning process, is the military or is DOD willing to be creative on issues such as taxation of military personnel and taxes so that in some ways could possibly offset some of the impact caused by the buildup, so that—are you willing to look at creative ways?

I understand that in sports, for example, some states may capture taxes and the team that plays there just for that one game. Are you willing to look at ways that the Government of Guam could capture some more of those taxes to assist them in preparing for this buildup?

General BICE. Thank you, Madam Chair.

We've been asked that question or related questions to that. I'm certainly not the person to talk about creative ways for taxes at

this point. But certainly we will make all of our information known to the Internal Revenue. We've met with Internal Revenue and the Guam Revenue and Tax. We will make all the information known to them as to what we plan to do.

There will be permanently stationed service members, and their families are coming here. There will continually be deployed units coming in here, and they may be here for days and weeks and months. And I'm not certain I understand what all the ramifications from a tax perspective would be on that, but the military still plans on continuing the permanently stationing and deploying of forces in here, transiting of forces in here, and the like.

Mrs. CHRISTENSEN. Thank you. We will probably follow up on that question in writing.

I now recognize Ms. Bordallo for her questions.

Ms. BORDALLO. Thank you, Madam Chair.

This question goes to General Bice. The Government Accountability Office and the Department of Defense have both released reports that reveal contaminants exist in the drinking water supply and in the water and soil on Guam. As the Environmental Impact Study moves forward, to what extent will the EIS take cleanup of existing contaminants in the water and soil into account? And second, will any of the buildup cost go to addressing current environmental mitigation requirements?

I am concerned because I have heard through testimony from the GAO at a recent House Armed Services Subcommittee on Readiness, which I'm member, hearing that the Department of Defense has identified nationwide over $32 billion in environmental restoration requirements at active installations, BRAC, which certainly would include Guam, and formally use defense sites. And with actual funding levels requested well below the overall identified mitigation requirements, how can we be assured on Guam that our environmental challenges will not be worsened, but rather mitigated as a result of the buildup?

General BICE. Thank you, Congresswoman Bordallo, for that question.

We have just started our water utility study on Guam, and that is a concern in terms of looking at the water, the aquifer, the leakage of salt water into the aquifer. You know, that is a concern and will be addressed in the Environmental Impact Study.

What the outcome on that would—I can't predict it at this point. But it is a concern, and if there's mitigation required in terms—because we have to make sure that the water is clean and pure for the military buildup.

Ms. BORDALLO. To everyone.

General BICE. So, that will be addressed, and if there are other actions required, why, that's going to have to be established.

I think that's separate from the issues that you're addressing in terms of environmental cleanup. There are environmental cleanup issues here on Guam, as well as nationwide. And that's being addressed separately as part of the, as I understand, the superfund program there.

As we go through our environmental analysis, if we find, in terms of a lay down site that requires environmental mitigation be-

cause of the contaminants in that, that's certainly going to be addressed as part of our action.

Ms. BORDALLO. Well, I'll be monitoring that, General Bice.

Also, and one last question. Later today, Mr. Benny San Nicolas, representing the two Soil and Water Conservation Districts here on Guam, he will testify to the strong interest of opening up access to the military marketplace for locally grown farm products.

In what ways is the Department of Defense oriented toward procurement of fruits and vegetables from our local farmers? What can be done in this area, and how can we work together to ensure such interests are explored and goals realized?

General BICE. Well, ma'am, having been a former Base Commander, I know that in our procurement process, we are always looking to buy locally, especially when it comes to produce and vegetables and the like there, because it is better, it is more healthy, more wholesome, and it is good for the economy.

Certainly I can't speak for what commanders would be doing in the future, but my suspicion is that they will continue that practice. And, again, it is good for the members of the services and the local economy as well.

Ms. BORDALLO. Thank you, General, and I'll be monitoring that as well.

Thank you, Madam Chair, and I yield back.

Mrs. CHRISTENSEN. Thank you.

I want to thank the witnesses for their valuable testimony and the members for their questions and for your answers.

Members of the Subcommittee may have some additional questions, as I said earlier, for the witnesses and we will ask you to respond to these in writing.

Mrs. CHRISTENSEN. At this time, this first panel is dismissed with our thanks, and I'd like to recognize the second panel of witnesses and thank them for their patience.

The second panel of witnesses are, The Honorable Felix P. Camacho, Governor of Guam; The Honorable Mark Forbes, Speaker of the 29th Legislature of Guam; The Honorable Judith T. Won Pat, Minority Leader of the 29th Legislature of Guam; The Honorable Melissa Savares, Mayor of Dededo and President of the Mayors' Council of Guam; and Mr. Simon Sanchez, Chairman of the Consolidated Commission on Utilities.

Mrs. CHRISTENSEN. Thank you Governor, and I now recognize you, Governor Camacho, to testify for five minutes. Please know that your written testimony will be in the record, and feel free to speak from your testimony or——

Governor CAMACHO. OK.

Mrs. CHRISTENSEN —from just off the top of your head if you wish.

Governor CAMACHO. All right, thank you.

STATEMENT OF THE HONORABLE FELIX P. CAMACHO, GOVERNOR OF GUAM

Governor CAMACHO. Well, good morning Madam Chairwoman and members of the Committee. Thank you for inviting me to testify on the military buildup and the opportunities, issues, and challenges facing our community.

Madam Chair, I also thank you for holding this hearing on Guam. I understood from last night that this is the first Committee Hearing on Guam since 1978. And so it is so significant to better understand the needs and concerns of what I consider to be the single most important issue for us since our liberation in 1944.

As you are well aware, we are poised to receive a significant increase of U.S. military assets over the next decade. The patriotic people of Guam stand in full support of this positive growth in our part of the Western Pacific. But this growth should not happen just inside the military fence line.

Guam's population is expected to increase from 168,564, which was a population in 2005, to an estimated 180,000-plus by 2010, without factoring any increase to the military population. Due to the normal increase, I have directed capital improvements throughout our island, civilian infrastructure, specifically in locations expected to develop more rapidly in light of the expansion as identified by military planners.

Power generation, clean water, wastewater, infrastructure, sanitary landfill, modern roads, our seaport, otherwise known as the Port Authority of Guam, improved social services, and labor, such as required skilled workers, are all priorities of this GovGuam initiative.

The Government of Guam has estimated the cost for infrastructure upgrades for our local infrastructure at roughly $1.1 billion, but as an isolated U.S. Territory, dependent on military and tourism, we are facing a monumental challenge in funding the required infrastructure upgrades on an accelerated time frame. The individual agencies within the Government of Guam are seeking all available funding to support these projects.

The Government of Guam is also taking cost-cutting measures and other approaches to maximize limited funding of opportunities, including public-private partnerships. And for that reason, public sector involvement and infrastructure projects, such as power, water, wastewater, solid waste, port facilities, is anticipated.

I am encouraged that the IGIA Working Group on Military Expansion convened recently at my request, and I thank the members of this Committee for your participation in Washington, D.C. The working dialogue that we had guides the Government and the island's military command in understanding what is needed to respond to this tremendous growth and the impact to our community.

Critical milestones negotiated between the Governments of Japan and the United States, and embedded in the bilateral agreements, have created an externally driven sense of urgency for Guam, for the U.S. Department of the Interior, and other executive branches, branch agencies. The sense of urgency may be contributing to, what we may consider at times, a lack of consideration to the rights of the people of Guam affected by this Department of Defense initiative.

As Governor, I acknowledge that there are many issues and challenges, key decisions and others, that face Guam, some challenges of which are not the responsibility of the Department of Defense. However, funding for direct and indirect costs associated with the move of the 3rd Marine Expeditionary Force to Guam must be addressed and resolved as soon as possible.

It is in everyone's interest that the military expansion be implemented so that the outcomes achieved are sustainable, both physically, socially, and for the foreseeable future. An integrated, holistic approach that considers the Government of Guam's utility and social services, as well as the military value of our island, is crucial. This holistic approach, one that integrates the needs of both the military and the island, should not be significantly more expensive than an inside the fence approach, but the returns, for all stakeholders, will be much greater.

The military expansion for Guam is simply this: A restored confidence in our island and the acknowledgement of this strategic geopolitical role that Guam plays in and the global realignment of the Unites States Military Forces.

In closing, Madam Chairwoman and members of the Committee, military expansion for Guam means progress. Military expansion means a strong economy that is poised for sustained growth alongside our core industries of tourism and transportation. The move of the U.S. Marines to Guam and the buildup at our current bases means a more developed local workforce, greater opportunities for our people, and a future of unprecedented prosperity.

Guam is transforming into the Asia-Pacific Rim's center for Asian-American trade and the tip of the American military spear in this part of the world. However, in order for all of this growth to be mutually beneficial, the Territory of Guam, our people, must be viewed as relevant and important stakeholders, equal partners, as key decisions and challenges are addressed.

The community of Guam will be impacted. I want to ensure, as Governor, that this military buildup will be positive, beneficial, and sustainable for decades to come. This is one community, both civilian and military combined, that is dynamic. It is ever changing, and we all seek to make the best of our opportunities where America's day begins.

And with that, I thank you for your attention. Thank you.

Mrs. CHRISTENSEN. Thank you, Governor.

[The prepared statement of Governor Camacho follows:]

Statement of The Honorable Felix Camacho, Governor of Guam

Madam Chairwoman and Members of the Committee, thank you for inviting me to participate in your hearing on the military buildup on Guam and the challenges facing our community. My name is Felix Camacho; I am the Governor of Guam. My testimony today is to present Guam's perspective of the challenges that will accompany the military's activities here.

Madam Chair, I would like to express my appreciation to you and to the members of the Committee for holding this hearing here in Guam to better understand the needs and concerns of the single most important issue for the people of Guam since the Liberation of Guam from Japanese occupation in 1944.

As you are aware, the Territory is poised to receive a significant increase of U.S. military assets over the next 10 years. From the $1 billion in activity at Andersen Air Force Base in Northern Guam to the $1 billion in projects at U.S. Naval Station Guam in the South and the planned $10 billion move of the 3rd Marine Expeditionary Force from Okinawa to Guam, the patriotic Americans of Guam stand in full support of this positive growth in our part of the Western Pacific.

But this growth will not just and should not happen inside the fences of the military bases.

According to U.S. Census Bureau estimates, Guam's population is expected to increase from 168,564 in 2005 to 180,692 in 2010, without factoring any increase to the local military population by the U.S. Department of Defense. Due to the normal increase, I have pushed the Government of Guam to begin the process of directing

capital improvements throughout our island, specifically in those locations expected to develop more rapidly in light of the expansion as identified by military planners. Clean water and waste water infrastructure, power generation, a sanitary landfill, modern roads and improved social services are all priorities of this effort.

The Government of Guam has estimated the costs to support the military buildup at an estimated $1.1. billion. But as an isolated U.S. Territory, dependent on military and tourism, we are facing a monumental challenge in finding this funding on an accelerated time frame and under a sense of urgency.

I commit to each of you that the individual agencies within the Government of Guam continue to seek all available funding sources to support projects that will improve the quality of life for all residents, both military and civilian alike. The Government of Guam also is taking cost-cutting measures and other approaches to maximize the limited funding opportunities afforded the island as a U.S. Territory—including but, not limited to, public-private partnerships.

As I stand before you here, I am encouraged by the fact that the Interagency Group on Insular Areas Working Group on Military Expansion convened recently at my request. The U.S. Department of the Interior Office of Insular Affairs, in cooperation with the U.S. Department of the Navy Joint Guam Program Office and the U.S. Department of Defense, leads this group. I want to take this opportunity to thank each of the members of the House Subcommittee on Insular Affairs for your participation in the first meeting of this working group. We must seek more opportunities to see representatives from the executive and legislative branches of our great nation in one room to discuss the future of Guam. Both Lt. Governor Michael Cruz and I are encouraged by the greater interaction between the Government of Guam and relevant federal agencies to guide the Government of Guam and the island's U.S. military commands in understanding what is needed to respond to this tremendous growth and the certain impacts to the Guam community now and our future generations.

But these efforts have not been without challenges. The Department of Defense entered into bi-lateral negotiations with the Government of Japan, which proposed to shift significant security assets to Guam, with little or no consideration of, or consultation with the Territory of Guam. It appears that the Nation's and the interests of DOD took precedence forgoing any consideration of the impact to the citizens of Guam and this underlying attitude has permeated the relationship between DOD and the Government of Guam to date.

Critical milestones negotiated and agreed upon between the Government of Japan and the United States, and embedded in the bi-lateral agreements, have created an externally driven sense of urgency for Guam, the U.S. Department of the Interior and the other executive branch agencies. This sense of urgency may be contributing to this lack of consideration of the rights of the people of Guam affected by this DOD initiative. This approach could set up a situation to see us fail. This is unacceptable.

As Governor, I acknowledge there are many challenges that face Guam-challenges that are not the responsibility of DOD. However, I expect DOD to underwrite the costs directly and indirectly associated with DOD driven requirements for the move of the 3rd Marine Expeditionary Force to Guam. We cannot be expected to cover unfunded federal mandates or other substantial requirements of this military expansion. We have seen the effects of such mandates in other federal programs.

It is in the best interests of the Nation, the Department of Defense and the people of Guam that the military expansion be implemented so the outcomes achieved are sustainable, both physically and socially, for the foreseeable future. An integrated, holistic approach that considers the people of Guam, our rights, our health and our well being as well as the military value of our island is crucial. This holistic approach, one that takes into account that DOD's unprecedented expansion is being undertaken in this patriotic American community and one that integrates both the island requirements and the military requirements should not be significantly more expensive than an "inside the fence" approach, but the returns, for all stakeholders, will be much greater.

Ladies and Gentleman-The military expansion for Guam is simply this: a restored confidence in Guam and the strategic importance of Guam in protecting the security of the United States of America.

We have seen great examples of this over the past four years. In that time, there have been numerous carrier and battle group visits as well as increased interaction with foreign armed forces, including China and Australia. This fiscal year alone, Congress has appropriated more than $193 million for military construction activities on Guam. That number is expected to rise to the billions of dollars a few short years from now.

This will greatly add to the forward deployed assets that are already on Guam to cover an area twice the size of the continental United States.

The activity will complement those assets soaring above the skies of our beautiful island, including forward deployed B-1 and B-2 Bombers. We will welcome the Global Hawk Strike Force and a Rapid Engineer Deployable Heavy Operational Repair Squadron Engineer (RED HORSE) Squadron.

Joint Military Exercises conducted on Guam by all branches of service and the Australian Royal Navy, Royal Malaysian Navy, Peoples Republic of China Army/Navy, Russian Federated Navy, and Republic of Korea Navy will continue this year and beyond. These assets and activities will do much to ensure the security of Micronesia and the Pacific Rim.

As I stand here, I must reflect on the fact that all of these interactions could not have been possible without our efforts to bring Washington to Guam.

Former Secretary of Defense Donald Rumsfeld, Chairman of the Joint Chiefs of Staff, General Peter Pace and numerous congressional delegations including you who are here today have come to Guam to see for themselves Guam's role and the challenges of a patriotic people who stand with America in the defense of democracy.

Summary

Madam Chairwoman and members of the Committee, military expansion for Guam means progress. Military expansion means a strong economy that is poised for sustained growth alongside our core industries of tourism and transportation. The move of the U.S. Marines to Guam and the buildup at our current bases means a more developed local workforce and the benefits will include higher paying jobs filled by a skilled, educated local workforce that is skilled and educated.

Guam is a safe American community and is transforming into the Asia-Pacific Rim's center for Asian-American trade and the tip of the American military spear in this part of the world. However, in order for all of this growth to be mutually beneficial, our island, our community and our people must be viewed as relevant and important stakeholders-equal partners-as we embark on transforming Guam into one community which will transform our island paradise forever.

Thank you for your attention. I am pleased to answer any questions.

Mrs. CHRISTENSEN. The Chair now recognizes Senator Won Pat to testify for five minutes.

STATEMENT OF THE HONORABLE JUDITH T. WON PAT, MINORITY LEADER, 29TH LEGISLATURE OF GUAM

Senator WON PAT. Hafa Adai.

My name is Judith Won Pat, Senator and Minority Leader. I'm actually going to read Version 5 of my testimony. I must state my disappointment however, that the local community are not invited to testify this morning.

Before I begin to speak on the impact of the relocation of Marines from Okinawa to Guam, I would be remiss if I failed to address two issues of paramount importance to the people of Guam that has yet to be resolved—that of political status and war reparations.

I won't belabor the issue, but just to say that on political status, there is a need for Congress to support and fund the local effort for Chamorros to finally determine their own political destiny.

On the issue of war reparations, we are elated that the World War II Loyalty Recognition Act has made it to the U.S. Senate. The Guam War Claims Review Commission, established by Congress, found that the U.S. has a moral obligation to pay proper compensation for war damages, that there is a lack of parity and war claims for Guam when compared to other war claim programs established by the U.S. Congress, and that Guam was erroneously excluded from coverage under Title II of the War Claims Act.

I hope Congress would do the right thing and pass this very important legislation for the people of Guam and finally bring closure to this dark chapter in Guam's history.

Many would say that they do not oppose the military buildup, but they have concerns. My hope is that this hearing will convey to Congress the frustration and anxiousness that their fellow Americans in Guam feel about the coming military buildup and to recognize the need to include Guam and their leaders in the full scope of any discussion regarding the buildup.

Five minutes is not enough to adequately cover every impact from the military buildup, but I will discuss a few. Guam is barely able to provide the necessary infrastructure to meet the requirements of the current community. Our water and power systems are at near capacity. Our roads are in need of repair. There is an immediate need to close Ordot dump and to open a new sanitary landfill, and our only civilian hospitals has been struggling to meet the needs of the current population. In addition, imported labor will be needed to complete construction projects.

Job seekers from the Freely Associated States by virtue of the Compact will no doubt want to come to Guam to seek employment, independent contractors from the mainland, and other entrepreneurs looking for a quick buck. In the final analysis, we may see a population growth of up to 50,000 people. How would Guam deal with this explosive growth with an already overburdened infrastructure?

Infrastructure and healthcare are basic quality of life issues, contrary to the U.S. Pacific Commands Pacific Fleet Fiscal Year 2008 budget, where there's a request under the quality of service category for $45 million for a new fitness center, and a $5 million dollar appropriation to Andersen Air Force Base to provide air-conditioning for animal kennels at $120,000 per kennel.

I'm not asking for a new gym or for air-conditioned animal kennels. I'm asking about—I'm talking about investments on Guam for basic quality of life projects, bare necessities for any community.

The introduction of so many new people to the island in a relatively short span of time will further accelerate the erosion of language-tradition in the Chamorro culture. Assistance by the Federal Government to Guam by providing funding and expertise in the areas of anthropology and culture preservation will be essential to ensure that the rich culture and language of the Chamorro people do not become extinct.

The population increase will further dilute the Chamorros, who eventually become the minority in their own land. A scholarly, unbiased study needs to be undertaken.

The separation of Guam Public Schools and the Department of Defense School has created a social separation among our children. Although the interest in establishing the best learning environment possible for children is understandable, the manner in which this has been pursued, whether right or wrong, has been divisive rather than unifying, factional rather than integrated. This is compounded by the migration of our teachers to the DODEA system for higher pay and cost of living allowances. This backwards policy flies in the face of the good works done by great Americans, such

as Martin Luther King and President Kennedy, who fought for equality in education regardless of a child's color, religion or creed.

It was President Truman's order in 1949 to desegregate the U.S. Military that necessitated the creation of Defense Department schools in the American south, whose schools were largely segregated, ironically. What the military in Guam is doing with DODEA seems like a huge step backwards for civil rights. The millions of dollars spent on Guam DODEA School should be instead used to bolster the local educational system and help us turn it around so it can benefit all children on Guam, civilian or military. A single integrated school system with a pool of resources, financial and personnel, supported by both the local and national government, is a possible and plausible alternative.

Several Senators and I had the opportunity to visit Okinawa since they have faced many of these similar issues. Naturally, we look to them for answers regarding impact of the buildup, absent any information from our own Federal Government and military. The government of Japan has for some time understood the impact of the U.S. Military in Okinawa and has funded millions of dollars to Okinawa since the reversion to lessen the burden of the military presence. We seek the same action by our Federal Government.

There have been many discussions about Guam being the Tip of the Spear and that Guam is of the highest strategic value and of great importance to the mission of the United States in regional security and national defense. As a U.S. Territory so far removed from the mainland, oftentimes our issues and concerns fall on deaf ears. This is why this Oversight Hearing on Guam means so much to the future of our island. It will be decisions made in Washington, D.C., and not on Guam, that will determine the direction of Guam for decades to come.

In closing, in a joint press conference with Defense Secretary Rumsfeld and Defense Japanese Minister Yoshinori Ohno in 2005, Rumsfeld stated that the move was, and I quote, "designed to enhance the alliance's capability to meet new threats and diverse contingencies and, as a whole, will reduce burdens on local communities," end of quote. What about the burden on Guam?

Last, on behalf of the people of Guam, I ask that the town hall meeting be moved to the community.

Si Yu'us Ma'ase and thank you.

Mrs. CHRISTENSEN. Thank you, Senator.

[The prepared statement of Senator Won Pat follows:]

Statement of The Honorable Judith T. Won Pat,
Senator and Minority Leader, 29th Guam Legislature

A warm Hafa Adai to The Honorable Chairwoman Donna Christensen and members of the Subcommittee on Insular Affairs, my name is Judith T. Won Pat senator and minority leader. I am speaking today on behalf of the minority senators of the 29th Guam Legislature, Senators Rory J. Respicio, Vicente "Ben" Pangelinan, Adolpho Palacios, Tina Muna-Barnes, Dr. David Shimizu, and Dr. Judith P. Guthertz.

Thank you for the invitation to testify in today's oversight field hearing on the "U.S. Military Buildup on Guam and the Challenges Facing the Community." I commend Chairwoman Christensen for holding this hearing on Guam and I hope this will be the first of many congressional oversight field hearings that will be conducted on Guam which will allow the civilian community to voice their opinions about the military buildup.

Before I begin to speak on the impact of the relocation of marine from Okinawa to Guam, I would be remiss if I fail to address two issues of paramount importance to the people of Guam that has yet to be resolved; that of political status, and war reparations. I won't belabor the issue but just to say that on political status, there is a need for Congress to support the local effort for Chamorros to finally determine their own political destiny.

On the issue of war reparations, we are elated that the World War II Loyalty Recognition Act has made it to the U.S. Senate for their consideration. To reiterate the findings of the Guam War Claims Review Commission established by Congress, the Commission found that; the U.S. has a moral obligation to pay proper compensation for war damages, that there is a lack of parity in war claims for Guam when compared to other war claims programs established by the U.S. Congress, and that Guam was erroneously excluded from coverage under Title II of the War Claims Act. With continued persistence and hard work on this issue, we hope to finally close this dark chapter in Guam's history

Our island, in the coming decade, will see a significant increase in our military and overall population with the arrival of Marines from Okinawa and their families. Not since the end of World War II has Guam experienced such a dramatic increase in military personnel. But unlike the post WWII buildup on Guam, we are in a much better and able condition to be active participants in the coming buildup. We envision a process in which the local government can be joint partners and where civilian community input will be taken not only into consideration, but be an integral part in the eventual decisions made.

I do not oppose the military buildup or the movement of marines from Okinawa. My adamant objection is to the way that Guam has been treated so far in this very important, significant, and far reaching military buildup planning process. Why are the people that stands to be affected the most by this buildup are left out of the decision making process?

To this day, we have been given little or no information as to the allocation of the billions of dollars that have been committed to the buildup on Guam. A discussion of socio-economic implications of the move and the possible immediate, latent, and residual impact on the quality of life on Guam has not even been discussed. Clearly Guam's social, cultural and environmental resources will be impacted by decisions made by the military, and it should be recognized that there exist an obligation by the military to provide as much information and resources to the island to allow Guam leaders an opportunity to prepare and plan in anticipation of the military buildup. My hope is that this hearing will convey to Congress the frustration and anxiousness that their fellow Americans on Guam feel about the coming military buildup and to recognize the need to include Guam and their leaders in the full scope of any discussion regarding the buildup.

There are four main topics that I wanted to cover in my testimony. They are infrastructure, economic impact, social impact, and education.

INFRASTRUCTURE

Guam, with a population of about 170,000 people, is barely able to provide the necessary infrastructure to meet the requirements of the community. Our water and power systems are at near capacity; our roads are in need of repair; there is an immediate need to close Ordot dump and to open a new sanitary landfill, and our only civilian hospital has been struggling to meet the needs of the current population. Imagine the impact of additional military personnel and support staff and their families totaling 30,000 people on our ailing infrastructure. A growth of 30,000 may just be the beginning. In addition, imported labor will be needed to complete construction projects, job seekers from the Freely Associated States by virtue of the Compact will no doubt want to come to Guam to seek employments, independent contractors from the mainland, and other entrepreneurs looking for a quick buck. In the final analysis we may see a population growth of up to 50,000 people. How will Guam deal with this explosive growth with an already overburdened infrastructure?

In the coming years, the landfill at Andersen Air Force base will have reached its capacity and will have to be shut down. The landfill, run by the Navy, is also reaching capacity and has been rumored to be contaminated and toxic. So far we have not seen any plans by the military on what their intentions are after they close their landfills. With the influx of marines in the coming years, it will only hasten the closures of these landfills.

The hospital is another concern. A real measure of how well we can provide for our sick and disabled population is the ratio of hospital beds per 1,000 population. Our only civilian hospital the Guam Memorial Hospital currently has a 208 bed capacity, meaning that the ration on Guam is 1.2. The U.S. National average is 2.8 beds per 1000 population. The potential population boom in the next decade by the

military buildup would eventual drop that ration to less than 1 bed per 1,000 persons.

In the U.S. Pacific Command's Pacific Fleet FY08 budget, there is a request under the quality of service category for $45 million for a new fitness center. While we applaud such a request for military personnel, we have to recognize that this request only benefits those inside the fence. That same $45 million invested in our local hospital would not only help GMH come up to par with national standards but would also allow them to better serve the local and military community.

Any improvement to the infrastructure by the government of Guam benefits the entire island community. Can we say with certainty that the improvement made by the military on Guam will benefit both the military and the island community? Without any information from the military, we cannot plan properly for the buildup.

ECONOMIC IMPACT

While the potential economic grain as a result of the increase in defense personnel and spending are welcomed, we also need to examine the potential economic imbalance created by the huge increase in the population.

Military personnel stationed on Guam currently receive overseas housing allowances ranging from $1,200 to $5,000 and more depending on their rank and marital status. This is much higher than the housing budgets of most residents locally. If even only a small fraction of the military personnel take advantage of these allowances, the cost of rental units on Guam will skyrocket, effectively increasing costs for Guam residents and pricing them out of the local rental market.

Runaway inflation and an increase in the cost of living will become a problem for current residents of Guam. Already we have seen prices of utilities, healthcare, and fuel increase at an alarming rate with no relief in sight. With the increase of military personnel to the island, who for the most part are well compensated, this imbalance will only serve to increase the cost of living on island, create a situation of uncontrolled inflation, and further widen the gap between the rich and the poor. This will mean increasing the amounts of money the government will have to spend on welfare programs.

Current shortage of teachers, doctors, nurses, laborers, will be compounded by a 20% overnight growth in population. No community in the United States has ever faced such an unprecedented growth. Such unprecedented occurrence should be met with unprecedented assistance from the Federal Government and the U.S. Military.

SOCIAL IMPACT

The social impact of 30,000 new people on the island needs to be studied. There has been little research about the social impacts on the local populations and their responses to them. Gender issues for example need to be examined. How does the military buildup affect rates of prostitution, rape, and other violence against women, as well as the participation of women in the workforce and corresponding wage rates? A study, along the lines conducted by the Watson Institute for International Studies at Brown University, needs to be undertaken with a direct focus on the movement of military personnel, their families and other support staff and their immediate social impacts on the current population on Guam.

In a joint press conference with Defense Secretary Rumsfeld and Japanese Defense Minister Yoshinori Ono in 2005, Rumsfeld stated that the move was "designed to enhance the alliance's capability to meet new threats and diverse contingencies and, as a whole, will reduce burdens on local communities..." What about the burden that is to be transferred to communities here on Guam, which Defense Secretary Rumsfeld has clearly pointed out?

EDUCATION

The military needs to end the practice of education segregation on our island. Allowing DODEA to continue running a separate school system perpetuates the notion that somehow the local system is not good enough for the military community. It encourages animosity between military and civilian families and further confirms the existence of two communities, living on one island, under the American flag, separated by a fence. While I concede that our education system is less than perfect, this should never be used as a reason to segregate an American community. This backwards policy flies in the face of the good works done by great Americans such as Martin Luther King, and Presidents Kennedy and Johnson who fought for equality in education for all regardless of their race, religion or creed. The millions of dollars spent on the Guam DODEA schools should be instead used to bolster the local educational system and help us turn it around so it can benefit all the children on Guam, civilian and military.

The existence of DODEA schools also exacerbates an existing problem with shortage of teachers on Guam. Often, the teachers that are employed at the DODEA

schools come from the same pool of teachers that GPSS depends on to teach at our local schools. It has even come to the point that DODEA is hiring away teachers from GPSS. We can't blame the teachers for leaving GPSS, often the choice to teach at DODEA is one of economics. There is no way that the local government can compete with the resources of the U.S. military, and it should not be allowed to compete with the community.

When the military population increases, more of our teachers at our public schools will migrate to fill the needs at the DODEA schools. Where will that leave our public schools? Congress should be made aware of this situation and make the necessary policy changes to assist all of its citizens and not just those inside the gate.

There have been many discussions about Guam being the "Tip of the Spear" and that Guam is of the highest strategic value and of great importance to the mission of the United States in regional security and national defense. There is no doubt that there will be numerous debates and discussion both in Congress and in the Pentagon which will affect Guam and for which our people need a voice. As a U.S. Territory so far removed from the mainland, oftentimes our issues and concerns fall on deaf ears. This is why this oversight hearing on Guam means so much to the future of our island. It will be decisions made in Washington D.C., in part through input from this subcommittee that will determine the direction of Guam for decades to come. All we want is to be part of that decision making process and ensure that any negative or positive impact on Guam resulting from the buildup be shared and the burden carried by all that call Guam home.

Si Yu'us Ma'ase and thank you!

Mrs. CHRISTENSEN. And now the Chair recognizes Mayor Savares for her testimony.

STATEMENT OF THE HONORABLE MELISSA SAVARES, MAYOR, DEDEDO, GUAM, PRESIDENT, MAYORS' COUNCIL OF GUAM

Ms. SAVARES. Hafa Adai, Chairman Christensen and Congresswoman Bordallo. I am Mayor Melissa Savares, Mayor of Dededo, as well as the President of the Mayors' Council of Guam. As the Mayor of the most populated village on island, I welcome the arrival of the Marines to my community.

We did have NCTS at one time as the Navy base with over 400 personnel, and now they're reduced to less than 30 active duty personnel.

There are several villages that will be affected by the movement of the Marines to our island. However, Dededo will see the most activity with NCTS, South Fin Housing and the Northwest Field areas being located within the municipality. With this, there are several concerns that I will address today.

The increase of vehicle traffic throughout the entire island on our major roadways is definitely a concern by all residents. The daily morning and afternoon commute to and from work for most residents is on Marine Corps Drive from Naval Station to Andersen Air Force Base. Alternative routes must be designated to alleviate this traffic congestion on our island's roadways. The Department of Public Works is currently working to identify Federal highway funds to use to upgrade the infrastructures that we currently have.

The utility services provided to current residents are being upgraded to better serve our growing communities. The concern that I have is that we still—the water services that are being provided to the Navy bases, as well as the Andersen Air Force Base, are still coming through Fena, and that's ComNavMar operating their water services.

What about the outside community? The water services that we get in our homes, to our villages, to our residents, will that also

be upgraded through the formation of the upgrade of the infrastructure?

OK. We will see the increase of military personnel utilizing not just on base. Many of them will choose to also live off base. So, we need to upgrade the current facilities that we also have with GWA.

The current power system is being worked on with the CCU, and Mr. Sanchez will address that.

I would like for the military to also, like I've said, many of them would be living off base in our own communities, and they will be using our infrastructure as well. Exercises being done by the Marines often take place at the Northwest Field and the Andy South Housing Areas. Residents in the northern area of Guam, of course, will have concerns about the times of these exercises.

Like Senator Won Pat, three mayors also went to Okinawa last year and observed the concerns that the local community had with the exercises of the helicopters and the jets coming in during the evening hours. The concern that I have is, are the residents going to be able to sleep at night or be worried, be waken up by the noise from the helicopters and the jets coming in? Can these exercises be limited to a certain time and not occur from 10:00 p.m. to 6:00 a.m. for the sake of the nearby residents?

The families that have access to return Federal lands that have been developed by original land owners and has been opened back for regular traffic for several years, have businesses and allow families to actually access their properties. One concern is, the Route 3A access to Urunao and Ritidian, I know that there's going to be a current upgrade in the Northwest Field. Family members in the past had, before the return of their lands, had to get base clearance in order to access their properties at Urunao. Will this be restricted again and taken away from them?

There is a resort, a business resort in the area. We don't want the customers to the resort—not just the tourists but the local community as well—to be restricted and have to obtain base passes to Route 3A to access their properties.

It is evident that we will also see an increase of foot traffic around many military bases, most specifically, around the Naval Hospital area and the NCTS area. The concern is, will there be infrastructure as far as sidewalks are concerned? There will be a lot of foot traffic coming on and off base to walk to the stores and nearby malls. Will the military, the Federal Government help with the infrastructure as far as sidewalks are concerned?

In addition, with the increase of residents living in our community, first-time homeowners wanting to purchase homes in the villages, with the population exceeding 20,000 residents, do not qualify for USDA Home Loan Programs. I've requested through Congresswoman Bordallo's office, back in March, that the insular areas be exempted from that 20,000 cap.

With the expectance of 8,000 Marines and their families to our communities, more homes are being built and of course the prices of homes are rising, becoming less affordable for our local families to buy. With this exemption, our families and our communities will be able to purchase affordable homes under the USDA Affordable Home Loan Program.

As President of the Mayors' Council of Guam, I, along with my colleagues, welcome the Marines to our island and know that our island and our families will benefit tremendously with the investment of the military that the military will make on Guam.

I express with my heartfelt appreciation to the Committee on Natural Resources for allowing us to testify on behalf of our communities. Thank you.

Mrs. CHRISTENSEN. Thank you, Mayor.

[The prepared statement of Mayor Savares follows:]

Statement of The Honorable Melissa B. Savares, President, Mayors' Council of Guam, and Mayor of Dededo

Chairwoman Christensen and Members of the Subcommittee on Insular Affairs,

I am Mayor Melissa B. Savares, Mayor of Dededo and President of the Mayors' Council of Guam. As Mayor of the most populated village on the island, I welcome the arrival of the Marines to our community.

There are several villages that will be affected by the movement of Marine to our island. However, Dededo will see the most activity with the NCTS, South Finegayan Housing and Northwest Field areas located directly in the municipality. With this there are several concerns that I will address.

The increase of vehicle traffic throughout the island on the major roadways is definitely a concern by all motorists. The daily morning and afternoon commute to and from work for most residents is on Marine Corps Drive from Naval Station to Andersen Air Force Base. Alternative routes must be designated to alleviate this traffic congestion on our islands roadways. The Department of Public Works is working with the federal government to use federal highway funding to open other routes to address this traffic problem.

The utility services provided to current residents are being upgraded to better serve our growing communities. Will the increase of military personnel use the existing utility services provided by the Government of Guam or will they be dependent on the services now provided by ComNavMar? I would like for the military to use the same utility services that we, the residents of Guam use daily in our homes.

Exercises done by the Marines often take place in the Northwest Field, Andersen Air Force Base and Andersen South Housing areas. Residents in this northern area of our island are concern about the time of these exercises and if they will be disruptive during all hours of the day. The concerns are of the helicopters and jets flying over the residential areas in the late evening hours. I was part of a delegation that traveled to Okinawa in July 2006 to meet with local leaders to hear the concerns that they had in their communities. One thing that I was concern about was the noise from the helicopters and airplanes flying over the residential areas in the late hours of the night. Exercises such as this should be restricted and not be allowed between the hours of 10:00 p.m. and 6:00 a.m.

The families that have access to return federal lands that have been developed by original land owners has been opened to regular traffic for several years. Will this access be closed to original landowners and businesses within the area? The area of concern is the Northwest Field area also known as Route 3A. Before the return of federal lands, there was a guarded sentry for landowners to request for access to their properties. The restriction of access to Route 3A should be allowed from 6:00 a.m. to 8:00 p.m.

It is evident that we will also see an increase of foot traffic around all military bases. Would there be sidewalks constructed around all bases to assure the safety of all personnel, their families and others accessing these facilities? The concern is around the Naval Hospital and NCTS areas. The close proximity of areas such as schools, stores and recreational facilities will allow for more people to walk to and from places.

As the President of the Mayors' Council of Guam, I welcome the Marines to our island community. I know that our island and our families will benefit tremendously with the investment that the military will make to Guam. I want to express my heartfelt appreciation to the Committee on Natural Resources for allowing me to testify on behalf of the people of our community.

Mrs. CHRISTENSEN. Now the Chair recognizes Mr. Sanchez for five minutes.

STATEMENT OF SIMON SANCHEZ, CHAIRMAN, CONSOLIDATED COMMISSION ON UTILITIES

Mr. SANCHEZ. Chairwoman Christensen and Congresswoman Bordallo, Governor Camacho, Honorable Senators, and Mayors, and our other distinguished guests, and my dear people of Guam, I've had the honor to serve our people as a senator and now as Chairman of the Consolidated Commission on Utilities. The CCU is the elected governing board that oversees the operations of the Guam Power Authority and the Guam Waterworks Authority.

GPA is the sole supplier of power on Guam for all civilian and military needs. GWA provides all the water and wastewater services to the civilian community and wastewater services to the Air Force and NCTAMS, Guam.

Guam's planned military buildup will impact the lives of everyone who lives on Guam, both resident and military. It will test all of our abilities to plan, collaborate, and deliver.

We all share a historic opportunity to improve the quality of life of all the loyal American citizens of Guam while positioning Guam to play a larger role in the defense of our country. Making Guam better will make our country better and safer. The recent change in National Defense Policy will bring an estimated $15 billion in military expansion to Guam.

Guam today does not have the resources necessary to accommodate this expansion, nor should it be expected to. Initial estimates suggests $1-$2 billion will be needed for Guam to successfully absorb this military buildup. Japan has committed $6 billion for the expansion. DOD will ask you and the Congress to commit another $4 billion. So far, no one has committed any funding to the people of Guam.

We have been told that none of the Japan or DOD funds may be available to Guam outside the gate. Yet the military buildup cannot become a new burden to Guam's current population.

I recall the decision from another seminal change in our country's public policy, regarding racial segregation, that reminded us that "separate is not equal."

It is our duty as Americans to ensure that the military expansion does not separate local and military residents. Our goal must be that the quality of life on Guam will improve for all the citizens and residents, regardless of whether they work or live in our villages or on base.

I've provided the committee with more detailed discussions that identify almost $800 million in power and water projects which are impacted by the military expansion. Our position is simple. For an island of only 210 square miles, there should be single integrated infrastructure systems providing reliable, efficient services to all residents of Guam, civilian and military.

GPA should continue to be the sole provider of power on Guam. We should maintain existing Federal law that requires the military to become a full customer of GPA and get out of the power business. GWA should provide water and wastewater services to the new Marine base, and eventually operate all the Navy systems, just as GPA took over the Navy power systems. Here's why: It will require less U.S. tax dollars to fund the incremental cost to im-

prove and operate single integrated utility systems instead of building and maintaining separate ones.

The funding needed to build and maintain a separate DOD power system to serve only 20 percent of the total island demand would be better spent on upgrading the entire transmission and distribution system benefiting both civilian and military ratepayers. GPA has the demonstrated ability to manage the entire system, relying on its own resources as well as using effective private partnerships to provide management and financing. As Guam grows, more customers paying for a single system will help keep rates more stable and affordable for all customers. Even today, Guam's power rates are lower than all of Hawaii. Separate power systems will only increase cost.

GWA has successfully turned around as operating and financial performance, recently meeting U.S. EPA's Safe Drinking Water Standards and raising over $100 million for improvements. GWA also utilizes a private partnership to operate its wastewater system.

Like GWA, DOD is investing hundreds of millions to rebuild its aging water and wastewater system. But GWA provides its services at nearly half the cost incurred by the Navy, thus providing an opportunity to eventually lower the cost of water for both civilian and military residents.

GPA and GWA already are committing current ratepayer financial resources to upgrade existing infrastructure. The idea should be to leverage local, Federal, and Japan monies in shared investments to upgrade and expand the utility systems to serve Guam's future growth.

When Japan originally agreed to accept the Marine base on Okinawa, it invested hundreds of millions to make sure its civilian community would also benefit. We should expect no less from our own country. America must step up and ensure that Guam receives funding for the impacts caused by the military buildup. When DOD stands before the Congress and ask for its $4 billion, Guam's impact needs must be addressed at the same time. There should be no funds separately appropriated for DOD without also funding Guam's impact needs. Separate is not equal. Instead, let us unify our tremendous resources and abilities and goodwill to do what is good for Guam because it also will be good for our country.

You will find a no more patriotic, loyal and deserving group of citizens than right here on Guam. The Americans of Guam have always shared in the sacrifices of our country. Right now, a Guamanian, a Chamorro, a resident of the Western Pacific, is defending our national interest and risking their lives throughout the world. The Americans of Guam must now also share in the new prosperity that our new defense responsibility protects.

Si Yu'us Ma'ase.

[The prepared statement of Mr. Sanchez follows:]

July 31, 2007

The Honorable Donna M. Christensen
Chairwoman
Subcommittee on Insular Affairs
Committee on Natural Resources
The United States House of Representatives
Washington, D.C. 20515

Chairwoman Christensen and Committee Members
Honorable Members of Congress

Hafa Adai and welcome to Guam.

I am Simon Sanchez, and I have had the honor to serve as Chairman of the Consolidated Commission on Utilities (CCU) since 2003. The CCU is the elected governing board that oversees the operations of the Guam Power Authority (GPA) and the Guam Waterworks Authority (GWA). GPA is the sole supplier of power on Guam for all civilian and military needs. GWA provides all the water and wastewater services to the civilian community and wastewater services to the Andersen Air Force Base.

We are very happy to be discussing the impact of our country's planned military buildup right here on Guam where the impact will be felt in our homes, our villages and in the daily lives of everyone who lives on Guam, both resident and military.

The many challenges facing our community will test all of our abilities to plan, collaborate and deliver the results and the vision we all share for an even better Guam and a safer country.

We all share a historic opportunity to position Guam to play a larger role in the defense of our national interests while also improving the quality of life of all the loyal American citizens of Guam.

It is yet another opportunity for Guam to proudly assume its new obligations to defend our national interests, a duty our people have performed with legendary honor and sacrifice. Even at this moment, a Guamanian American is risking his or her life in a battle zone with our other fellow Americans so that we can build a better Guam and a safer country for generations to come.

It is yet another opportunity for Guam to move forward as a greater showcase of free enterprise and economic progress, located at America's doorstep to Asia. Guam's hard working and industrious people have withstood war, natural disasters, and economic uncertainties. Guam's economy, since it was destroyed in World War II, has always been tied to the changing interests of our country's defense policy. A strong and prosperous Guam has always resulted from a strong national defense policy.

Guam is a special place. And this is a special time. We have a chance to do this right for the common good.

There are those who do not support this military expansion and there are many unanswered questions.

Our ultimate success will depend on how well we realize the opportunities we know are possible by not letting the many challenges divide nor conquer us.

Our country recently forged a change in national policy that asks the good people of Guam to play an even larger role in the defense of our nation. An estimated $15 billion in military expansion, the largest move of military assets since World War II according to military officials, is slated to turn Guam into the "spear" for our country's defense in Asia.

The concern of the people of Guam is that we don't get the "shaft" while also becoming the spear.

The relocation of Marines from Okinawa to Guam as well as the expansion of the existing Navy and Air Force presence will change Guam dramatically. It will add twenty five percent more people to Guam in the next six years, about 40,000 folks.

Normally, this amount of population growth would take twenty years. Now we must accelerate all the projects and efforts that will be required to absorb this growth in a compressed six year timeline. Remember, of the 40,000 new residents, half are projected to live "outside the gate" in the civilian community. The military expansion will not only affect Guam's military community. It will affect all the people of Guam for the foreseeable future.

Guam today does not have the resources necessary to accommodate this level of military expansion nor should it be expected to. Initial estimates are between $1 billion to $2 billion will be needed for Guam to successfully absorb this military buildup in such a short time frame.

Japan has committed funding to the base relocation to Guam. The Congress already has committed funding to upgrading and expanding existing military facilities on Guam. It is our understanding that the Department of Defense (DOD) will ask Congress to commit anther $4 billion to be spent on Guam as part of the new bilateral defense agreement.

So far, it seems there is money to be spent for military plans ON Guam but there has yet to be any money intended to be spent FOR the civilian community of Guam to be able to address the impacts and the requirements of the buildup.

We have been told that none of the Japan or DOD funds may be available to Guam, or if it's available, it may only be used to improve infrastructure and services on base but not "outside the gate".

We are working with DOD and other federal agencies to plan for this move and determine the best way to insure that everyone benefits. DOD officials have talked of supporting our requests for federal assistance while seeking their own funding.

Today the people of Guam are speaking for themselves, asking you, the representatives of our country to stand with Guam and for Guam in order to serve and protect the interests of all Americans.

All these collaborative efforts to support the military buildup will not work if benefits only accrue "inside the gate". For our country to win, all of Guam must win—and that means BOTH the resident people of Guam and our longstanding military partners.

We are asking you to determine ways to fund the resulting impacts from the buildup on Guam's public services and infrastructure. And we will need that help sooner rather than later.

I recall the words from another seminal change in our country's public policy, regarding racial segregation, that "Separate is not Equal". It is our duty as people of good will to insure that we have one community of Guam, which allows the benefits of being an American to flow equally to all Guam's residents, civilian and military, while still securing our national interests.

Power, Water and Wastewater Impacts and Challenges

I've provided the committee with the summary reports from our power and water utilities that identify almost $800 million in projects which are impacted by the military expansion. This information is also being shared in even greater detail amongst the many interest groups working on the planning of this expansion, including frequent visitors from Japan who are performing their own due diligence.

Our general position on these proposals is simple because they make the most sense for the people of Guam and the American taxpayers

The Guam Power Authority should continue to be the sole provider of power services on Guam. We should continue federal policy established by U.S. Public Law 100-202 that the military should become a full customer of GPA and not a co-operator or competitor.

The Guam Waterworks Authority should provide water and wastewater services to the new Marine base and eventually operate the Navy systems which are currently outsourced. Most importantly, the protection of the northern aquifer which supplies 70% of the water on Guam (including military populations) will require a united and well coordinated effort between GWA and the federal government to insure its permanent security and sustainability.

We don't take these positions lightly. But we are convinced that the wisest, most economic and secure foundation for Guam's growth and the planned military expansion results from some of the following reasons:

- A single power grid as currently exists, with the appropriate upgrades at the correct time will insure the power system will grow with Guam in terms of capacity and reliability. For the military to build a whole new power system to serve its 20% of total island demand does not make economic sense. That same money would be better spent on upgrading the entire transmission and distribution system, benefiting all. GPA has identified about $150 million in projects that will upgrade and rebuild the island-wide transmission and distribution system to improve reliability.
- The need for significant additional power generating capacity is not needed until after the Marine base is opened and will require only incremental additions of capacity instead of the large amount of primary and redundant capacity that would be needed for an entirely separate DOD system.
- GPA has the demonstrated ability to manage the entire system, relying on its own resources as well as using private partnerships to provide management and financing. Today, all of GPA's generation utilizes some form of public-private partnership. GPA will use appropriate management and financing tools to improve service reliability cost effectively.
- As Guam grows, more customers paying for a single system will help keep rates more stable and affordable for civilian and military customers alike. Even today, Guam's power rates at $.18 per KWH, are lower than all of Hawaii..
- Like the Guam Waterworks Authority, the DOD is his investing hundreds of millions of dollars appropriated by Congress to rebuild and upgrade its aging water and wastewater facilities for the Navy and Air Force. GWA has successfully turned around its operating and financial performance and now offer its

customers, quoting from U.S. EPA's 2005 report, "the cleanest and safest water in decades".

- Furthermore, investor confidence allowed GWA to raise its first $100 of an initial $250 million to rebuild its aging systems. GWA also utilizes a public private partnership to operate its wastewater system, just as the Navy outsources the operations of its water and wastewater operations. GWA also produces water at lower costs than the Navy, providing an opportunity to lower the cost of water for both DOD and Guam residents.
- The Marine base will be located a few miles from GWA's largest waste water plant in the north, which already serves the Air Force. Obviously, it would make more economic sense to have the military expansion provide the incremental cost to increase the existing plant's capacity to serve the Marines than to build a whole new plant. GWA is currently spending $9 million on a new outfall as well, a significant cost that can be avoided by DOD. These savings instead can be used to upgrade GWA's systems that will serve the increased demand from the population surge supporting the base relocation.
- The Northern Aquifer will require special attention since it is the shared supply for Guam residents and the Air Force, and probably the Marine base. Its long-term sustainability is therefore equally critical to the people of Guam and our defense interests. Pending U.S. EPA decisions will require a collaborative approach to insure Guam's primary water supply is always clean, safe and secure.
- Over the years, GWA and Navy water systems have crisscrossed Guam from north to south. There are opportunities to better share water resources to lower distribution costs by allowing GWA to serve Navy customers in some areas in exchange for Navy serving GWA customers in other areas.
- Both power and water utilities are committing ratepayer financial resources to funding future growth, albeit at a much slower pace than is envisioned by the Marine re-location. Both utilities plan to provide some of the financing to upgrade existing systems. The idea is to leverage both local and federal monies when shared investments serve mutual interests instead of separate ones.

These are the most prominent of many good reasons to develop a single plan for Guam's power, water and wastewater systems to serve the military buildup and share benefits and costs.

Timing Requires Action Now

Each passing day, the planning and funding for Guam's requirements from the buildup is becoming more and more critical as to whether we ultimately succeed or fail to get this right from the start.

The military expansion will impact Guam long before a Marine base is opened. At least 15,000 workers are projected to be needed to build the base beginning in 2010. All these workers will live "outside the gate" in the civilian community. This means they will impact our roads, hospital, public safety and other public services, power, water and wastewater resources.

These impacts are a direct result of the military buildup and require the federal government to contribute to pay for the impacts instead of forcing the cost of these impacts on the current residents of Guam. More importantly, monies can be used to mitigate short-term impacts and provide longer term support for Guam's growth.

For example, it is estimated GWA will need to add up to sixteen wells to support this immediate growth with an additional 20 MGD. The cost of these wells should be borne by the expansion.

Furthermore, the wells will remain after the construction surge and then can be used to support the permanent residential population that comes with the actual relocation. Remember, 20,000 new Guam residents are expected to live "outside the gate". Investing once in these upgrades serves both military and civilian growth needs caused by the expansion. These are the kinds of "win-win" plans that wisely fund and merge the dual goals of improving Guam and improving our national security.

But if we don't build those wells now, we won't have enough water to support the surge in worker population needed to build the base.

As we continue to develop the Guam master plan to handle the military expansion, hundreds of examples like this emerge. Many of our challenges have a corresponding opportunity that can better serve both Guam residents and DOD future interests.

Guam will need professional and financial assistance NOW to make these opportunities realities, during construction and after the actual relocation of military expansion.

Investing the Federal Government's "Fair Share" in Guam is investing in America's future

As these projects get fleshed out, we will be able to better determine the direct impact of the military expansion. It is this direct impact that the people of Guam will look to the federal government to pay for its "fair share" for the impact that this change in national policy creates on Guam.

When Japan originally agreed to accept the Marine base on Okinawa, it invested hundreds of millions in infrastructure in Okinawa to make sure its civilian community would also benefit. We should expect no less from our own country.

Our country must invest in Guam for the good of the country.

Had this magnitude of military buildup occurred in any of the fifty states, you know your good offices would be inundated with the same types of concerns and requests we echo today.

Guam should not be treated any different than any other American community.

But we will need leaders like you to provide the voice for the good and loyal people of Guam in the halls of the federal government where we do not have a direct voice.

Our country, as represented by a President and Congress for whom we cannot vote, yet for which we sacrifice daily defending her freedoms and cherished institutions, must step up and represent the interests of the people of Guam by insuring Guam receives its fair share of the impact of the military buildup.

We must unite as good Americans to get this right for Guam. You will find a no more patriotic, loyal and deserving group of citizens than here on Guam. Last month we celebrated our 63rd year of liberation from occupied forces in World War II. And who joined us to celebrate our freedom? The Marines and their marching band.

The people of Guam have always welcomed our military neighbors. We appreciate all the hard work and sacrifice that occurs in the defense of our country because our families also pay the same steep price for freedom. When freedom rings on Guam, it rings throughout the island and its sound is as sweet or sorrowful inside and outside the gate.

We have an opportunity of a lifetime to move Guam forward and protect our country. But we will need your help now more than ever to get it right for Guam.

Thank you for your time and for your help.

Senseramente'

Simon A. Sanchez II
Chairman

Mrs. CHRISTENSEN. I thank the panel for their testimony.

I'll recognize myself for questions.

Governor Camacho, thank you for your testimony. And near the end you say that our people must be viewed as relevant and important stakeholders and equal partners. Do you feel that that's the case today?

Governor CAMACHO. I recognize that as a territory, we are part of the United States of America, and bilateral discussions and agreements, decisions that have yet to be made are ongoing between DOD and the Government of Japan.

But if I can just reflect on what Simon had mentioned, decisions that will be made, for example, with our utilities, I know that the Government of Japan, under the Special Project Entities, or SPEs, will be devoting a large amount of money, as mentioned $700 million specifically for water, power, wastewater, and other utility requirements.

Decisions ought to be made with input from the Government of Guam, specifically the Commission on Utilities, in an integrated process, instead of just building specifically or directly within their fence line.

We have an infrastructure in place right now, and I believe that, as Simon had mentioned, a shared investment that can be leveraged, and the shared investment between the Utilities of Guam or

the Government of Guam, the Department of Defense, and the Government of Japan would be beneficial to all. It is in matters like that, that I believe would be where it explains how we are a part and should be relevant in those discussions. I believe that at this point, we have not been.

Mrs. CHRISTENSEN. So, in your discussions thus far with the military, and I suspect that you have not had discussions with the Japanese——

Governor CAMACHO. No, we have not.

Mrs. CHRISTENSEN —with the military. Do you find that they're open to even discussing that possibility?

Governor CAMACHO. Yes, I think that, right now, as mentioned, the master plan will not be finalized until July of 2008. It is still in the initial planning stages and a lot of it will be impacted directly, of course, by the Environmental Impact Statements or studies that are going to be had.

There is room for an inclusion now. And I believe that Major General Bice and others will be open, BJ Penn and others, will be open for inclusion.

I tell you, I have every intention, as Governor of the Territory of Guam, to go and visit Japan myself. I received an invitation from the Governor of Okinawa to come and see for ourselves what has happened and learn from that experience. But we go there with good intentions, not to undermine the plans or initiatives of Department of Defense, but rather to learn from what happened in Okinawa as a community, and take those lessons back here, and engage DOD, and engage the Government of Japan; in fact, even asking them to consider that as they negotiate with DOD to include or ask input from the Government of Guam, because we are the recipient or host country, if you will, although we are part of the United States. And so I think inclusion at this stage is vitally important.

Mrs. CHRISTENSEN. Thank you.

Senator, you mentioned a Brown University Study. You didn't elaborate on it in your testimony. Could you just tell us a little bit about it?

And do you think that the University of Guam could—we talked with Deputy Assistant Secretary Cohen about technical assistance dollars. I would believe that your University of Guam, just like ours, would be eligible to receive technical assistance funds directly. Do you think it would be a worthwhile project for the University of Guam to undertake a similar study? And, I don't know what it was, but you referenced it, so I suspect that it has some relevance to this discussion.

Senator WON PAT. Thank you very much for the question.

Basically, the studies that are conducted are independent groups or universities, individual professors, who would do studies based on the military impact elsewhere. And based on what the EIS is going to do, we know that that's going to be conducted on behalf of the military, so therefore there is going to be some biases there.

What I was emphasizing was that I would like to, yes, have the University of Guam or an independent nonpartisan group basically do a study on not only the impact after the military's been here but, more important, on what the government and the people are

currently going through. So, we need to get an independent group, other than the ones tasked by either the Civilian Military Task Force or the joint committee.

Governor CAMACHO. On that note, I would ask that, as you are well aware, I have established a Civilian Military Task Force, and we've done extensive discussions throughout the community, and I would ask that that be submitted for the record. Thank you.

Mrs. CHRISTENSEN. Without objection.

Governor CAMACHO. Thank you.

Mrs. CHRISTENSEN. I now recognize Ms. Bordallo for her questions.

Ms. BORDALLO. Thank you very much, Madam Chairman, and I thank the witnesses for their testimonies.

Governor, my question is for you. In your testimony you mentioned that, and I quote, "I have pushed the Government of Guam to begin the process of directing capital improvements throughout our island."

Can you please elaborate on what projects you are pushing through on a local level that are associated with the military buildup, and also can you elaborate for us on the process you are using to prioritize local projects that can be completed to improve infrastructure before the Marines arrive in Guam?

Governor CAMACHO. All right. Thank you very much. Thank you for that question, Congresswoman Bordallo.

We, recognizing that the military buildup was coming and agreements were made, I pulled together the Commission on Utilities, which represents water and power and wastewater, Department of Public Works, which represents all our roadways, the Port Authority, the Airport Authority, every relevant agency that provides not only the infrastructure, but social services, such as police, the hospital, education. And we grouped together their existing master plans or whether it be a 10-year or 20-year plan, and totaled up the combined impact in the areas that we anticipated the buildup to occur, which is up North and other developments in Andersen, and of course down in Naval Station.

All told, we have come up with a tally of roughly about $1 billion or $1.1 billion, combined. And these are, again, a summation of what we believe needs to be done over the next few years.

What has, I guess, brought the sense of urgency now is the desired completion date of the military buildup by 2014, that will have an impact on the island also. And so it compresses the timeline for completion or at least the initiation of these projects that must occur.

Word was made or—the testimony by Major General Bice, for example, on the Port Authority of Guam. Although they've had a master plan for many years, it has been stalled in initiatives even to purchase cranes. And now the urgency in getting them upgraded and equipped and trained to receive the input of goods that will flow through the port for the buildup has been greatly compressed. And so the need to basically deal with this is very, very urgent, and so it is in that light that I mentioned that.

Ms. BORDALLO. Thank you, Governor.

I have another question. As you know, the Department of Defense has stated that the on-island capacity for construction spend-

ing is around $400 million a year, and I believe that we must fully utilize and develop our own workforce locally before relief is sought with foreign labor in the midst of this buildup. I'm very conscious of this particular aspect.

So, can you elaborate on the programs in place and that are planned by the Government of Guam to train local citizens for the future construction and trade jobs that will inevitably arrive with the buildup?

Governor CAMACHO. Well, I appreciate that, and I think it is a two-part answer.

First of all, I had a discussion with the local contractors and Department of Labor last week, and it was about—actually, it was prior to their departure to Washington for this IGIA meeting. The local contractors, I believe, anticipate that the Government of Japan will form consortiums of their major construction firms with large U.S. corporations or construction companies.

I have been witness to many visits to my office where they are beginning to form, either formally or informally, consortiums of different companies that will bring resources into Guam. They do feel though that, the local contractors feel that they will have an opportunity and that every single worker will probably get subcontracted work out to them.

The ability for our Department of Labor, working with the existing programs right now to properly train the workers in the required timeline, I think it is going to be stressed. We do need to combine our efforts under Department of Labor, working with the Republic of Palau, with FSM, the Republic of the Marshalls, to find ways to properly train them.

Right now, the construction industry has put together a training program and apprenticeship program, as you know, but the number of participants right now is quite low. So, there is going to be a need, we believe and they believe, to allow for imported labor. Again, to maximize the opportunities for our local people and train them, in addition to any other migrants that may come in from Micronesia, will be a big challenge, and I believe they can only handle so much. We don't know the exact number. So, there is going to be a definite need to bring laborers in from perhaps the Philippines.

And I know that you're well aware of the restrictions we have and how can we work with the existing quotas and can there be some kind of—I guess, a waiver, as applied to the Territory of Guam, with a certain timeline, whether it'd be for a period of time until the buildup is completed or perhaps where construction would be maybe at a level of 250 million or less. At that point, at maybe a cut-off point.

So you may establish timelines on when these waivers can be allowed for workers to come in. And I believe it is going to require very serious negotiations between governments, the Government of Guam, the United States Department of Labor, and whatever country that we negotiate to bring laborers in, be at the Philippines, where there are already trained and skilled laborers. But, we must not squander this opportunity though to train as many of our local people that are interested.

And it also speaks to the regional approach that I believe we must undertake. At the meeting we had with the Pacific Island

Leaders Conference in Washington, there was a strong desire by most of the Island leaders, not only in Micronesia, but Polynesia and even as far down as Melanesia, to join forces. The East-West Center that's based out in Honolulu has agreed that they can undertake a study to see how feasible this is, and see what we can do.

We also have the help of the Office of Economic Adjustment right now, and consultants KPMG, that's being paid for by OEA money, which under DOD, to help us look at a broad scope of things and the big picture, incorporating labor and many other issues that are there.

So, we are looking at every possible avenue. Thank you.

Ms. BORDALLO. Thank you, Governor. How many training programs are in effect? I know I've have run into about three or four of them.

Governor CAMACHO. Yes, as mentioned, the contractors have their own—they've established apprenticeship programs, even within the Power Authority——

Ms. BORDALLO. GCC.

Governor CAMACHO. GCC has also.

Ms. BORDALLO. Ship Repair Facility.

Governor CAMACHO. Ship Repair Facility.

I believe even Waterworks is eventually working on one.

Mr. SANCHEZ. Already.

Governor CAMACHO. Already.

Ms. BORDALLO. Very good.

Governor CAMACHO. And we hope to expand this to the Public Works, where we can get skilled laborers. But, it is going to have come to another level. There simply is not enough going right now and, interestingly, not enough interest from our young able-bodied men and women that can go into this field of construction. There doesn't seem to be much of a local interest, and I think it is simply a matter of marketing and promoting——

Ms. BORDALLO. That's correct. That's correct.

Governor CAMACHO —the opportunities that are there and available.

Ms. BORDALLO. Thank you very much, Governor.

I do have other questions, but—another round, all right.

Thank you, Madam Chair.

Mrs. CHRISTENSEN. Thank you. Thank you, Chairman Bordallo.

Mayor Savares, there were recent exercises throughout the region, and some of it, of course, took place at Andersen Air Force Base. Did that raise any extra concerns that you—was anything that occurred during those exercises that may have raised some additional concerns?

Ms. SAVARES. Not currently. As a matter of fact, in April, during the scoping meetings—there is always ongoing exercises with the helicopters in the Northwest Field area. And, of course, we were at the same time of the exercises, there was a function going on in the Agafa Gumas area, which is up past Pods (phonetic) junction, and I did ask the officials that were there, at the end of the day, "Were you bothered by the noise?" And they said, "What noise?" And I said, "Well, you know, we have the helicopters flying overhead." And they did not realize it.

But that was a concern in Okinawa. We went to the Fitama (phonetic) Overlook and, of course, the residential area was so close to the base that the exercises continued through late evenings.

And I understand that there is an exercise right now with the ships in the area and the flights, of course, are—you have the jets flying over. It is not a concern right now, but of course with the buildup, it might be. That's why the concern that we saw in Okinawa, and we heard from their community leaders, is that between 10 p.m. and 6 a.m., the flights are still coming in, with the helicopters, the jets, and so we don't want that to happen here. And so, of course, that's why we are bringing it up.

Mrs. CHRISTENSEN. Thank you.

Mr. Sanchez, in your testimony, you mentioned that you identified several hundred million dollars in projects for upgrading the transmission and the distributions system. Have you also identified any projects to help with energy efficiency and conservation, like renewable energy projects? And, do you think that that ought to be a part of the discussion as well, as you prepare? We understand your position very clearly on how the military buildup should go with regard to power, but what about renewable energy?

Mr. SANCHEZ. It is probably our biggest focus for planning what the next base load should look like for Guam's growth, which includes the military expansion. We've had a lot of good informal discussions with DOD, and we are looking at maybe 60 megawatts. You know, Guam has 550 megawatts now. We only used 260 megawatts for peak demand. So, we have almost a 100 percent surplus capacity. Why? Because we can't run a plug to another grid in Hawaii or California. So, you also have to have redundancy.

And that's why we talk about having two systems on a little island. It doesn't make sense. We are doing an integrated resource plans study now. R.W. Beck, who happens to also be the consulting engineering group for the Japan Bank that will be loaning the $6 billion, is doing the study for us. And we are looking at coal, nuclear, wind, OTEC.

I think the biggest challenge that we are finding in the preliminary analysis is, given the magnitude of need for Guam, wind, OTEC, oceans, they're not efficient. They have a long way to go in terms of technology development to provide us 50, 60, 100 megs worth of capacity.

Coal is emerging as a possible choice. It is great once you build it, but it is three to five times the cost to build it initially. When we say $800 million, $300 million of it is for a large coal plant, if we go in that direction. It is more expensive to build, much less expensive to operate. Of course, you've got the algorithm side of the equation, about going into coal at all versus the need for affordable power here.

So, we are looking into those things and, as General Bice had mentioned last week in D.C. and then again today, DOD and Japan are having some discussions about power, and I asked the same question last week in D.C. that I'll ask here in Mangilao, as the Governor said, when can the Guam Power Authority, who is the sole provider, when can we sit down? We have some ideas that we think can handle Guam futures growth with shared investments so we can keep rates lower.

I think the other piece of a puzzle that we ask you to think about, DOD gets Congressional funding. There is no debt service on Congressional funding. They don't pay back on bank 30 days later. And when we look at infrastructure, we are capital intensive businesses, and debt services becomes almost the biggest component, other than the oil piece of the puzzle. And we are hoping to take some of these monies that doesn't have to get paid back to jointly invest and upgrading team transmission and distribution to build the next capacity that moves us in the directions of diversification, away from oil, and put our heads together, because we think, again, for a little island, there's some real opportunities to leverage that money, but put it in the position where the people in Guam aren't stuck paying back debt service 30 days after we get the money.

That's the challenge of using public-private partnerships in special purpose entities. They're going want to pay back the $700 million that General Bice has identified. Our question is, is that all to be paid back through rates, and/or can some of that be invested where we are constantly forcing the ratepayers of Guam, both current and new, including the military? You know, they pick up 20 percent of the tab, so their power bill is affected as well, and your future appropriations that you have to give to DOD to operate on Guam get affected.

So, we see some real opportunities if we can get collaborating on this $700 million that may be available on these alternative energies, where they're going to put it, how is it going to be operated?

We are happy to report one of our private partners is a Japanese power company. So, we are very comfortable and very familiar with working with SPEs, public-private partnerships, use at private financing. We've raised our own money. But those require immediate ratepayer repayment. And anything we can do to get some of that free Congressional money that DOD gets, without having to pay back debt service, helps the people in Guam afford this upgrade, and be able to better live their lives.

Mrs. CHRISTENSEN. Congresswoman Bordallo.

Ms. BORDALLO. Thank you, Madam Chair. I have a few more questions of Senator Won Pat.

I'd like to address this to you, since you are the sole representative here from the Legislature. I hope you'll be able to answer it.

How will the locally identified priorities by the executive branch with respect to the buildup be addressed by the Guam Legislature within the annual budget process, and are there any special considerations being given in terms of altering the budget process or reviewing such priorities on a separate track?

Senator WON PAT. Thank you for that question.

Being a former senator, of course, in the Legislature of Guam, you know, the Governor of Guam normally submits the budget for the executive branch. And they basically set the priorities in terms of the executive branch, and what we do would be then to reprioritize some of those requests.

I believe that the Legislature needs to really look and change its thinking, of course, in how we prioritize our spending. I'll have to say, however, that with the low economic status of the island of Guam, we don't have that much money basically to earmark for

specific projects, such as power or the utilities, much less the landfill that we need to close down.

What this would actually mean for the Legislature would be to go out and take out bonds, and a majority of the senators right now are not in favor of mortgaging the future generations of Guam. That is the reason why our approach is to look to the Federal Government instead for assistance.

Ms. BORDALLO. So, rather than working with the executive branch when they set their priorities, you say they are not really cooperating or—is that what you're telling us?

Senator WON PAT. No, they're—(Laughter).

Of course—you really are putting me on the spot, aren't you?

(Everybody laughs).

I'm in the minority. OK?

Ms. BORDALLO. I know.

Senator WON PAT. So——

Ms. BORDALLO. I don't think you heard me.

I said, I hope you can answer this question since you're the sole representative——

Senator WON PAT. Yes, I did.

Ms. BORDALLO —of the Legislature here this morning.

Senator WON PAT. That's true. And even within—I'll be very honest, of course, even within the Republican Party, there's a rift, and I'm surely not going in there at all. I'll leave that up to them.

Governor CAMACHO. I don't know of any rift.

[Laughter.]

Governor CAMACHO. We are having fun here.

Ms. BORDALLO. Thank you very much, Senator. You've been very brave here. But, thank you, thank you.

Mayor, I have a question for you. Can you explain the ways in which the mayors are working together in preparing for the buildup? I know you've been very supportive all along and your village, your area of the island will be most affected.

In what ways do the residents of Dededo today interact with their neighbors at NCTS and Andersen Air Force Base, and are there goodwill and sister village relationships? I know they've been going on for years, but I'd like to get your comments on that. How are the communities interacting as one, and in what areas do you think community relations can be improved?

Ms. SAVARES. Currently, we have a very strong Sister Village Program with our military counterparts throughout the bases and the villages in the island, around the island.

We, most recently of course with the preparation of the schools, a lot of the Sister squadrons did come out to assist with grass cutting and painting of several of the schools throughout the island.

Mayor Lizama, this past Liberation, had one of his squadrons, his Sister squadron, participate with him in the village float competition, and they had one of their small model aircrafts on it, and they won first place on the village floats.

So, of course, the community ties with the squadrons and our Sister Village Program continues, and they continue to grow within the communities.

Of course, the culture in the northern area, we are trying to build that back up. We are currently working this past summer,

Yigo and Dededo worked together with Paa Taotaotano to get our kids, and our members of our community, to interact culturally with learning how to weave, so that when we interact with our military Sister Village Programs, we can teach our people also, or our counterparts, how to weave, chant.

We had a presentation at the mall last week and, as part of Mayor Lizama's program, he had 13 Andersen Air Force Base children participate in his summer program. They were chanting and dancing the Chamorro chants and they were also weaving.

So, the interaction as far as keeping, preserving our culture, northern area of Dededo, Yigo are currently trying to emphasize on a stronger bond with it, and then also share it with our community, Sister Village Programs, and then the interaction with them coming off base to actually assist us with current projects that we are working on.

Like I said, the preparation of the schools, that will continue.

Ms. BORDALLO. A quick follow up, Mayor.

Ms. SAVARES. Yes.

Ms. BORDALLO. Would you then say now, you've commented on the northern part, but would you say overall the village, mayors——

Ms. SAVARES. Yes. Merizo still has a very strong bond with their sister squadron, which is the Coast Guard, and the same with the other villages. Inarajan constantly every month does something. So, the villages, the mayors are very aggressive with their sister squadrons.

Sometimes it depends on the Commander. They have a change in commanding officers, and the new commander may not be as aggressive as the one in the past. But the members still come out. I know, in my Municipal Planning Council, I have honorary members who are from, one from NCTS and one from Andersen.

Ms. BORDALLO. Very good, Mayor. I know this program has been exceedingly fruitful over the years. I've known it for years and it has been very, very successful.

I have a couple of questions for Mr. Sanchez. Do you—(pauses).

All right. So, I yield back then to the Chairman.

Mrs. CHRISTENSEN. Thank you.

Let's see. Governor—this question basically is for both Governor Camacho and Mr. Sanchez. Let me see if I can kind of put it together.

And, Governor, you say we cannot be expected to cover unfounded mandates or other substantial requirements of this military expansion. And I wanted to talk about critical infrastructure and whether you've identified critical infrastructure. It would seem to me that some of them, and we've already talked about the utility, that's a critical infrastructure, not only for you, but for DOD, and it seems to me that there should be some cost sharing involved there, as you've said.

What are some of those critical infrastructure? What would be the top 3 that you would see that you would not be expected to cover as unfunded mandates, but that you would require substantial military assistance with?

Governor CAMACHO. Well, I think definitely if you look down at Andersen and Naval Station, their capacity right now for their

landfills is close to being exhausted. They're going to need, along with the military base that will be established for the Marines, a place to dispose of their waste.

The need and first of all the consent decree that we have agreed to as a government to shut down our current landfill, which has been in existence for close to 60 years or more, is very, very critical right now with certain timelines that had been established, that have come and gone and penalties that are a result.

I'll have to share with you what is difficult for us right now is getting a clear direction. As an executive branch, we are being pulled in different directions, demands by Federal U.S. EPA to shut down and establish a landfill and then of course position of several senators that it shall not be downed at the location that we sited down in Dandan, because they don't want that to be impacting the community, and concerns about some ground water and possible pollution in that area. An existing law that requires and demands that we have an incinerator in another area of the south toward Agat/Santa Rita called Guatali, with terms and conditions that are not acceptable to the government.

And so, we are really caught in the middle, as there is no real clear policy decision. On the one hand, we must proceed as U.S. EPA demands and continue with the studies; the same time there are lawsuits that have been appealed and have been overturned in our local courts and our Guam Supreme Court on that very incinerator. So, where we end up and how this puzzle will be solved that certainly one that must be addressed.

The other requirement of course I think is public safety. Right now our police officers are, I believe, 300 men short of what would be required of a community of this size. And when you factor in the growth of perhaps 17 to 20,000 additional military personnel in a few short years, the requirement for public safety, just in police alone, is tremendous.

And I think third, although we are addressing schools, and DODEA has their schools, that is a sub-requirement.

The third one I think that we must be concerned about would be healthcare. We have a community of course that is close to 170,000 people now. You throw an additional 10 to 15,000 workers with no clear terms and conditions on the care for them. If someone gets sick and ill and injured, who takes care of them? Is there an insurance policy that would be provided by the employers, or do they simply come into our public health or hospital and have an impact upon our ability to pay for them?

We currently spend between, although it is appropriate at $17 million, we are spending close to $28 million on healthcare for our poor and indigent who have no insurance whatsoever. So, there will be a further burden on our healthcare system.

Those are the three other areas other than infrastructure that I think we must be concerned about.

Mrs. CHRISTENSEN. OK, and thank you, Governor.

And Mr. Sanchez, on May 17th, the Department of Homeland Security released its sector specific plan for critical infrastructure, which includes the industries represented by CCU. Were you given an opportunity to participate in the consultation process of the sec-

tors specific plans? Have you had any assessment of critical infrastructure that you had an ability to input?

Mr. SANCHEZ. To be honest with you Congresswoman, I wasn't involved. That doesn't mean my management team wasn't. It is the first I've heard of——

Mrs. CHRISTENSEN. You don't know that an assessment team came in to——

Mr. SANCHEZ. And that we are——

Mrs. CHRISTENSEN —develop a critical——

Mr. SANCHEZ —specifically engaged with the power, the water authority.

So, I'd love to see it, and again this is——

Mrs. CHRISTENSEN. So, you haven't seen it either?

Mr. SANCHEZ —another example of—we can play a role and we have to play a role——

Mrs. CHRISTENSEN. Sure.

Mr. SANCHEZ —and engage in here.

I just want to add to what Congressman, I mean, Governor Camacho had mentioned. You know, you asked about our critical priorities. We've mentioned transmission and distribution. If we could get some money invested into that, it would allow us to grow the system for—(pauses; phone rings)—that's telephones.

I don't do that.

It would allow us to grow the system, not just for the current growth, but for the expected Marine growth.

We see the construction phase of the Marine base, there's 16 wells we will need to drill in Dededo, next to Mayor Savares' village, because that's where the bulk of the construction workers are probably going to live; either there or down in Agat and Santa Rita. Again, an opportunity.

If we then get some of the $700 million or some Congressional money, or some of the money supposedly floating around to build the wells for the construction phase, when those 15,000 construction workers leave and 20,000 citizens move in to staff and work on base, those wells remain, and there's another good win-win example of investing money now for the construction phase and taking advantage of these wells that are going to remain existing and let that use to future growth.

So, from the water side, there's that, and you need to be aware, U.S. EPA has already sent some testimony in, there's a growing—there's a problem—there's a potential problem with the Guam aquifer. Right now, it provides 70 percent of the water on Guam. It has the ability to generate 80 million gallons a day, and we are only using 30 million gallons a day. So, there's room for growth.

But U.S. EPA is studying whether the U.S.—whether the aquifer needs to be treated like surface water. And when you treat it like surface water, you have to have a Surface Water Treatment plan. GWA has one in Yona and Talofofo called the Ugam Treatment Plant, and the Navy uses one at Fena. Well, the Air Force drills its own wells and gets its own water out of that aquifer. Of course, we don't want the Marines to drill their own wells, we want then to get it from us. But at the end of the day, we are all drawing from that same big source of water, you know, different straws in the water, and the private sector also has some private wells.

We are concerned from a security standpoint, that if we don't think about that aquifer as a single resource that has to be protected from terrorism, from adverse impacts, depending on how this expected EPA decision is going to come down, and we expect within the next 18 months, we are not going to be able to put—we have a hundred wells, we are not going to be able to put a hundred treatment plants up.

They're going to have 4, 6, 10 to 12 wells. In fact, the Navy already has 16 wells now. They can't put a treatment plant in all of those.

So, we are looking at the concept of single wells supporting, drawing from the aquifer, supporting all the costumer needs and secure it and protect it in a way that they can never be at—we can never put that aquifer at risk. That aquifer has to get protected and conversations with DOD and our community, we need to get engaged on that right away.

Governor CAMACHO. And, Madam Chair, may I just interrupt for a second?

I also wanted to add, as you asked, what were the priorities. I failed to mention——

Mrs. CHRISTENSEN. It is hard to——

Governor CAMACHO. Yeah.

Mrs. CHRISTENSEN —to end the list.

Governor CAMACHO. But the one key, I think, is the Port Authority of Guam, our seaport, which I believe is one of the single most important facilities right now that must be upgraded. That's the choke point. That is a single entry point for roughly 90 percent of all goods coming into Guam. Its capacity right now to handle the goods flowing is already strained because of a lack of cranes that are old and decrepit and need to be replaced, and they've been boggle down with a very cumbersome procurement system in protest that have occurred.

But beyond that, our capacity to handle the additional goods coming in for the buildup in ships is the single most important issue, I think, because if that is not functioning, and not capable of handling the flow of goods coming in, it will certainly slow down the buildup here.

In addition to that——

Mrs. CHRISTENSEN. So, that's critical——

Governor CAMACHO. I'm sorry?

Mrs. CHRISTENSEN —critical infrastructure for you and for the Department of Defense, and therefore should be a shared——

Governor CAMACHO. Absolutely.

Mrs. CHRISTENSEN —responsibility.

Governor CAMACHO. Very, very critical.

Thank you.

Mrs. CHRISTENSEN. Thank you.

For the last set of questions for this panel, Ms. Bordallo.

Ms. BORDALLO. Thank you. Thank you, Madam Chair.

Mr. Sanchez, I have a couple of questions for you.

Mr. SANCHEZ. Are these the easy ones I gave you before the weekend?

Ms. BORDALLO. They're easy. They're easy.

Mr. SANCHEZ. OK.

Ms. BORDALLO. In your testimony, you remind us the Navy and the Guam Waterworks water systems crisscross at certain points on the island and the sharing agreements may be possible. Could you elaborate on how the sharing agreements could be structured and whether there is a precedent for such agreements, and has this issue and proposal been raised directly with the Navy and the joint Guam Program Office? And if so, what has the general reaction been?

Mr. SANCHEZ. OK. You know, right now, the Navy pumps water from Fena down south all the way up north to NCTAMS, and we pump water from the north down to the south to make sure——

Ms. BORDALLO. I know. Yes.

Mr. SANCHEZ —Agat, Santa Rita, and the south have water. There's a perfect example of—you have two separate systems, engineered differently.

We used to connect at about 35 places; the Navy is cutting it back to about 20, because they're trying to get their act together. They have major water and wastewater challenges just like GWA.

As you know, the MILCON budgets are appropriating over a $150 million for them to fix Fena and their wastewater. So, here we have two systems trying to recover within feet and miles of each other, and we are not spending the money together.

We think that, if we can move to integration, and you ask for an example. Before, the Guam Airport and the Guam Power Authority were jointly operated between the military and the civilian community and now, the airport is run by the people of Guam, the Guam Power Authority runs the entire system. So if you're looking for models that would work for water, it is indeed to move the Navy into a costumer position with the Guam Waterworks Authority, allow the Guam Waterworks Authority to run the entire system, just the way the airport is run by the civilian community, just the way the power company is run by the civilian community, and then it will be incumbent upon us to meet the standards, meet the performance standards. We've done it at GPA; we've done it at the airport.

So, there's existing Federal models. It is Public Law 100-202, that was passed by the Congress and basically giving back the property, the power assets of the Navy and transferring them to Guam Power Authority. So, there already exist scenarios in Federal law in which essentially the military, as General Bice—and I believe he's sincere, they don't really want to be in the power, water, port business. They want to be a customer. But they're concerned about our ability to deliver high quality service. And yet, we believe and we are confident that we can achieve that level, if we get a single integrated system.

We are about to be informed of 100 percent rate increase by the Navy for the water we buy from Fena, and it is going to put it up to $4.00 per thousand gallons. I politely asked our Navy colleagues and said, if you guys, you know—we produce water for $2.80 per thousand gallons, and we pay debt service. They don't pay debt service on their capital investments. If it costs them $4.00 per thousand gallons to run their system and we can run it for $2.50, we can save money, then give it to us, we will run it for less, we

will save them money, and we will reintegrate the entire water system.

When I asked the Navy, "Why does it cost so much at $4.00 per thousand gallons," they said, Economies of scale. And immediately my light went on, I said, Well, you suffer from economies of scale, because you're so small and you're running this little system. We benefit from economies of scale, that's why we are cheaper because we run a much bigger system.

Isn't it time to begin to marry these infrastructure systems? In fact, it is the perfect time to marry these infrastructure systems, and return and make the Navy and the military a customer of Guam Waterworks Authority. We will take over the system. If we have to use public-private partnerships or SBEs to do that, we already used that tool as a management tool for financing and management. We are not afraid to do the right thing to provide service to our people.

Ms. BORDALLO. And I'm——

Mr. SANCHEZ. But this is the perfect time to merge them.

Ms. BORDALLO. I'm sure you've made the proposal of this joint sharing system——

Mr. SANCHEZ. Well, no—no, not yet.

Ms. BORDALLO —but how are they reacting?

Mr. SANCHEZ. Well, I think that's part of the problem.

I mean, General Bice, we've had some informal conversations. There's lots of meetings. We have technicians coming in. I think there's an effort and a desire to engage. But at the end of the day, we really haven't had formal meetings.

I mean, one thing I'd love the committee to look at is, if there is $720 million that may be available from Japan's $6 billion, can we start having those conversations?

The Port—you know, I told General Bice, you take $700 million and you divide it by power, water, port, and landfill, and you will go a long way toward solving all of those problems for everybody. OK?

And so, we'd love to start having engaged conversations, specific ones. Because, the Japanese have visited us and one of things they point out is—you know, and take it with a grain of salt, I don't want to say they're all representing. But they're saying they're being told by the DOD some of the parameters. And my concern is, are there alternative parameters that are not being presented to Japan that they might say, You know, that's a better way to do it and it is more cost-effective.

We need a place at the table. I think that's what the Governor is calling for. We need a place at the table with these monies now if they want us to be ready.

Ms. BORDALLO. Thank you.

Governor?

Governor CAMACHO. Yeah, Congresswoman Bordallo, that's what I spoke to as I mentioned that we as a government ought to be—we are relevant and credible stakeholders in this entire process.

And although it is a bilateral agreement on the specific discussions, such as infrastructure, that's where it has got to be a triparty-type of discussion, where input can be taken from our Commission on Utilities.

And I think it only lends to a better understanding of the overall possibilities, as they form their business models on how they would fund this out of the $720 million. Input from the CCU on specific utility upgrades and options would be very beneficial to the final decision on what business model they will adopt.

Thank you.

Ms. BORDALLO. So, in general then just quickly, what I'm getting, the reaction I'm getting here is that, they are not really that acceptable to this idea or they're what?

Mr. SANCHEZ. No, I won't say that.

Ms. BORDALLO. No?

Mr. SANCHEZ. I mean, they say they want to collaborate.

Last week in Washington, D.C., General Bice said, Simon, don't worry you will be involved with this business plan. And I'm taking that at face value.

Ms. BORDALLO. Good.

Mr. SANCHEZ. But every day that goes by, I worry about the port and the landfill almost more than I worry about power and water at this point. We have a little time, not much. But let's—but we——

Ms. BORDALLO. Well, if something else, we will monitor.

Mr. SANCHEZ —we can play a role. You can't build the business plan for Guam when Guam is not at the table.

Ms. BORDALLO. Very good.

Thank you very much. Thank you, Madam Chair.

Mrs. CHRISTENSEN. Thank you, Governor. Thank you, Senator, Mayor, Mr. Sanchez. Thank you for your testimony and for your responses to the questions that we asked.

And, this panel is now dismissed with our gratitude.

Mrs. CHRISTENSEN. We'd like to call up our third and last panel of witnesses, The Honorable Hope Cristobal, former Senator of the Legislature of Guam; Mr. Benny P. San Nicolas, Chairman of the Southern District of the Guam Soil and Water Conservation; Mr. Stephen Ruder, Chairman of the Guam Chamber of Commerce; Ms. Trina Leberer, Marine Conservation Coordinator of the Nature Conservancy, Micronesia Program; and Mr. John Robertson, Chairman of the Government Military and Labor Affairs Committee of the Guam Contractors Association.

The Chair now recognizes Senator Cristobal to testify for five minutes.

STATEMENT OF THE HONORABLE HOPE CRISTOBAL, FORMER SENATOR, GUAM LEGISLATURE

Ms. CRISTOBAL. Hafa Adai, Chairwoman Donna Christensen and members of the Subcommittee on Insular Affairs, Si Yu'us Ma'ase for this opportunity to be heard.

I am Hope A. Cristobal, an indigenous Chamorro, former senator, retired school administrator, and probably the token general on public today, totally unbudgeted. I appear before you on behalf of the Guahan Coalition for Peace and Justice as a member representative of Fuetsan Famalaoan.

The Coalition for the Protection of Ancient Cemeteries, OPR, and the Chamorro Studies Association—it has been some 30 years since a Congressional hearing was held on Guam. As a witness, I feel

that the limitations and restrictive list of today's hearing are examples of what Congress thinks of its subject people.

You owe us no allegiance nor time, and our people's voice really do not count, although I would remind you that unilateral decisions about our lives and our homeland perpetuate the historical denial of our human rights. This hearing is a reminder of the inconsistencies between the principles and the practices of democracy in a U.S. 21st Century colony.

Madam Chairwoman, Guam remains a colony of the United States today. It is a non-self-governing territory under international standards and an unincorporated territory within the framework of the U.S. Constitution.

While suffering the indignities of labels, such as possession, property and colony, we bear the brunt of restrictive interpretations in the application of Federal statutes, rules and regulation, by U.S. representatives with an eye toward maintaining the status quo, in the process diminishing Congress' authority and responsibility to provide for the civil rights and political status of the native inhabitants of Guam under the guidance of the U.S. Constitution, the Treaty of Peace and the U.N. Charter.

Just three days ago, a Pentagon spokesman referenced Guam as a U.S. asset in the Valiant Shield war games. And yes, Madam Chair, just to digress quickly, our community was affected, windows were shaking, planes flying low over our homes. I live near Tumon, residents there were scared, the tourists were scared, local residents of the elderly Guma Tranquilidad, who had survived World War II, were scared.

A 1945 secret memo as well revealed the U.S.'s real intention for Guam of military control for its military value. There is no question that U.S. Military interests take precedence over our people's interest, and that the status quo, the status of dispossession, is directly related to the issue of the Pentagons planned militarization of our homelands.

First, Guam is taken as a colony during the Spanish-American war for its U.S. Military and strategic value.

Second, Guam's resultant status is that of a colony or as determined in the insular cases of 1901 to 1922, a possession of, but not a part of, the United States.

Third, Guam's value was again misunderstood during and after World War II, when vast amounts of land were taken and decisions about disposition were made unilaterally in the Organic Act of 1950.

Fourth, Guam status under the U.N. Charter is that of non-self-governing territory or colony.

Fifth, nothing has been done by Congress or otherwise to change Guam's fundamental colonial status.

The Organic Act of 1950 reaffirms Guam's status as a possession, and Guam remains a non-self-governing territory under the U.N.

Sixth, current discussions about how Guam would be used by the U.S. Military are discussions within a decision. The decision to use Guam is not one made in Guam or by Guam, but by those who possess Guam and its people. Neocolonialist policies and the deliberate and careful undermining of an unincorporated Guam have allowed the use of our lands for military delivery systems, storage for nu-

clear weapons, home porting of nuclear warships and space warfare technologies.

The militarization of the Pacific and our homeland has had devastating, often unmitigable, effects on the health and welfare of our people. We have high rates of cancer, Madam Chair, just as a point of information on cancers alone. On nasopharyngeal alone, Guam has a rate of 1,995 times more cancer than the standard population of the United States. In a study by Hadac and Navao (phonetic) on incidences of cancer, the two villages with the highest cancer deaths are Santa Rita and Yigo; the two closest to military bases.

With all due respect, Madam Chair, the people of Guam also need to be heard by actual voting representatives who sit on the Armed Forces Committee. An investigation of the Pentagon's buildup plan having two EISs—one for Andersen for the ISR/Strike capability, and another for the Navy—is in order.

Further, we reiterate the need for a holistic EIS with the requisite Socio-cultural Impact Assessment, subsequent and cumulative impacts, impacts from connected actions, timely public disclosure and public alerts about depleted uranium and nuclear weapons in the EEZ and coastal waters, and one that ensures objective environmental information with a genuine no action alternative. Unless, of course, the military buildup is a foregone conclusion. We are very, very worried about the depleted uranium and live fire training on Guam.

The impact of thousands of new residents and military assets within the context of a colonial relationship is self-evident in a small island community. The dilutive effects on our right to self-determination is a very deep concern. Furthermore, the influx of new residents is in contravention to relevant U.N. resolutions on decolonization and the U.S.'s obligations as Guam's administering power.

In the UN's plan of action of January 2006 for the second decade, for the eradication of colonialism, it is stated that administering powers should refrain from using non-self-governing territories for military bases and installations. We, unequivocally, object to our people being excluded in the Federal Government's deliberations relating to this buildup, and we ask that a separate process be engaged for the colonized people of Guam to make an informed and an explicit decision about whether or not we want this military buildup.

It is vital that decisions related to the U.S. Military's plan be framed within the context of a dependent people living within a non-self-governing territory that is struggling to protect our inalienable right of self-determination, and to preserve our national identity. This must be the guiding principle of decisions by the U.S. Congress relative to Guam; my people deserve nothing less.

In closing, I leave you with an old Chamorro Proverb [Chamorro language]. "Greater is the fault of he who allows the injustice upon himself."

Thank you, Madam Chair.

Mrs. CHRISTENSEN. Thank you, Senator.

[The prepared statement of Ms. Cristobal follows:]

Statement of The Honorable Hope A. Cristobal,
Former Senator, Guam Legislature

Buenas dias Chairwoman Donna Christensen and Members of the Subcommittee on Insular Affairs:

Si Yu'us ma'ase for this opportunity to be heard. I am Hope A. Cristobal former Senator, retired school administrator and community activist on issues related to the Chamorro people. I have been an adjunct professor at UOG teaching History of Guam. I appear before you today on behalf of the Guahan Coalition for Peace and Justice as a member representative of Fuetsan Famalao'an (2006), the Coalition for the Protection of Ancient Cemeteries (2007), OPI-R (the Organization of People for Indigenous Rights) (1981), and The Chamorro Studies Association (1987). I am a Chamorro wife, mother, and grandmother; I have lived most all my life on Guam. As of late, I have been working to save pre-colonial and colonial Chamorro burials, cemeteries and sacred grounds.

It has been over 30 years since a congressional hearing has been held on Guam. As a witness, I feel that the limitations and restrictive list of today's hearing is another example of what Congress thinks of its subject people; you owe us no allegiance nor time and our people's voice really do not count. Although I would remind you, that unilateral decisions about our lives and our homeland perpetuate the historical denial of our human rights. This hearing is a reminder of the inconsistencies between the principles and the practices of democracy in a U.S. 21st Century colony.

Madam Chairwoman, Guam remains a colony of the United States today. It is a non self-governing territory by international standards and an unincorporated territory within the framework of the U.S. Constitution.

While suffering the indignities of labels such as: a "possession", "property" or "colony", we bear the brunt of restrictive interpretations in the application of federal statutes, rules and regulations by U.S. representatives with an eye towards maintaining the status quo; in the process, diminishing Congress' authority and responsibility to provide for the "civil rights and political status of the native inhabitants" of Guam under the guidance of the U.S. Constitution, the Treaty of Peace (1899) and the UN Charter.

Just three days ago, a Pentagon spokesman referenced Guam as "U.S. asset" with respect to an encounter with Russian bombers in the Valiant Shield war games. Recently, Vice President Cheney openly commented on the fact of the troops being here in Guam so that they won't have to fight a war in the streets of America.

A 1945 secret memo (dtd 11/21/45 by Vice Adm. G.D. Murray Commander of the Marianas Navy Force) reveals the US's real intention for Guam which is military control for its military value. The 3-page memo recommended the Navy's control of Guam and other western Pacific islands.

There is no question that U.S. military interests take precedence over our people's interests and that the status quo, better described as a status of dispossession, is directly related to the issue of the Pentagon's planned militarization of our homelands.

1st: Guam is taken as a colony during the Spanish-American War for its U.S. military and strategic value.

2nd: Guam's resultant status is that of a colony, or as determined in the Insular Cases (1901-22), "a possession of but not a part of the U.S."

3rd: Guam's value is again misunderstood during/after WWII when vast amounts of land were taken and decisions about disposition were made unilaterally (Organic Act of 1950.)

4th: Guam's status under the U.N. Charter is that of Non Self-Governing Territory or colony.

5th: Nothing has been done by Congress or otherwise, to change Guam's fundamental colonial status. The Organic Act of 1950 reaffirmed Guam's status as a possession and Guam remains a Non Self-Governing Territory under the U.N.

6th: Current discussions about how Guam would be used by the U.S. military are discussions within a decision; the decision to use Guam is not one made in Guam or by Guam but by those who possess Guam and its people.

Neocolonialist policies and the deliberate and careful undermining of an unincorporated Guam has allowed the use of our lands for military delivery systems, storage for nuclear weapons, home porting of nuclear war ships and space warfare technologies. The militarization of our homeland has had devastating effects on the health and welfare of our people.

With all due respect to you as a Member of Congress, Madam Chair, the people of Guam also need to be heard by actual voting representatives who sit on the Armed Forces Committee. An investigation of the Pentagon's build-up plan having an EIS for the ISR/Strike capability at Andersen AFB and another EIS by the Navy

is in order. Further, we reiterate the need for a holistic EIS with requisite social-cultural impact assessment, subsequent and cumulative impacts, impacts from connected actions, timely public disclosure/public alerts about depleted uranium and nuclear weapons in the EEZ and coastal waters and one that ensures objective environmental information with a genuine "No Action Alternative".

The impact of thousands of new residents and military assets within the context of a colonial relationship is self evident in a small island society. Furthermore, this influx is in contravention to relevant UN resolutions on decolonization and the US's obligations as Guam's administering Power. UN Plan of Action A/RES/60/120 (1/18/2006 Sec V.18) states that "administering Powers should refrain from using NSGTs for military bases and installations."

We unequivocally object to our people being excluded in the federal government's deliberations relating to this build-up and we ask that a separate process be engaged for the colonized people of Guam to make an informed and explicit decision about whether or not they want this military build-up.

It is vital that decisions related to the U.S. military's plan be framed from the point of view of a dependent people living within a non-self-governing territory that is struggling to protect our inalienable right of self-determination and preserve our national identity. This must be the guiding principle of major decisions by the U.S. Congress relative to Guam. My people deserve nothing less.

In closing, I leave you with an old Chamorro proverb: Isaona i tumungo' ya ha sedi, ki ayo i mismo umisagui hao. Greater is the fault of he who allows the injustice upon himself.

Mrs. CHRISTENSEN. The Chair now recognizes Mr. San Nicolas for five minutes.

STATEMENT OF BENNY P. SAN NICOLAS, CHAIRMAN, GUAM SOIL & WATER CONSERVATION DISTRICTS

Mr. SAN NICOLAS. Thank you.

Good morning, Honorable Congresswoman Madeleine Bordallo and Honorable Congresswoman Donna Christensen. I, too, similar to Senator Judi Won Pat, had to revise my written testimony several times, so please bear with me.

On behalf of the Guam Soil and Water Conservation District, thank you for the opportunity to provide testimony on the significant issue of the U.S. Military buildup on Guam.

As members of the Guam Soil and Water Conservation Districts, our main role is to protect and conserve the natural resources of our island. We deal primarily with farming-related issues and partner with such agencies as the U.S. Department of Agriculture, Natural Resources Conservation Service, Farm Service Agency, the University of Guam, and the Guam Environmental Protection Agency.

There are several issues that are of primary concern to the districts with regards to the proposed military buildup here on Guam. Currently, they are infrastructure-related issues that must be addressed in order to provide a consistent and assessable supply of water to the island's farming community.

Preliminary information that has been provided to the community indicates that the proposed buildup will be focused on northern Guam, which has the largest population of island residents. An assessment of the volume of water that is available, the proper management of the northern aquifer, and the distribution of our precious water resources for farmers and residents, is very crucial.

The current water infrastructure limitations in northern Guam have limited the ability of the farmers to expand and consistently maintain crop operation. The Districts are recommending that the

military and the local community prioritize the distribution infrastructure, water resource management and the accessibility to water.

In Southern Guam, the issue is similar. The Districts are concerned about the military's increased demand for water use and its impact in southern residents and farmers. During dry seasons, we have experienced a decrease in the amount of water that is provided by the Navy to the local community.

We are aware that the military prioritizes water use for its operations before water is distributed to island residents. However, this issue needs to be further examined and addressed to minimize adverse impacts on our local people, who are dependent on these essential water resources.

To help alleviate this situation, we are recommending that the military partner with the Guam Soil and Water Conservation Districts to build more reservoirs in the southern villages. In the village of Inarajan, in the village of Merizo, and in the village of Umatac. The Districts are also recommending that the military consider the recycling of wastewater which can be converted as a source for irrigation for farmers.

Another key issue that is of primary interest to the Districts is the access of locally grown farm products to the military community. The Districts want to be included in direct dialogue with the military community regarding our interest in providing fresh local produce for military consumption. There are mutual benefits that can be gained by both the military and the farming community through a cooperative partnership.

The Districts are also recommending that the military buildup address the issue of alternative types or renewable energy generations, such as bioenergy, ocean wave energy, wind power, and other sources of renewable energy. As new infrastructure developments are put in place, the Districts would also like to see greater consideration placed on environmentally compatible development.

The Guam Soil and Water Conservation Districts are interested in partnering with the military to address their conservation plan. This major military buildup that is proposed to occur in Guam in such a short time span will have a significant impact on the lives of our people. As members of the Guam Soil and Water Conservation Districts, we want to ensure that the critical concerns of our people are addressed and prioritized in the planning and implementation of the U.S. Military buildup in Guam.

Thank you once again for providing the Guam Soil and Water Conservation Districts an opportunity to provide testimony on this very important issue.

Thank you.

Mrs. CHRISTENSEN. OK. Thank you, Mr. San Nicolas.

[The prepared statement of Mr. San Nicolas follows:]

Statement of Benny San Nicolas, Chairman—Southern District, Guam Soil & Water Conservation Districts

Dear Chairwoman Christensen:

On behalf of the Guam Soil & Water Conservation Districts, thank you for the opportunity to provide testimony on the significant issue of the, "U.S. Military buildup on Guam and Challenges Facing the Community." We are very appreciate of the time that you and the members of your Subcommittee on Insular Affairs have taken

to travel to Guam and hear first hand the issues and concerns of our people with regard to the proposed military buildup on our island.

As members of the Guam Soil and Water Conservation Districts we are identified as an organization that primarily deals with farming related issues. However, a significant part of our mandate is focused on conservation and resource management related issues. The Northern & Southern Soil & Water Conservation Districts on Guam partner with Government of Guam Departments such as the Department of Agriculture, Guam Environmental Protection Agency, Bureau of Statistics and Plans, Department of Land Management, Department of Public Works and the University of Guam. As Districts, we also maintain partnerships with the U.S. Department of Agriculture, the Natural Resource and Conservation Service and the Farm Service Agency.

There are a number of issues that are of primary concern to the Districts with regard to the proposed military buildup here on Guam. The most critical issue is directly related to our island's water resources. The Districts are well aware that the proposed military buildup will significantly increase the islands population and have an impact on the water resources that are available on island. Currently there are a number of infrastructure related issues that must be addressed in order to provide a consistent and accessible supply of water to the island's farming community. Of particular concern is the accessibility and supply of water that is currently available to farmers for irrigation and livestock in northern Guam. The preliminary information that has been provided to the community indicates that the proposed buildup will be focused in northern Guam. This is the very area that has the largest population of island residents and has the greatest impact on the use of the northern aquifer. The issue of accessibility to water resources must be taken into primary consideration as one of the most critical issues to be address. An assessment of the volume of water that is available, the proper management of the northern aquifer and the distribution of our precious water resources is a critical concern to the local farming community and island residents. The current water infrastructure limitations in the northern part of the island have limited the ability of farmers to expand and consistently maintain crop operations. The Districts are recommending that in order to insure compatible development between the military and the local community, the distribution infrastructure, water resource management and the accessibility to water must be a top priority.

This same concern also applies to southern Guam. The Navy provides water to a number of residential households and farms in the southern part of the island. The Districts are concerned about the impacts increased demand for water use for the military will have on the availability of water for southern residents and farmers. The Navy currently provides water from the Fena Reservoir that is located on military property. We have experienced in the past, especially during the dry season of the year, a decrease in the amount of water that is provided by the Navy to the local community. We are aware that the military prioritizes water use for its operations before water is distributed to island residents. However, this issue needs to be further examined and addressed to minimize adverse impacts to our local people who are dependent on this essential water source.

The Districts are also recommending that the military consider in its buildup plans the recycling of wastewater that can be converted as a source for irrigation. If new wastewater plants are to be constructed to handle the increased military population, the current practice of wastewater treatment and discharge into the ocean only further depletes reusable water resources. The Districts would like to see a more integrated approach for the development and management of water and wastewater resources that will take into mutual consideration the impacts and benefits to both the military and the local community.

Another key issue that is of primary interest to the Districts is the access of locally grown farm products to the military community. The Districts want to be included in direct dialogue with the military community concerning our interest in providing fresh local produce for military consumption. The Districts are of the position that the local economy can be further stimulated and directly benefit from the military investment as a customer of locally grown products. There are mutual benefits that can be gained by both the military and the farming community through a cooperative partnership. The Districts would also like to work with the military to further address the issue of food security and the ability to provide food commodities that can be produced on island. With our distance from major shipping ports, it is in our mutual interest to increase local food production to provide for both the civilian and military population.

The Districts are also recommending that the military buildup address the issue of alternative types of renewable energy generation such as bio energy, ocean wave energy, wind power and other sources of renewable energy as part of its buildup

operations. We are aware that the military is already pursuing alternative energy infrastructure at other base operations in the mainland. We would like to see the military integrate alternative energy models into their buildup operations in Guam.

As new infrastructure developments are put in place the Districts would like to see greater consideration being placed on environmentally compatible development. The Guam Soil & Water Conservation Districts are interested in partnering with the military to address the development of their conservation plan to address the military expansion plans for Guam. During the National Association of Conservation Districts Meeting just recently held in Washington D.C. in July, we shared our concerns with our fellow District members across the nation of the potential impacts such a significant military buildup will have on our small island. Our National President, Olin Sims further shared our concerns on July 24, 2007 in a meeting with representatives at the Pentagon to encourage a greater partnership between the military and the Conservation Districts. In the area of conservation, we would like to move forward with a progressive partnership with the military.

It is very important to remember that the impact of the proposed military buildup is not limited to behind the fence base operations. This major military buildup that is proposed to occur on Guam in such a short time span will have significant impact on the lives of our people. As members of the Guam Soil & Water Conservation Districts we want to insure that the critical concerns of our people, particularly with regards to conservation issues, are addressed and prioritized in the planning and implementation of the U.S. military buildup on Guam.

Thank you again for providing the Guam Soil & Water Conservation Districts the opportunity to provide testimony on this very important issue.

Mrs. CHRISTENSEN. The Chair now recognizes Mr. Ruder to testify.

STATEMENT OF STEPHEN RUDER, CHAIRMAN, GUAM CHAMBER OF COMMERCE

Mr. RUDER. Thank you.

Honorable Chairwoman Christensen, Congresswoman Bordallo, my name is Stephen Ruder, and I'm honored to have been invited to address this hearing. I'm a small businessperson and have lived and worked on Guam for 20 years. I'm proud to call Guam home.

I'm also privileged to be delivering testimony today on behalf of the Guam Chamber of Commerce in the capacity as Chairman of the Board of Directors. The Guam Chamber of Commerce is comprised of over 325 individual businesses representing all sectors of the business community. Our members collectively employ roughly 40,000 island residents. Over half of our members come from small businesses with annual gross revenues less then $1 million. Our combined membership generates $2 billion annually in economic activity, or approximately 70 percent of Guam's gross island product. We also engage the community in worthwhile civic endeavors.

For the past 83 years, the Guam Chamber of Commerce has believed that what's good for the community is good for business. The Guam Chamber of Commerce recently commissioned a professional research company in late March of this year to conduct a statistically valid quantitative survey among island residents to ascertain community support for and attitudes about the planned military buildup. Survey methodology produced statistically accurate results within a plus or minus 4 percent margin of error.

The purpose of the study was to gauge community temperament more objectively and accurately than what may have been or continues to be portrayed by a vocal minority and the political support or media attention that they attract. Results from the survey show that, and I'll just summarize some of the brief results;

(1) A majority, or 71 percent, of Guam residents polled support in increased military presence, (2) Nearly 80 percent of Guam residents polled feel the increasing military presence will result in additional jobs and tax revenue, and (3) nearly two-thirds of Guam residents polled feel the additional Marines on island will have a positive effect and ultimately improve the island's overall quality of life.

Judging from the results of this survey, it is clear that a majority of Guam residents support a larger military presence on the island. And while 19 percent of those surveyed do not know whether the Marine relocation will improve the island's quality of life, we believe that most in this category will react positively if they know that the revenue improvements associated with relocation will be dedicated to the funding of various public facilities and enhancing the quality of life for everyone.

The Chamber believes that the U.S. Military buildup will impact the island's civilian infrastructure, the magnitude of which will require significant external assistance. The nature of this outside help centers on institutional expertise, as well as the comprehensive funding strategy involving private sector participation to support an integrated upgrading of Guam's infrastructure.

As discussed earlier, the Commercial Port is often called the long pole in the tent because of the importance to the success of the buildup. That said, our port is substantially behind in its thru put capacity. To quickly provide facilities able to meet the demand will require some type of comprehensive commercial venture to develop, fund, construct and perhaps operate a contemporary port.

Increasing Guam's ability to support the planned military buildup in the next 7 years will also require a surge in construction capacity. Therefore, it will be important for the Federal Government to develop a comprehensive construction program to provide local business opportunities to facilitate the use of major off-island contractors and temporary workers, and to partner with local institutions, including the Guam Contractors Associations Trades Academy, to expand and intensify training programs that will produce the local skill labor required to meet the demand today and, more importantly, in the future.

The socio-economic environmental impact from the buildup will be reduced, given that various elements of the planned buildup occupy customized land-use footprints spread throughout Guam and the islands of the CNMI. There are already some of these in place, as in the case with the FDM bombing range, and the enhanced capabilities at Andersen Air Force Base and Naval Base Guam.

The island's primary revenue source today is tourism, which accounts for 20,000 jobs, and we must do everything possible to protect this fragile industry. Approximately 80 percent of Guam's 1.2 million visitors come from Japan. Recent research commissioned by the Guam Visitors Bureau indicates that the image of Guam and Japan would not be harmed by the buildup; that's the good news. The bad news is that Japan, our largest market, is a market in decline on Guam. It is essential that the expansion of Guam's tourism industry remain a significant priority, even as the planned military buildup moves forward.

The Guam-Only Visa Waiver Program is a crucial tool to growing new markets. Your support to expanding the Guam-Only Visa Waiver Program is crucial. As the buildup moves forward, the business industry will also be coping with the immediate demand for labor, and Congress must be sensitive to wage-driven competition and eroding the industry's workforce too deeply. This would be to the detriment of an industry already competing in a lower East Asian business environment.

In summary, the same attributes that make for a healthy resort environment are identical to those that make Guam attractive for the relocation of military personnel. As we continue to work together toward expanding our economy and enhancing the quality of life for all of our community, there's bound to be short-term and temporary inconveniences. But these disruptions, whether socioeconomic, environmental, should not be the reasons to forfeit the long term benefits of our national security interest and the economic well-being in Guam. To this end, the Guam Chamber of Commerce pledges its full support for the planned U.S. Military buildup.

Thank you for the opportunity.

Mrs. CHRISTENSEN. Thank you, Mr. Ruder. I got it right the second time.

[The prepared statement of Mr. Ruder follows:]

Statement of Stephen C. Ruder, Chairman of the Board, Guam Chamber of Commerce

INTRODUCTION

Honorable Chairwoman Christensen, Congresswoman Lee, and Congresswoman Bordallo, my name is Stephen C. Ruder, I am the Proprietor of Ruder Integrated Marketing Strategies, a local marketing and business consultancy. I have lived and worked on Guam for twenty years and am proud to call Guam home.

I am here, however, in my capacity as Chairman of the Guam Chamber of Commerce Board of Directors. Our chamber membership is comprised of over 300 individual businesses representing all sectors of the business community, which collectively employ 40,000 island residents in the private sector. About 52% of our members come from small businesses, but our combined membership generates $2 billion annually in economic activity or approximately 70% of Guam's Gross Island Product.

Thank you for the invitation to participate at today's oversight field hearing on the "U.S. Military Buildup on Guam and Challenges Facing the Community."

Public discussion regarding the U.S. military buildup in the Marianas is the most significant issue ever to touch our shores in recent memory. And the debate that will arise from these oversight meetings is sure to give pause to the notion that the Proposed Action can be undertaken without difficulty. Good things never come easily.

The Proposed Action is multifaceted in scope, broad in expectation and intensity, and of obvious significant impact to the islands of Guam, the Commonwealth of the Northern Marianas and the island states of Micronesia. But properly aired, we believe that most (if not all) of the issues raised can be addressed in good faith, balanced within the context of national security, and sensitized to community sentiments.

COMMUNITY SUPPORT

The Guam Chamber of Commerce in late March 2007 commissioned QMark Research and Polling to conduct a statistically valid quantitative survey among island residents to ascertain community support for, and attitudes about, the planned military buildup. QMark's survey methodology produced statistically accurate results within a 4% margin of error. This was done to gauge community temperament more objectively and accurately than what may have been (or continue to be) portrayed by a vocal minority and the political support or media they attract. Results from this survey show that:

1. A majority (71%) of Guam residents polled support an increased military presence, 14% opposed, and 15% were either neutral (9%) or don't know (6%);
2. Nearly 80% of Guam residents polled feel the increasing military presence will result in additional jobs and tax revenue (79%); and,
3. Nearly two-thirds (60%) of Guam residents polled feel the additional Marines on the island will have a positive effect, and ultimately improve the island's quality of life. Of the remainder, 21% feel the opposite and 19% don't know.

Judging from the results of this survey it is clear that a majority of Guam residents support a larger military presence on the island. And while 19% of those surveyed do not know whether the Marine relocation will improve the island's quality of life, we believe that most in this category will react positively if they know that revenue improvements to the island will be dedicated to the funding of various public facilities and enhancing the quality of life for everyone.

PHYSICAL INFRASTRUCTURE AND SKILLED LABOR

The Guam Chamber of Commerce believes that the U.S. Military buildup will impact the island's civilian infrastructure, the magnitude of which will require significant external assistance. The nature of this outside help centers on institutional expertise, in short supply locally, as well as a comprehensive funding strategy to support an integrated upgrading of Guam's power grid, water and sewer systems, solid waste disposal, roadway network, and the housing and community support facilities that come with the anticipated population growth. By some accounts, the island's population could grow potentially by 20% to about 200,000 residents by 2015.

For various reasons, the local government is clearly incapable of addressing these needs or managing and funding their development in the compressed time required. Given this situation, it would be prudent to "turn key" or otherwise "broker" private sector participation in this islandwide infrastructure upgrade by leveraging the military's investments, together with private capital and federal funds, to which the island is already entitled, in a manner that can either:

a. Support the commercial viability of infrastructure upgrades, i.e. housing, commercial port, water, sewer, solid waste disposal; or
b. Maximize federal and non-local funding sources for highways, bridges, telecommunications, and various social programs affected by the build-up in military personnel.

The Commercial Port is often seen as the "long pole" in the tent because it is substantially behind in "thru put" capacity for the billions worth of construction supplies, materials and equipment that will be brought into the island. To quickly provide facilities which will be able to dock the ships, off-load the cargo, and expand storage capacity will require some type of comprehensive commercial venture to develop, fund, and construct/operate a contemporary port operation, including the expansion of the current facility. The demand for aggregate/cement alone on Guam will be overwhelming, such that additional production would have to be developed. While our neighboring Islands have plant facilities to produce cement at prices comparable to Guam, we would have to address shipping and handling charges both here and in the CNMI to be sure that such expenses do not become prohibitive. Indeed, it would seem that higher volume will cause these charges to drop significantly to the benefit of other users as well.

Building up Guam's capacity to support the planned military buildup in the next 7 years will require a "surge" in construction capacity, the magnitude of which the islands of Guam and the CNMI do not currently possess. Therefore, it will be important for the Joint Guam Program Office (JGPO) to develop a comprehensive construction program to:

a. Facilitate the use of major off-island contractors and temporary workers;
b. Partner with local institutions to expand and intensify training programs that will produce the local skilled labor needed to maintain the facilities built and other invested capacity; and,
c. Provide local business opportunities.

SOCIO ECONOMIC AND ENVIRONMENTAL IMPACT

The socio economic and environmental impact from the U.S. military buildup can be reduced, mitigated, or otherwise muted to the extent that various elements of the planned buildup occupy "customized" land use footprints spread throughout Guam and the islands of the CNMI. There are already some of these in place, as in the case of the FDM bombing range, and the enhanced capabilities at Andersen and Naval Base Guam.

The buildup of training facilities in the CNMI to store equipment used for training, for instance, can complement the Chamber's concept of "Labor Collaboration"

which envisions labor intensive work such as the prefabrication of buildings using pre-stressed concrete and wood work, which:

a. Can greatly reduce the intensity of logistical and congestion issues on Guam;
b. Employ excess barracks and housing facilities now left vacant in the CNMI from the departure of foreign garment factory workers; and,
c. Reduce the social impact of thousands of foreign laborers on Guam.

This is an example where significant labor and training impacts are mitigated through dispersion, while simultaneously providing economic and employment benefits to the CNMI at a time when their economy is in desperate need of alternatives and their tourism industry is in a decline.

We do not view the socio economic impact of the Proposed Action to be a major issue, given the fact that:

a. There were over 20,000 more military personnel on Guam, post Vietnam, when the island's population was about half the current number of about 165,000;
b. Fewer recreational facilities and family amenities existed at that time; and,
c. Large tracts of land and underutilized facilities on U.S. Government property still exist today following "BRAC" closures many years ago.

TOURISM IMPACT

The island's primary revenue source today is tourism, which accounts for 20,000 jobs and one third of the island's employment. In coping with the immediate demand for labor, JGPO must be cognizant of the "wage driven" competition and eroding the island's tourism work force too deeply, to the detriment of an industry competing in a lower wage East Asian business environment.

It will also be important to ensure that the buildup will not cause long-term deterioration of the island's marine attractions such as popular dolphin watching tours, parasailing, banana boating, scuba diving, and cultural or historical attractions.

Approximately 80% of Guam's 1.2 million visitors come from Japan. Because of this, the Guam Visitors Bureau last year commissioned Japan Market Intelligence (JMI) to gauge the sentiments of the island's Japan market. Results for this study showed that over 60% of respondents were aware of the movement of military troops from Japan to Guam and less than 10% of those viewed this negatively. With respect to Guam's image as a leisure destination, JMI found little effect on Guam's image as a vacation destination. In fact, fully 94% of those surveyed either did not change their image (62%) of Guam as a vacation destination or felt (32%) Guam's image would be better.

Forty years ago, with the first planeload of tourists, came a renaissance of our culture. The emergence of an increased presence of the military can create a new paradigm of self discovery. In that regard we hope that special attention can be given to significant historic and archeological sites, which now exist on military property, and should be made accessible to visitors and residents alike whenever possible.

Planned exercises on the ground, air and sea can be maximized because of minimum air and ocean encumbrances, but will require close collaboration with the tourism industry to ensure adequate safety at minimum cost to all.

The island is a beach resort leisure destination that thrives on a clean, pollution free, natural environment. While we recognize that today the military are excellent stewards of the environment, it will be important to ensure that:

a. Training and other exercises keep these destination assets in mind;
b. The construction and use of defense facilities minimize visual blight, noise and air or water pollution; and,
c. Collaborative efforts are made to enhance both the attractions and the ambience for the use and enjoyment of all.

The same attributes that make for a healthy resort environment are identical to those that also make Guam attractive for the relocation of military personnel and their accompanying families and support staff. And the island's ability to preserve, showcase, and otherwise promote Guam's unique cultural heritage is enhanced to the degree that the island's improved economy will provide incremental tax revenues that can sustain such an effort profitably.

GUAM CHAMBER OF COMMERCE SUPPORT

As we continue to work together toward expanding our economy and enhancing our quality of life in the community, both local and military leaders must recognize the inherent changes in this growth as well as the short term and temporary inconveniences that will be produced. But these short term disruptions, whether socio economic or environmental, should not be the reasons to forfeit the long-term benefits of our national security interests and the economic well-being of the island.

To this end, the Guam Chamber of Commerce pledges its full support for the planned U.S. military buildup, subject to the reasonable adjustments required to satisfy mutual concerns of the military and residents of Guam and the CNMI.

As an organization of more than 300 businesses, from all sectors of the Guam economy employing more than 40,000 people, and generating $2.1 billion annually to the island economy, we stand ready to assist in facilitating the best possible decisions and choices that will affect our long term mutual interests and concerns.

Thank you for providing us the opportunity to express our views.

Mrs. CHRISTENSEN. The Chair now recognizes Ms. Leberer to——

Ms. LEBERER. Uh-huh, that's right.

Mrs. CHRISTENSEN —for five minutes.

STATEMENT OF TRINA LEBERER, MARINE CONSERVATION COORDINATOR, MICRONESIA PROGRAM, THE NATURE CONSERVANCY OF GUAM

Ms. LEBERER. Madam Chairwoman and Congresswoman Bordallo, thank you for the opportunity to testify. My name is Trina Leberer and I am the Marine Conservation Coordinator for the Micronesia Program of the Nature Conservancy. I have lived and worked on Guam for the past 13 years, including 7 years with the Government of Guam Division of Aquatic and Wildlife Resources and now nearly 3 years with TNC.

The Nature Conservancy has been working in Micronesia for 17 years. The way we work in Micronesia differs from our work in the U.S., in that we do not own or manage sites ourselves, but instead support and assist with the work of our local partners.

The testimony I am providing today incorporates some of the needs and concerns of many of our local resource partners on Guam. It is critical that the community and local resource agencies are involved throughout this process.

The planned U.S. Military buildup on Guam is unprecedented in terms of scale and timing. Our island population is estimated to increase by 40,000 people, an increase of nearly 24 percent over the next 8 years, as a direct result of the military expansion. This figure does not include the expected increase in the general population associated with this large-scale development.

For an island of only 212 square miles, this would be a huge shock to our system. It will require innovative solutions, full participation by all stake-holders, and a commitment from the Department of Defense, other Federal agencies and the local government, to move beyond merely managing the impact, and strive for a clear net benefit to the people, culture, sustainable economy, and natural resources of Guam. To be successful, full transparency, active communication, and a spirit of cooperation and trust among all concerned will be required.

In my written testimony, I provided a brief analysis of the current situation and specific recommendations on several key issues, which I will summarize today. First, Cumulative Impacts and Compensatory Mitigation.

As Congresswoman Bordallo noted, Congress needs to support early an adequate funding to compile comprehensive baseline data and a fully integrated analysis by DOD and Federal and local regulatory agencies considering the direct and indirect cumulative impacts of this buildup required under NEPA.

DOD, Federal Regulatory Agencies, and Congress must also be receptive to alternative forms of compensatory mitigation, such as the possibility of using some mitigation funding to build an endowment for long-term sustainable financing of Natural Resource Management on Guam.

Information Availability in Dissemination. Local agencies and the community need timely information to fully assist the expansion and provide comments at a point in the process when it is still practical for DOD to modify and improve plans based on that input.

Congress must be willing to give DOD additional flexibility in project funding and implementation so they can incorporate public input in the very short timelines they are facing.

Support for Increased Resource Agency Capacity. Congress should support releasing a portion of DOD project funding to local and Federal resource agencies prior to EIS completion so that they can properly assess alternatives and plan for mitigation actions.

Congress and Federal resource agencies must work to increase allocations under current Federal grants to support the increase in local operational capacity required to address impacts to Guam's natural resources, resulting from the military buildup, and ancillary private sector development.

Invasive Species. In response to the elevated risk due to the expansion, DOD needs to implement expanded internal programs to control, eradicate, and prevent to spread of both terrestrial and marine invasive species.

The U.S. Departments of Agriculture and Homeland Security Customs Border Patrol need to support the Governments of Guam and the CNMI to achieve a higher level of prevention and quarantine capacity.

Ancillary Impacts. In addition to direct impacts from the military buildup, there will be a need for an estimated 12,000 to 15,000 construction workers, and with approximately 75 percent coming in from off-island, they will have an impact on our utilities, government services, and coastal fishery resource as they fish to supplement their diet.

DOD and the local agencies need to develop joint programs to educate all active military, their dependents, and contract workers on Guam's environmental laws, and the value of Guam's natural resources.

Green Infrastructure. As Congresswoman Bordallo pointed out, DOD should follow guidelines in the lead Green Building Rating System for new construction and major innovations in the design of all new military construction, including the use of green belts, renewable construction materials, water catchments, and alternative energy sources.

Sustainable Drinking Water. As has been brought up before as well, Congress should support funding for a comprehensive baseline study to determine the recharge rates and water quality for the Northern Guam Aquifer, our main drinking water source.

In light of the military buildup and as a substantial land owner on Guam, DOD must play a critical role in protecting our aquifer and the other main drinking water sources in Southern Guam, through such actions as watershed planning and restoration.

Public Shoreline Access. An expansion in military installations and associated security measures may result in the further restriction of public access to coastal and marine resources.

We encourage DOD to work with local agencies and the community to identify opportunities for collaboration and joint planning to protect and enhance public shoreline access.

This military buildup poses some of the biggest challenges to Guam's vision to achieve healthy natural resources available for the sustainable use of ours and future generations. Creative solutions will be required to turn this tremendous challenge into an equally tremendous long-term opportunity for the people, culture, sustainable economy and natural resources of Guam and Micronesia as a whole.

Again, thank you for the opportunity to testify and I hope this testimony will be useful to assist you with addressing some of the very real challenges facing the community as we prepare for the military buildup on Guam.

I would be pleased to answer any questions.

Mrs. CHRISTENSEN. Thank you, Ms. Leberer.

[The prepared statement of Ms. Leberer follows:]

Statement of Trina Leberer, Marine Conservation Coordinator, The Nature Conservancy, Micronesia Program

Madam Chairwoman and distinguished members of the Committee, thank you for the opportunity to testify on the "U.S. Military Buildup on Guam and Challenges Facing the Community." I'd also like to take the opportunity to express our appreciation to the Congressional leadership in creating a Subcommittee on Insular Affairs and to all of the island delegates for their strong leadership. My name is Trina Leberer, and I am the Marine Conservation Coordinator for the Micronesia Program of The Nature Conservancy. I have lived and worked on Guam for the past 13 years, including 7 years with the Government of Guam Division of Aquatic and Wildlife Resources and now nearly 3 years with TNC.

The mission of The Nature Conservancy is to preserve the plants, animals and natural communities that represent the diversity of life on Earth by protecting the lands and waters they need to survive. TNC has been working in Micronesia for 17 years. The vision of our Micronesia Program is: The people of Micronesia conserving and effectively managing their natural heritage. The way we work in Micronesia differs from our work in the US, in that we do not own or manage sites ourselves, but instead support and assist with the work of our local partners.

The testimony I am providing today incorporates some of the needs and concerns of many of our local resource partners on Guam. It is critical that the community is involved throughout this process, both directly and through the representation of the government agencies mandated to protect and sustainably manage the natural resources of the island on their behalf. We applaud this Committee's willingness to meet with various segments of the community this past week and encourage the Department of Defense to hold additional public meetings as more detailed information on the expansion is available.

The planned U.S. military build-up on Guam is historic in terms of scale and timing. According to the most recent information provided to the Government of Guam, our island population is estimated to increase by 40,000 people over the next eight years as a direct result of the military expansion. Based on our 2005 population estimate of 167,974 this is a nearly 24% increase. This figure does not include the expected increase in the general population associated with this large-scale development and the expected economic boom. For an island of only 212 square miles, this will be a huge shock to our system that will require innovative and creative solutions, full participation by all stakeholders, and a willingness on the part of all concerned, and especially the Department of Defense and other federal agencies, to move beyond "business as usual" and to set as the key objective not merely "managing the impact" or "mitigation", but a true commitment to ensuring that at the end of the day the entire project results in a clear net benefit to the people, culture, sustainable economy, and natural resources of Guam and indeed the entire Micro-

nesia region. There must also be full transparency and a conscious purpose of developing trust among all concerned.

In the midst of this incredible growth, we must ensure the protection of our island's natural resources, not only because of their intrinsic value, but because they form the foundation upon which we depend culturally, economically, and for our quality of life. This means first and foremost that we must avoid irreversible negative impacts to the environment wherever possible. When avoidance is impossible, then we must ensure not only adequate and appropriate compensatory mitigation, but also positive steps resulting in a clear net enhancement of the quality of, and reliable long-term protection for, our natural resources.

Cumulative Impacts and Compensatory Mitigation

The Department of Defense needs to strengthen their assessment of cumulative impacts in order to meet the requirements of the National Environmental Policy Act (NEPA) and make better informed decisions about project alternatives and compensatory mitigation. In previous years, there has been a tendency for the Department of Defense to manage projects individually or in phases, including the determination of appropriate compensatory mitigation for each individual project. This approach is simply inadequate for a project of the size and complexity of the proposed military build-up, especially given the highly inter-related and fragile nature of the natural resources on Guam and in the lands and waters of Micronesia as a whole. A fully integrated analysis, considering the true cumulative effects, both direct and indirect, of this enormous project, and with full participation by participating and supporting federal agencies, is precisely what NEPA requires. It is also precisely what is needed to ensure that the military build-up results in a clear net benefit to the people, culture, sustainable economy, and natural resources of Guam and Micronesia as a whole.

There is also a challenge, frankly, for the Congress itself to be willing to create the political and funding environment that will allow for truly effective public participation and will allow the Department of Defense to proceed in a manner that meets not only the letter of, but also the spirit and intent of NEPA. Advance funding to allow comprehensive baseline data is part of that challenge. Broad oversight across multiple committees of jurisdiction in the Congress to ensure adequacy of funding not only for the Department of Defense but also for other key federal agencies will be both difficult politically and essential to a successful project. Enabling legislation to allow funding of endowments for long-term stewardship of natural resources will be important and politically challenging both within the Executive branch and in the Congress.

Another part of the challenge facing Congress will be the need to recognize that the long lead times and project specificity normally associated with projects funded through the Military Construction (MILCON) process may require modification to provide the Department of Defense the kind of flexibility and agility that will be necessary to ensure that the project as a whole is one of true partnership between the Department of Defense and the government and people of Guam. The timeline for this project, driven in part by political commitments given to Japan with regard to the timing of relocation of U.S. forces now stationed on Okinawa, combined with the need to adjust project planning based on public input and additional data as the project progresses, simply may not fit within the normal procedures and long lead times associated with the MILCON process

We recognize that this current build-up is comprised of a myriad of projects under several branches of the Department of Defense, and as such there have been or will be separate Environmental Impact Statements prepared for each project, or in some cases a related group of projects such as the proposed training activities in Guam and the Northern Marianas. Unfortunately, it is unclear how the overall planning process will ensure the adequate identification and assessment of the cumulative environmental impacts from these individual projects. To help ensure the sustainable management of the natural resources of Guam for future generations, the Department of Defense needs to truly identify and quantify the cumulative impacts, minimize those impacts where feasible, and, where avoidance or minimization is not feasible, address those impacts with actions that not only mitigate for those impacts but result in a clear net benefit.

In addition, the Department of Defense, Regulatory Agencies, and Congress need to be receptive to alternative forms of compensatory mitigation in order to achieve meaningful results. There has been a preference for onsite mitigation or mitigation within the immediate vicinity of the project. For example, if a certain acreage of coral will be dredged, then the proposed mitigation might include coral transplantation or the placement of artificial reef-like structures in the vicinity of the dredged area. Unfortunately, the proposed mitigation methods often fail to compensate for

the lost ecological function of the impacted reef, even under the best of circumstances. Furthermore, onsite mitigation in a place like Apra Harbor, where future proposed projects require additional dredging, is not prudent as any benefits from mitigation may be undone by future development. A more recent approach to compensatory mitigation has been to provide a set of viable options. Although this is a better approach, the applicant still has the ability to choose any of the viable alternatives, even if the selection is not the best option for achieving replacement value of the resources lost. Finally although past mitigation has resulted in an overall loss of terrestrial and marine natural resources, new mitigation options now make it possible to scale against loss and this should be required when determining the level of mitigation required.

Therefore, we support the local Guam agencies plea for creative alternatives to onsite compensatory mitigation options and that they be allowed to select the best alternatives, such as off-site watershed restoration and the banking of mitigation funds using an appropriate mechanism, such as a Guam sub-account in the Micronesia Conservation Trust. The MCT is a regional organization committed to long-term, sustainable funding to support biodiversity conservation and related sustainable development for the people of Micronesia.

Information Availability and Dissemination

The public and local resource agencies often do not receive enough information about Defense projects to provide meaningful input during the EIS process. When they do receive detailed information, they either are not provided with enough time to review the information and adequately address the myriad impacts to the island's natural resources or the opportunity occurs too late in the process to facilitate implementation of new alternatives. Although we have known that several proposed projects associated with the military build-up will negatively impact our natural resources such as coral reefs and native forests, the information provided was not detailed enough for assessing and adequately addressing the cumulative impacts.

The information available in the latest series of public meetings and open houses for the upcoming expansion was extremely vague and thus precluded the submission of meaningful comments about specific sites. Any requests for more specific information about the area requirements or exact numbers were dismissed. Individuals were instructed to wait for the draft EIS and make comments then. Unfortunately, once the plans for proposed projects reach this stage, the time given for review and response is usually insufficient for capacity-strapped local and federal regulatory agencies to thoroughly review and assess all alternative actions. In addition, especially in the case of Apra Harbor, there is no comprehensive set of pre-expansion, baseline data for the extensive coral reef and fishery resources, the hydrodynamic processes, stakeholder use patterns, or current sediment and water quality. This makes it extremely difficult to again assess the cumulative impacts of the recent and proposed projects in the Harbor. Early and adequate funding from the Department of Defense and other relevant federal agencies to enable compilation of a comprehensive set of baseline data will be vital if the process is to be successful.

The core of the NEPA process is full transparency and public participation well before agency plans are "finalized" so that the agency is in fact in a position to truly consider input received and adjust initial plans in light of that input. In this complex situation, the Department of Defense must work actively to achieve greater transparency immediately and throughout the planning process. Local agencies and the community need timely information to fully assess the expansion and provide comments regarding project-specific and cumulative impacts at a point in the process when it is still practical for the Department of Defense to modify and improve plans based on that input. Congressional willingness to give the Department of Defense additional flexibility in project funding and implementation so that the Department can incorporate public input on the very short timelines it is facing will be critically important.

Support for Increased Resource Agency Capacity

This expansion is unprecedented in its size and scope and the impacts to Guam's natural resources will be numerous and diverse. The local and federal resource agencies are tasked with assessing the alternatives presented by the Department of Defense and providing mitigation options. However, their current lack of capacity, both human and monetary, will greatly hinder their ability to complete these tasks. This problem will be greatly exacerbated if they are forced to operate under short deadlines and insufficient planning information.

Because of these limitations, it would be beneficial if the Congress could release a portion of the Department of Defense funding for these projects to the local and federal resource agencies so that they can address the need for proper assessment

of alternatives and planning for mitigation actions. In addition, the federal agencies and the Congress should consider the necessary increase in operational capacity for local natural resource management agencies and organizations, associated with the preparation for and eventual increase in population, both in military personnel and in general, and the associated development that the island will experience in the next several years. To assist the local agencies, allocations for existing federal grant programs such as the NOAA coral and coastal zone grants, the Forest Service Pacific Island grants, the U.S. Fish and Wildlife Service state wildlife, coastal conservation, endangered species and invasive species grants, EPA grants, and Capital Improvement Grants under the Office of Insular Affairs should be increased to levels based on Government of Guam capacity needs assessments currently being developed. These additional funds should be made available for direct implementation of projects on-the-ground, including the need for increased enforcement of conservation laws. Federal agencies should also consider devoting technical staff to assist the local resource agencies in this unprecedented military development.

Finally, in the past, the local natural resource agencies have been denied access on the military bases to conduct surveys and assessments of marine, terrestrial, and endangered species resources. With the increase in military buildup, these surveys are vital to ensure the conservation and protection of the resources. The Department of Defense needs to coordinate with the local natural resource agencies and provide access onto the military base to conduct these surveys and assessments.

Invasive Species

Throughout the planning process, special attention should be paid to invasive species issues, including the brown tree snake and marine invasives. The increase in personnel and training activities, and subsequent traffic in and out of the ports of Guam, associated with the military build-up will increase the risk of the spread of invasive species across the region tremendously. Currently over $10 million per year is spent on brown tree snake (BTS) control and eradication alone. Guam has suffered severe economic impact, numerous species extinctions and a major ecological disaster due to this invasive reptile. The BTS is directly responsible for the extinction or local extirpation of 9 of 12 native forest bird species and 3 of 12 native lizard species in Guam. It also preys upon an endangered fruit bat of which fewer than 300 individuals are left in the wild.

BTS climb utility poles and cross electrical power lines, causing numerous power failures each year. From 1978 to 1997, BTS caused more than 1600 power outages. Recently the rate has increased to nearly 200 outages per year. These power outages cost millions of dollars in damaged equipment, lost productivity, repair costs and reduced income from tourism each year.

The high densities of BTS on Guam, combined with Guam's importance as a shipping hub, make the spread of BTS from Guam a critical threat to other Pacific Islands such as Hawaii, the Commonwealth of Northern Marianas Islands (CNMI), Samoa, the Freely Associated States (Palau, Federated States of Micronesia, and the Marshall Islands), and subtropical regions of the U.S. mainland. In the last ten years, BTS have been sighted on Tinian and Saipan (both islands of the CNMI). Since 1982 there have been 69 credible BTS sightings and 13 captures in the CNMI. A total of eight BTS have been found in Hawaii since the mid 1980's, but no live snakes have been found on Hawaii since 1994, thanks to Congress' support for full implementation of U.S. Department of Agriculture's (USDA) Animal and Plant Health Inspection Service (APHIS) Wildlife Services (WS) interdiction activities. All snakes found on Hawaii were associated with the movement of civilian and military vehicles or cargo from Guam. In addition, BTS have been credibly sighted, captured, or found dead in the following locations: Corpus Christi, Texas; Anchorage, Alaska; Wake Island, Pohnpei, FSM; Darwin, Australia; Diego Garcia (British Indian Ocean Territory); Taiwan; Okinawa, Japan; and Rota, Spain. The potential cost of a BTS invasion is immensely high. A University of Hawaii economic study recently estimated that the introduction of BTS to Hawaii could cost the state between $29 million and $405 million annually.

Recently Deputy Assistant Secretary of the Navy for Environment Donald Schregardus traveled throughout Micronesia and discussed the possibility of conducting future training exercises in the freely-associated states, increasing the risk further. Prevention is always preferable and more cost-effective than attempts at control or eradication. The islands in the region have already started to work together on this issue, forming the Regional Invasive Species Council. Teams from several islands, including Guam are members of the Pacific Islands Invasive Learning Network, which was launched with U.S. government support. Guam and the region need continued technical and financial support from the U.S. government to

develop and implement appropriate and cost-effective prevention and rapid response efforts.

In addition, the Department of Defense needs to implement expanded internal programs to control, eradicate, and prevent the spread of both terrestrial and marine invasive species. For example, currently there is no bilge-management plan in place for their port operations. DOD should develop and implement a plan and assist the Port Authority of Guam to do the same, to prevent the spread of marine invasive species. Further, the Governments of Guam and the Northern Mariana Islands need the support of the U.S. Departments of Agriculture and Homeland Security-Customs Border Patrol to allow a higher level of prevention and quarantine capacity to protect themselves from new introductions of invasive pests that could threaten the fragile natural systems, economies and lifestyles of these islands.

Ancillary impacts

As Guam has experienced in the past, ancillary development in the private sector will accompany the military build-up as investors speculate on the expected economic growth. For example, there is already 1 new large-scale development planned for an area encompassing prime coastal land and native limestone forest, in the northern part of the Tumon Bay Marine Preserve. The local resource agencies, already struggling with the additional workload associated with the military build-up must also assess the impacts from these ancillary developments in the private sector.

In addition to the direct impacts from ancillary developments, there will be a need to import a great deal of labor to supplement Guam's existing construction industry. An estimated 12,000-15,000 construction workers will be needed and, with an estimated 85-90% coming in from off-island, they will have an impact on our resources as well. Not only in terms of an additional burden on our water and sewage systems, but also in terms of fishing and gleaning on our reefs in our coastal waters to supplement their diet. There will be a need for increased enforcement of and education about Guam's marine preserves and other fishing regulations as these workers are often unfamiliar with local laws.

The Department of Defense should work with local resource agencies to develop a program to educate all military personnel, their dependents, and contract workers about the value of Guam's natural resources and the laws protecting them. Financial support to improve infrastructure and increase the operational capacity of enforcement for conservation laws should be part of the annual funding required under the Department of Defense's Sikes Act agreement with the Government of Guam.

Green Infrastructure

Guam is an island with limited natural resources, and we therefore encourage the use of green infrastructure and sustainable building practices in the design of all new military construction. The military expansion will require a number of large-scale infrastructural developments to house personnel and their dependents and support operations. It is important that these developments are designed and built for maximum energy and water efficiency, including the use of green belts and green space planted with native species, renewable construction materials, water catchments, and alternative energy sources, such as solar panels. The overall benefits of this strategy will far exceed the costs of including these modifications as they will decrease operating costs and minimize the military's dependence on off-island supplies of fuel for power. It will also minimize the military's ecological footprint on this small island. Including this now, in the design stage, will be more cost-effective than having to retrofit structures in the future and will result in cost savings and a reduction over time in the dependency on non-renewable resources. We encourage the Department of Defense to follow guidelines in the Leadership in Energy and Environmental Design (LEED) Green Building Rating System for New Construction & Major Renovations (http://www.usgbc.org/Docs/LEEDdocs/LEED_RS_v2-1.pdf).

Sustainable Drinking Water

The Northern Guam aquifer, designated a "principle source aquifer" in 1978 by the U.S. Environmental Protection Agency, is the primary drinking water source for the island, servicing 80% of the population. The aquifer has been formed from recharge from rainfall in northern Guam percolating through surface soils to the underlying cavernous limestone where it accumulates in a lens which "floats" on and displaces the denser sea water. Although efforts have been made to determine the recharge rates and water quality of segments of the aquifer, funding is needed to conduct a comprehensive baseline study for the whole aquifer.

The Department of Defense owns a substantial amount of land in northern Guam and thus plays a critical role in protecting Guam's northern aquifer. The Department of Defense should strive to maintain existing forested areas on their land and restore denuded areas with native forest. This will help to enhance recharge rates and maintain water quality.

Southern Guam is comprised of volcanic soils and contains several watersheds. There are currently 2 main drinking water sources in southern Guam: Fena Reservoir and the Ugum River. Both sources suffer from heavy sediment loads and require significant watershed restoration. The Department of Defense is currently conducting some watershed restoration efforts in the watersheds feeding Fena Reservoir, and the Government of Guam is currently implementing the Ugum Watershed Restoration Strategy, but more funding is required to truly restore native forests in both areas, ensuring a sustainable drinking water supply for our growing island population.

Protection and Enhancement of Public Shoreline Access to the Ocean's Resources

The people of Guam have a long history of dependence on and sustainable use of coastal and marine resources. Thus the protection and enhancement of public shoreline access to Guam's ocean resources is a major concern for the community. One of the primary goals of the Guam Coastal Management Program, developed under the Coastal Zone Management Act of 1972, is the protection and enhancement of public access to the ocean's resources for recreation purposes. Public access to these resources is also vital to tourism, the island's main industry. Dive tours, fishing charters, and boat tours provide significant income to the island's economy.

Unfortunately, an expansion in military installations and associated security restrictions often result in the restriction of access to the ocean's resources for the residents of Guam. For example, in 2001, public shoreline access was restricted to the Glass Breakwater and Luminao Reef. Prior to these restrictions, the area was frequented by the public, including the military population, for activities such as fishing, surfing, snorkeling, and diving. The closure of the area has increased recreational pressures in other areas, resulting in negative impacts to coral reef resources in protected areas such as Piti Bomb Holes Marine Preserve.

We encourage the Department of Defense to work with Guam's local agencies and the community to identify opportunities for collaboration and joint planning to protect and enhance public shoreline access to the ocean's resources under military jurisdiction.

The Micronesia Challenge

In January 2006, Governor Felix P. Camacho signed the Micronesia Challenge (MC), a commitment by the Chief Executives of Guam, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau to effectively conserve at least 30% of the near-shore marine resources and at least 20% of the terrestrial resources across Micronesia by 2020.

The MC was conceived as a result of the deep commitment of these five leaders to ensure a healthy future for their people, protect their unique island cultures, and sustain the livelihoods of their island communities, by sustaining the island biodiversity of Micronesia. The MC also contributes to global and national targets set out in the Millennium Development Goals, the Johannesburg Plan of Implementation for the World Summit on Sustainable Development, the Mauritius Strategy for Small Island Developing States, the U.S. Coral Reef Task Force National Plan of Action and the relevant Programmes of Work of the Convention on Biological Diversity.

TNC is a member of a Regional Support Team, along with Conservation International (CI), the Secretariat of the Pacific Regional Environment Programme (SPREP), U.S. National Oceanic and Atmospheric Administration (NOAA), RARE (formerly RARE Center for Tropical Conservation), the Micronesia Conservation Trust (MCT), the Locally Managed Marine Area Network, the Community Conservation Network, the Pacific Islands Forum, and the U.S. Department of the Interior. The team was formed to provide strategic assistance and external resources required for effective implementation of the MC.

The MC Steering Committee, made up of government focal points from each jurisdiction, is providing regional coordination and is recruiting a Regional Coordinator to advance MC activities across the region. Guam and each of the other four jurisdictions are designing their own strategies to implement the MC involving partnerships between Government agencies, NGOs and local communities. For Guam, a multi-agency team developed a draft strategy that will be presented to other stake-

holders for input, focused on strengthening and more effectively managing existing marine and terrestrial conservation areas rather than establishing new sites. As a significant landowner on Guam, the Department of Defense will be a key partner in helping to achieve this, especially the restoration of native forest in the areas of the Guam National Wildlife Refuge Overlay under their jurisdiction.

TNC is also assisting local partners on Guam to develop a sustainable finance plan to be completed in early 2008. The plan will identify the funding needed to effectively manage Guam's natural resources and meet the goals of the MC. The plan will also identify key strategies, from internal and external sources, to secure the necessary funding, including the building of an endowment.

This military build-up poses one of the biggest challenges to Guam's vision to achieve healthy natural resources available for the sustainable use of ours and future generations. But at the same time, it can provide one of the biggest opportunities to attain long-term sustainable funding of the work needed to achieve this same vision. As stated above, we support the local government's proposal to explore the possibility of using a portion of the amount of money required for compensatory mitigation to help build Guam's and CNMI's pieces of the MC endowment. Other innovative and creative solutions, some of which may require specific federal enabling legislation, will be required to turn this tremendous challenge into an equally tremendous long-term opportunity for the people, culture, sustainable economy, and natural resources of Guam and Micronesia as a whole.

Summary of Key Recommendations

There is a critical need for Congressional support for:

1. Early and adequate funding to compile comprehensive baseline data and a fully integrated analysis, considering the direct and indirect cumulative effects of this enormous build-up, required under NEPA.
2. Department of Defense funding for planning for mitigation actions and additional technical assistance prior to EIS completion and project implementation. Due to extremely short deadlines and current capacity limitations, the local and federal natural resource regulatory agencies need help to properly assess alternatives and plan for mitigation actions. Greater flexibility in DOD project funding and implementation is needed, so they can incorporate public input on the very short timelines required to complete this move by 2012.
3. Increased allocations for existing federal grant programs to support operational capacity for local natural resource management agencies and organizations, based on the capacity needs assessments for the Government of Guam currently being developed. These allocations are critical to allow natural resource agencies to meet the Department of Defense's timelines in preparation for the projected population increase, associated development, increased pressure on natural resources and invasive species prevention and control to avoid devastating economic, social and environmental impacts. This additional funding should be used to implement projects on-the-ground in Guam, including increased enforcement of conservation laws.
4. Joint DOD/Gov Guam programs to educate all active military, their dependents, and contract workers on Guam's environmental laws and the value of Guam's natural resources.
5. Department of Defense to follow guidelines in the Leadership in Energy and Environmental Design (LEED) Green Building Rating System for New Construction & Major Renovations (http://www.usgbc.org/Docs/LEEDdocs/LEED_RS_v2-1.pdf).
6. Sustainable funding for natural resource management activities in Guam and the CNMI. Using the sustainable finance plans for natural resource management being developed in Guam and the CNMI, Congress, the DOD and local governments need to work together to identify appropriate long-term funding mechanism(s) for the expanded environmental programs required by this military build-up. We strongly encourage Congress to support Governor Camacho's proposal to allocate a percentage of all Department of Defense appropriations related to the military build-up, above and beyond funding for mitigation, to build a conservation endowment. The interest derived from this endowment would be used for the long-term, stable funding of. critical natural resource management programs.

Again thank you for the opportunity to testify and I hope this testimony will be useful to assist you with addressing some of the very real challenges facing the community as we prepare for the military build-up on Guam.

I would be pleased to answer any questions at this time.

Mrs. CHRISTENSEN. The Chair now recognizes our final, last, but not least, the Guam Contractors Association, represented by Mr. John Robertson.

STATEMENT OF JOHN ROBERTSON, CHAIRMAN, GOVERNMENT, MILITARY AND LABOR AFFAIRS COMMITTEE, GUAM CONTRACTORS ASSOCIATION

Mr. ROBERTSON. Thank you. Maybe you save the best for last.

Honorable Chairwoman Donna Christensen, Honorable Madeleine Bordallo, honored guests, ladies and gentleman, thank you for inviting the Guam Contractors Association to address this important forum. Our association represents almost 290 firms, about 60 percent of whom are contractors.

My name is John Robertson. I'm a member of the Board of Directors and I'm also the Chairman of the Committee on Military, Government, and Labor Affairs.

Guam Contractors have considerable capability and capacity and will form the backbone of whatever construction effort occurs on Guam. A matter of concern to us is the high cost of construction on Guam. With an area a factor of 2.64, our construction cost is judged by the military to be the most expensive on the planet, other than Greenland and a few isolated spots in Alaska.

This high cost can be attributed to two factors: First, logistics, and second, skill level of workforce. And it is something we have been working with NAVAC (phonetic) to rain in over the last number of years. This is what I wanted to discuss with you today.

Now, we will forgo discussion of logistics so we can talk about the workforce. Guam's workforce is adequate for normal needs. It was mentioned earlier, the $400 million per year volume; that number actually came from the Guam Contractors Association to Captain Boone a couple of years ago. However, demographics is catching up with us and young people are needed to replace those set for retirement. Specialized skill sets among much of our workforce is unfortunately below standard, thus there's a lot of re-work.

As many residents of Guam and neighboring islands as possible must be drawn into the expanding job market associated with the military buildup. The GCA established the Trades Academy last year for developing a local skilled workforce for construction and related trades. We have conducted initial meetings with the Presidents of the University of Guam, Dr. Allan, and Guam Community College, Mrs. Okada, in our working on a strategy to serve the needs of the community as a coordinated and non-competitive effort. It was agreed between us that all of our efforts are required to make this happen. Neither one of us can do it alone.

It was also agreed that we should conduct a joint campaign to try to draw people from the local island into our industry, which to many of you is menial labor that they don't want to get involved in. But actually, it is a career that the people can be very proud of. Federal support is needed for action during the compressed timeframe in getting these people up to speed.

You will ask why we have formed the Academy, since there is a community college on Guam doing the same thing, and I must answer that important question. We have learned that ABC-affiliated

contractor associations across the U.S. are doing this because community colleges are moving toward a more academic track.

The same has happened on Guam, and that is a good thing in many respects, except that we have not seen trainees entering the construction field for a number of years. We are taking people, some of which are high school dropouts, and by the way, we unfortunately have a 50 percent dropout rate in high school on this island. We are taking these people, with interest in working with their hands, and providing them with a career doing what they want to do. Many of these will later complete their GED and rise to the top ranks of contract organizations or become entrepreneurs.

Training will not produce sufficient numbers of workers for the boom, but will provide and trained and experienced workforce for steady state construction and maintenance requirements that will follow.

We have verified that the skilled workforce and CONUS is in short supply, and mainland contractors are using workers from Mexico and Central America. We must turn once again to Asia for the numbers of skilled workers we will need.

The GCA Trades Academy was organized with expert legal assistance as a private sector, non-profit institution of learning. It is duly certified for the purpose by local and Federal authorities. It is under the very capable direction of Mr. Bert Johnston, who has experience in industry, as well as education. Training curricula is from the Contren Learning Series, as developed by the well-funded National Center for Education and Research. This series is used by construction trades academies across the U.S. by both union and open-shop contractors. Graduates receive a certificate from the NCCER, as well as the U.S. Department of Labor.

The GCA training program has been accredited by the U.S. Department of Labor for more than 20 years. It includes an apprenticeship component with local contractors. We currently have 50 students in the program in five different trades. Tuition is being paid by employers or by the trainees themselves. This amounts to from $2,500 to $3,000 per year, per student. Some have become employed as a result of joining the Academy.

So far, there's been no government support. We are in discussions with the Guam Department of labor, however, and they expect to secure WIA grant funding to cover tuition for students that need such support. We understand that the Office for Economic Adjustment has funding for workforce training, and we are expecting that some of that funding will be directed toward the students in our Trades Academy. That is the only way that we can grow from 50 to 200 students over the next 12 months and to 500 the year after.

We expect some subjects will be taught at the Community College and some at the Trades Academy in a coordinated manner. Management, supervisory, pre-engineering, and administrative courses will be taught at UOG or GCC as appropriate.

We need facilities for the Academy. So far, we are using our conference room and some rented facilities, but we do need to get our own facility, which we have plans for, and that's covered in the written testimonies I will not repeat.

Guam is under the same Visa quota system as the rest of the U.S. A Visa waiver or a special class of Visa is needed to remove this major obstacle. It should be applied to military as well as GovGuam and private sector projects, not just government. We suggest that control on this should be under the Department of Labor, local Department of Labor. And it should, importantly, be open to H1 professionals, as well as H2 skilled workers.

I've run out of my time, so I will stop in the middle of my presentation. Thank you very much for allowing us to present.

[The prepared statement of Mr. Robertson follows:]

Statement of John M Robertson, PE, Chairman, Government, Military, and Labor Affairs Committee, Guam Contractors Association

During a previous construction boom on Guam in the 1990's when a number of Tumon Bay hotels and Leo Palace were built, major Japanese contractors managed the work using the local Guam contractor community. The work was actually executed with local contractor provided work force that were mostly brought to Guam for the purpose from Asia. The peak level was 10,000—12,000 workers which would appear to be about 40-50% of the Marine Corps relocation requirement. One of the major differences is that the peak of the construction boom in the early 1990's lasted 1 to 2 years. The Marine Corps relocation on the other hand will cover a span of approximately five years. This will prove beneficial as the return on investment can be spread over a longer timeframe.

Contractors on Guam have considerable capability and will form the backbone of the construction effort. The local construction community will provide the majority of labor, equipment, barracks and quarries needed for the program. Improved information flow will allow the local contracting community to plan and make capital investments before 2010 and before contracts are signed. The local construction industry has the labor, equipment, supply lines, and maturity to take the lead in executing the work.

There are two issues that require much thought, planning and legislation at the local and national level. They are discussed herein below.

1. Materials Procurement and Logistics, including shipping and ground transportation. Ideas follow.

a. Buy American Act. Guam is more a part of Asia than CONUS, geographically. Importation of quality materials from Asia should be permissible as a means of reducing cost to the government. Please note that U.S. projects performed abroad normally permit use of materials manufactured within the host country or the United States. While Guam is part of the United States, the same principal does apply in some sense. Note further that most U.S. products now contain many components from abroad. Prequalification of acceptable Asian vendors should be initiated sooner rather than later.

b. U.S. Flag Shipping. Again, because of the location of Guam in the western Pacific, provisions of the Jones Act and rules of the Maritime Administration should be waived to allow direct shipments from Asia to Guam. U.S. Flag shippers could modify routes for some of their vessels to participate in that business. Currently, U.S. Flag vessels sail from U.S. west coast or Hawaii to Guam then to Asian ports then directly back to the U.S. west coast.

c. Guam Seaport. The Port Authority of Guam has for more than five years been attempting to outsource management of terminal operations and secure new container cranes but have not been able to do so because of political considerations. Furthermore, Foxtrot Wharf should be extended and the channel dredged. The federal government may need to take the lead in making these important things happen. Alternatively, Navy wharves may have to be made available and equipped for the purpose.

d. Local Vendors. Local Guam vendors should be encouraged to stock, fabricate and supply common materials to contractors. An exception would be the most specialized of items. This will facilitate savings in cost and time and allow for changes that invariably occur. It will also cause a strong vendor base to emerge that now only partially exists on Guam. The federal government may need to provide leadership in encouraging local businesses and especially small businesses to gear up to serve as a major supply chain and thereby serve the community as well as the military buildup.

e. Road Improvements. Roadways on Guam are currently over-used and are in generally poor condition. Necessary improvements should be made by mid-

2009. Route 1 from Seaport and Piti to Hagatna should be widened to 6-lanes and otherwise brought up to standard. Route 8 and Route 16 should be widened to 6-lanes for their entire lengths and brought up to standard, especially the intersection of Route 8 with Route 1. Harmon Loop Road should be extended from Route 16 to Route 1 as 6-lane and brought up to standard. A better connection from Route 16 to Route 3 should be established, by-passing the vicinity of Micronesia Mall for access to the vicinity of NCTS.

2. Workforce Availability, including training, logistics and management. Ideas follow.

a. An adequate workforce is not available on Guam. Since skilled tradespersons are in short supply in CONUS, the main workforce for Guam will have to be recruited from Asia. Although there may be some pressure to utilize skilled workers from Japan and especially Okinawa, this may not be the most cost effective solution for the skilled workforce.

b. As many persons as possible from Guam and neighboring islands must be brought into the workforce. The University of Guam and Guam Community College are training young people that will occupy important positions in construction as well as other segments of the expanding economy.

c. The Guam Contractors Association has established the GCA Trades Academy that is now in operation with about 45 students. This initiative is designed specifically for developing a skilled construction workforce. It is based on curricula of the Contren Learning Series as published by NCCER—National Center for Education and Research. It is used extensively in CONUS by open-shop and union trades training centers. The Guam Contractors Association training program is and has for more than 20 years been accredited by the U.S. Department of Labor. It includes an apprenticeship component with local contractors. Please see the Attachment that provides additional information on this important subject. A few key items relative to the GCA Trades Academy

   i. The Board of Trustees is intent on proceeding in close cooperation with the University of Guam, Guam Community College and the Guam Public School System in carrying out common objectives.

   ii. A funding stream for students in the program is not yet mature. Contractors and some students have been covering the tuition expense and rapid growth is dependent on adequate financial support. Grant applications through the Guam Department of Labor, and others is in process and federal funding is expected to commence flowing into the program in the months ahead.

   iii. Funding is needed to fit-out a training facility that will cost about $525,000. Some member firms and local business establishments have already contributed into this fund.

d. A Visa waiver or other mechanism needs to be established to ensure an adequate supply of H2B workers for Guam. Guam is currently a participant in the same quota pool as the rest of the United States. The quota is normally used up within days of approval and this denies Guam contractors adequate opportunity to meet its needs. Please note that Guam is not contiguous with other states of the United States and cannot lure skilled workers from across state lines. The GCA and Chamber of Commerce have been working this issue together for the past 2 years. Some push from the federal government is needed. As one option, we recommended the establishment of an H2G visa or similar program specifically for Guam and for the duration of the military buildup. Some further points:

   i. It should apply to military as well as non-military projects since military construction will be the driving force for private sector projects that are also important to the island and the military.

   ii. Visa issuance is under the U.S. Department of Immigration. If the waiver can be lifted or special visa program implemented, we suggest control on applications be established as a responsibility of the Guam Department of Labor with assistance and support from the U.S. Department of Labor. Authority has been delegated to the governor who has in turn assigned it to the DOL.

   iii. In order to facilitate control and without overburdening the DOL, regulations might require the endorsement of prime contractors for applications of their subcontractors, consultants and other vendors.

iv. The special class of visa, as recommended, should be open for professional as well as skilled trades. Engineers, architects, administrators and supervisors will be needed by construction contractors. The expanding economy will require use of foreign doctors, nurses, accountants and many others professionals and the existing restrictions should be lifted for them as well..

v. A sunset provision may be necessary for approval of a waiver or other special visa category. This is important for the local economy as well in that local workers should always be favored over foreign. The sunset provision might be tied to a certain overall level of construction volume—such as less than $250 million per annum of new construction starts over a two year period.

e. Potential foreign workers need to be screened with background checks in their home country to ensure that undesirables do not slip into Guam as part of the workforce. Assistance from the federal government will be needed. Contractors will be responsible for skill assessments.

f. Few contractors on Guam now have worker accommodation conforming to current day standards. What is available is not adequate to meet anticipated demand. Camp type housing should be set up and operated by specialist contractors for the duration of major construction to make up for the difference. This approach would be less costly in overall sense as opposed to each construction contractor providing his own. Worker accommodation should be located separate from local residential communities.

g. Worker accommodation should include a clinic, recreational and other facilities to avoid overtaxing existing similar facilities on Guam.

h. There have been compliance difficulties in the past on Guam using non-immigrant alien labor. Guam's principal contractors want there to be a level playing field with all participants playing by the rules. Guam DOL will require support from the federal government on compliance monitoring and enforcement.

i. Management, engineering, administrative and supervisory personnel brought to Guam from the U.S. and elsewhere will have requirements beyond those of the workers. This is especially true since they will in many cases be engaged on family accompanied status. They will require higher level accommodation, medical facilities, schools and other services not now available in adequate supply. Some of these facilities could be made available by the private sector through encouragement of some kind. Because of timing, the federal government may need to incur some upfront cost with the idea of selling the facilities when major military construction is done. Some local private schools might be persuaded to expand in the near term to accommodate the temporary surge.

j. Guam Memorial Hospital is the only hospital that serves the civilian community on Guam. It is currently not JHACO certified and is in need of some upgrades. This matter needs urgent attention in order to not deter senior managers and engineers from living and working on Guam. On the other hand, a field hospital could be set up and utilized for the duration of the elevated level of construction.

k. Unskilled workers are available on Guam and none should be brought in from abroad. There is a sizable migrant community on Guam from FSM and with some training can be highly productive in unskilled positions. Some will over time move into the ranks of the skilled workforce. This also is a focus of the GCA Trades Academy. Utilization of this segment of the resident population is important to the local economy and the tax base.

l. Flights to and from Guam are becoming increasingly crowded. Another carrier could perhaps be persuaded to extend service from CONUS with direct flights to Guam and thus create a competitive environment that does not now exist.

We trust the foregoing is helpful.

Guam Contractors are following closely all news concerning the military buildup on Guam. We are hopeful that some clarity will emerge during the coming months on what can be expected. We, the board of directors of the Guam Contractors Association, offer our services and expertise to the Sub-committee on Insular Affairs in planning for this major construction boom that will change forever the way Guam does business and the way it is perceived by the world.

Sincerely,

Guam Contractors Association

Jerold Johnson	President, Board of Directors
James Martinez	Executive Director
John Robertson	Chair, Government, Military and Labor Affairs Committee

Attachment: GCA Trades Academy—A Brief Overview

GCA TRADES ACADEMY
A BRIEF OVERVIEW
(August 2007)

The GCA Trades Academy, in affiliation with the Guam Contractors Association, is the principal provider of skilled trades training in construction and related fields on Guam. These two organizations are supported through further affiliation with a major contractors association and an educational institution on the mainland United States. The link between these affiliations is described below.

Guam Contractors Association (GCA)

The Guam Contractors Association was founded in 1959 as a non-profit association with a membership comprised of approximately 250 construction industry and associate member organizations. GCA is the Guam Chapter of the Associated Builders and Contractors (ABC).

Associated Builders and Contractors (ABC)

Associated Builders and Contractors (ABC) is a national association representing more than 24,000 merit shop construction and construction-related firms in 78 chapters across the United States. ABC is the construction industry's voice with the legislative, executive and judicial branches of the federal government and with state and local governments, as well as with the news media. ABC was founded in 1950 and became the fastest-growing association in the United States. Today, ABC is recognized as one of the leading organizations representing America's business community and the U.S. construction industry. ABC's activities include government representation, legal advocacy, education, workforce development, communications, technology, recognition through national and chapter awards programs, employee benefits, information on best practices and business development through an online contractor search directory.

GCA Trades Academy (GCATA)

The Guam Contractors Association board of directors sponsored the incorporation of the GCA Trades Academy in September 2006 as a separate stand-alone non-profit organization. The GCA Trades Academy was established to provide a nationally recognized industry skills training center, support U.S. Department of Labor recognized apprenticeship training programs, and to support the skilled labor needs of construction contractors and related industries doing business on Guam.

The GCA Trades Academy's programs include:

Craft Skills Training

The Trades Academy maintains skills training programs using the latest Contren® Learning Series developed by the National Center for Construction Education and Research (NCCER) and other industry-recognized curricula to prepare interested participants for employment in the construction and construction-associated industries. This program was launched in October 2006.

Skills Assessment & Certification

The Trades Academy will establish a skills assessment and certification program. The program is designed to assess and certify the skill level of workers using assessment criteria developed by the National Center for Construction Education and Research (NCCER). The Trades Academy already has staff trained and certified to administer the program. This program is expected to be launched October 2007.

Pre-Apprenticeship Training

The Trades Academy maintains a craft-training program that support pre-apprenticeship programs using the latest Contren® Learning Series curriculum to prepare interested participants for employment in the construction and construction-associated industries.

Apprenticeship Training

The Trades Academy maintains a craft-training program that provides related classroom instruction for the Guam Contractors Association, Hawaiian Rock Products, and Dick Pacific apprenticeship standards. These apprenticeship programs are registered by the U.S. Department of Labor as authorized under the National Apprenticeship Act of 1937 (Fitzgerald Act), as amended PL 75-308, 50 Stat. 664, 57 Stat. 518, 29 U.S.C. 50, 50a, 50b.

Advanced License Training

The Trades Academy will establish a training program to prepare personnel qualified for advanced licenses to successfully pass their respective licensure examinations. This program is expected to be launched in October 2008.

National Center for Construction and Education Research (NCCER)

A decade ago, representatives from the nation's leading contractors, manufacturers, and construction trade associations came together to establish quality standards for industry certification and training.

Organizations competing against one another in business forged partnerships to embrace these common goals—to provide quality training for craft professionals; to keep the workforce safe; to provide for career advancement through management training; and to improve upon the image of the construction industry as a career choice for young people. These goals resulted in the establishment of the not-for-profit educational organization, the National Center for Construction Education and Research (NCCER), affiliated with the University of Florida's M.E. Rinker School of Building Construction, located in Gainesville, Florida.

With the support of a growing list of industry partners and its publisher, Prentice Hall, NCCER has evolved its training offerings from fifteen to over fifty different curricula, and has developed skills assessment tests for over 45 craft areas.

Accreditation

As the accrediting body for the industry, NCCER has established the benchmark for quality training. Working in partnership with industry and academia, NCCER has developed a system for program accreditation similar to those found in institutions of higher learning.

NCCER's accreditation process assures that students receive quality training based upon uniform standards and criteria. These standards are outlined in NCCER's Accreditation Guidelines and must be adhered to by NCCER Accredited Sponsors, such as the Guam Contractors Association. The GCA Trades Academy is an NCCER-accredited training unit, one of more than 500 training facilities in 50 states and eight countries.

Instructor Certification

As part of its accreditation process, NCCER has developed the Instructor Certification Training Program (ITCP). This program ensures the uniform and consistent delivery of training. Through this process, NCCER certifies the Master Trainer. In turn, the Master Trainer certifies the Craft Instructor. The Guam Contractors Association maintains a Master Trainer on staff and there are now more than 60 NCCER-certified Craft Instructors on Guam.

National Registry

In an effort to provide students and craft professionals with industry-recognized credentials and assure national portability of skills, NCCER maintains a national registry with widely recognized credentialing and certification process. This National Registry provides transcripts, certificates, and wallet cards to students who successfully complete the Contren® Learning Series through an Accredited Sponsor. The valuable industry credentials benefit students as they seek employment and build their careers.

Standardized Curricula

In partnership with Prentice Hall, NCCER develops and publishes the Contren® Learning Series. Built upon industry standards, this standardized, competency-based curriculum is taught nationwide by contractors, associations, construction users, and secondary and post-secondary schools. At least 24 State Departments of Education recognize the curricula. Contren® curricula are distinguished by unique training features:

- Competency-based and contain measurable objectives
- Developed by industry experts and educators
- Modular in format and can be used for task training

- Meets or exceeds Apprenticeship, Training, Employer, and Labor Services (ATELS) requirements
- Portable, industry recognized credentials

VALUES—MISSION—VISION

Values

The GCA Trades Academy values:
- Corporate responsibility
- Equality
- Personal and vocational growth
- Excellence within our students, staff, and curriculum
- Student assistance via career and financial counseling.

Mission

Our mission is to share with aspiring tradespersons the skills and knowledge required to advance in a variety of fields. We will offer financial aid and counseling assistance to those interested, and will guarantee equal opportunity employment to those who successfully complete our program.

Vision

To be a self-sustaining, profitable, world-class regional training center, with a state of art facility handling at least 400-500 students per annum by the year 2012.

GOVERNANCE OF THE GCA TRADES ACADEMY

The GCA Trades Academy is governed by a Board of Trustees currently made up of:

John M. Robertson—Chairperson, Board of Trustees. Mr Robertson is a licensed professional engineer in Texas with 45 years management experience in construction and maintenance. He is currently president and RME of AmOrient Contracting Inc.

William D. Beery—Vice-Chairperson, Board of Trustees. Mr Beery is a professional engineer in Hawaii with 30 years management experience in construction and maintenance. He is currently general manager and RME for Watts Constructors.

Rita A. Edwards—Secretary, Board of Trustees. Ms. Edwards is the Assistant Director of Professional and International Programs (PAIP) at the University of Guam, which oversees the Professional Development & Lifelong Learning Center, Enterprise Development, and the English Language Institute.

Monty A. McDowell—Treasurer, Board of Trustees. Mr McDowell holds a masters degree in electrical engineering. He served as an officer in the U.S. Navy for 22 years and founded Advance Management in 1990 where he remains chief executive officer.

Graeme M. Ridley—Trustee, Board of Trustees. Mr Ridley has 25 years experience in mechanical trades with advancement through education and examination equivalent to a bachelor's degree in mechanical engineering. He is currently manager of the mechanical division of Smithbridge Guam Inc.

Herbert J. Johnston, Jr.—Education Director. Mr. Johnston has a bachelor's degree in education and a master's degree in public administration, both from the University of Guam. He is currently completing requirements for a doctoral degree in business administration. Mr. Johnston is a faculty practitioner with the University of Phoenix, College of Graduate Business & Management. His work experience outside of education includes fifteen years with Guam's only public water and wastewater system.

GOALS AND STRATEGIC PLAN

Some Goals of the Academy

- To foster a safe, productive and sustainable workforce of craft professionals on Guam through effective training and apprenticeship
- To build careers of a lifetime for young men and women of Micronesia that aspire to excel in a trade
- To support the construction and maintenance industry in the region during an approaching period of significant growth
- To be a vital and integral part of the public and private educational system on Guam for young people and adults
- To be the premier institution of learning on Guam for those wishing to pursue an upward career path in construction and related activity

Elements of the Strategic Plan

- Build on the long held accreditation from the U.S. Department of Labor for apprenticeship and training to improve the quality of skills in the region
- Build on the long term relationship with the Guam Department of Labor to improve the quality of life for citizens of the region
- Take full advantage of the accreditation and standardized curricula from the National Center for Construction Education and Research (NCCER) to offer current state of the technology training
- As a private non-profit institution, offer quality craft training and apprenticeship at affordable rates while being self sustaining for the near term and into the future
- Maintain the highest standard of instruction for up to 500 beginning students per annum through utilization only of NCCER certified craft professionals in the classroom and workshop training environment
- Cooperate with contractors on Guam for fulfilling apprenticeship requirements on the path to journeyman status and beyond
- Cooperate with the University of Guam and Guam Community College in career advancement for persons at all levels of potentiality
- Establish the academy as a permanent institution and provide highest quality training for trades beyond the period of heavy workforce demand in the region

FUNDING FOR THE GCA TRADES ACADEMY

Startup Funding

Initial startup funding for the Trades Academy came from the Guam Contractors Association and from voluntary loans from supporting members. The Guam Contractors Association assumed most costs incurred prior to startup, including especially the Education Directors salary and legal fees for establishment of GCA Trades Academy as a non-profit institution of learning. After startup, the Guam Contractors Association continues to assume the personnel costs of the Education Director, however, these costs are invoiced to the Trades Academy with no specific pay-back terms. Costs associated with the initial order of student texts and instructional material were approved and paid from GCA funds, which are to be reimbursed by from the proceeds of the sale of textbooks.

Tuition Pricing Strategy

The pricing strategy is based on the sale of individual training modules. Text books and workbooks are sold separately at NCCER retail rates. Additionally, lab fee are assessed on those modules with extensive shop work to cover the cost of material, supplies, and equipment use.

Tuition fees are set at the minimal level to recover all direct and indirect expense incurred for instruction. Instructors are paid a flat rate for each module and this is a major cost included in tuition fee. Other costs include classroom rental, insurance premiums, electricity usage, record keeping and a proportionate share of business overhead. For the average student, tuition fees will not exceed $2,500 per year.

Target Market

Employer-sponsored students. These students are workers in the existing workforce needing to be upgraded through training and certification. The employer assumes some, possibly all, costs for tuition and supplies.

Indentured Apprentices. These students are employed under an apprenticeship program and are taking classes to fulfill their related course instruction requirements. The employer assumes all of the costs of tuition and supplies.

Self-sponsored students. These students are individuals that can afford to pay tuition and supplies. They anticipate being picked up for employment by a contractor after getting through the basics and possibly thereby becoming employer-sponsored.

Note that employers can expect to receive a credit against Gross Receipts Tax of 50% of authorized apprenticeship training expense actually incurred, for those apprentices that complete annual requirements through an accredited apprenticeship training provider.

Government-sponsored students. These students are individuals that meet the criteria for government programs that provide educational financial assistance, such as through AHRD, Veterans Administration, and Department of Defense. In addition, a portion of amounts paid by contractors into the Manpower Development Fund (MDF) should be made available for apprenticeship training provided by the GCA Trades Academy.

Privately-sponsored students. These students are individuals who have applied for and receive private funding assistance or scholarships, such as through the Guam Chamber of Commerce or the Center for Micronesian Empowerment.

Founders Guild

The GCA Trades Academy Board of Trustees has agreed to the establishment of the "Founders Guild" for the purpose of securing funds for strengthening the financial base of the academy and in particular to finance the build-out of a training facility. The Founders Guild recognizes those that have and will provide voluntary contributions or soft loans for this purpose.

The GCA Trades Academy recognizes that there are many in the community that have openly expressed support for the mission, vision, and achievements to date of the academy. The GCA Trades Academy is recognized as tax-exempt by both the local government of Guam and U.S. Internal Revenue Service.

At the onset of establishing the GCA Trades Academy, five members of the Guam Contractors Association pledged $10,000 each for startup capital: AmOrient Contracting, Perez Bros, and Watts Constructors, Hawaiian Rock Product and Maeda Pacific. In June 2007 the First Hawaiian Bank Foundation provided a grant of $10,000. Taniguchi Ruth Makio Architects prepared the preliminary plan for the academy as an in-kind contribution.

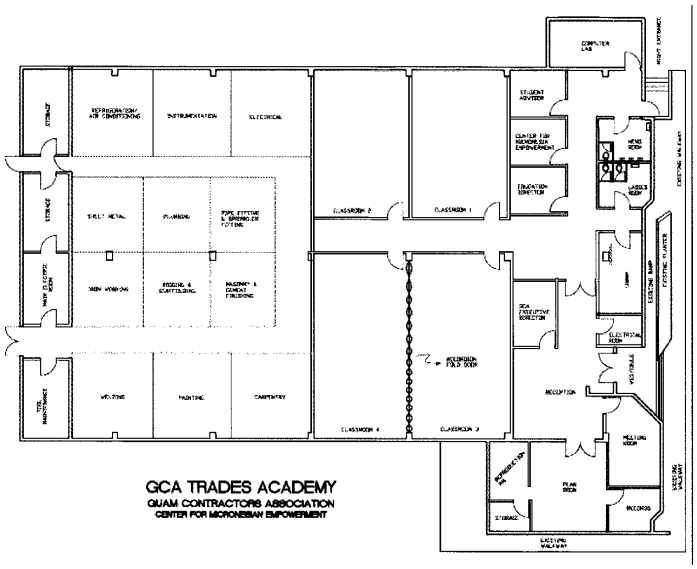
Training Facility In Tiyan

The proposed GCA Trades Academy training facility in Tiyan is to be developed by renovating and fitting-out the former military operated "Jet Lanes" bowling facility for the new purpose.

The facility is now in private hands, having been returned to the family of the original land owners. The owner is willing to lease the facility on favorable terms to the academy for 20 years with the possibility of extending the term as will be determined at a future date. The lease agreement is currently being drafted.

The facility has a net floor area of just over 11,000 square feet. The undeveloped area at back side is owned by the same land owner and can be used for training of heavy equipment operators. Roads in the vicinity are lightly traveled and are therefore suitable for initial truck driver training.

Planning calls for co-locating the Guam Contractors Association administrative offices at this site upon completion of renovation. The Center for Micronesian Empowerment will also occupy space in the facility and they will provide students to be trained in construction and related trades. All occupants will share proportionately in the costs of leasing and operating the facility.



Mrs. CHRISTENSEN. Thank you, but your full testimony is in the record and I know the staff has read it, and I've read the first part, not the appendix, so I have a little bit more to go on. But we've read it.

Thank you for your testimony, and I'll now recognize myself to begin the questioning.

I'll start with you, Senator Cristobal. Your testimony is very clear and very moving. Polls, as the one Mr. Ruder quoted, and there are others, I believe, have shown 75 percent or more of the people really support the military buildup. To what do you attribute the support? Do you think that there's any place at which the two minds can meet? And, would your possible alternate process, the alternate process of that you mention in your testimony, would that be an avenue for it?

Ms. CRISTOBAL. I had mentioned, Madam Chair, that we would like to see a process, a separate process, be engaged by Congress to basically ask the Chamorro people to make this informed decision as to whether we want the military buildup, and that's in context with our status as an unincorporated territory and as a non-self-governing territory.

Does that answer your question?

I'm not sure if this survey was a scientific survey or not, Madam Chair.

Mrs. CHRISTENSEN. Yeah.

Well, I think it was within 4 points, plus or minus 4 points accuracy.

Well, let's just say that generally it is felt, even forgetting the poll, but the majority of people of Guam want the military buildup, maybe with conditions, but they want the military buildup. Your position is opposing the military buildup. Is there any place that you see that those two points can come together and meet and find some kind of consensus?

Ms. CRISTOBAL. Let me just qualify. I think we need to take note of the fact that surveys like that would definitely come up with a favorable result.

Basically, because we now comprise less than—we are about 40 percent of the population, and as you continue to bring in U.S. citizens and other people that vote or that have these—that are part of the survey, you will continue to get favorable results. We have been militarized for so long. We lived with a very dependent mentality. We realize that. But we need, like I said, we need to have an informed decision before we vote on this. And that's why I indicated that it must be an informed decision.

We need to be educated about our alternatives. We know that international conventions say that we are allowed to determine a political status, the three options on U.N. Resolution 1541 that basically says we have the option of determining whether we want to be independent, freely associated, or——

Mrs. CHRISTENSEN. Sure.

Ms. CRISTOBAL —in the words of U.S. citizens, whether we want statehood or full integration into mother country.

So, these—Guam does not have a Chamorro history either. We don't have—we are totally a colonized people, and surveys like that would produce those kinds of results. It is just not surprising at all.

Mrs. CHRISTENSEN. OK. We would probably try—thank you for your answer. We will probably try to come back for some follow-up questions.

Mr. San Nicolas, two-part question in a way. Are you supplying fresh produce to the military now? And, how major an increase in production, change in methods, new form—what is the potential to add manpower in this area? Are there programs in the schools that promote agriculture as an industry and as a profession, either in high schools or in the community college or University of Guam?

Mr. SAN NICOLAS. Yes. Chairwoman Christensen, with regard to the first part on your question on the market with the military.

Right now, the communication between the local farmers and the military is very minimal, and I do not know if any communication or any dialogue is going on. So, that's why I am recommending that the military partner with the Guam Soil & Water Conservation District Board, because we represent the farmers from the north.

The Northern Shore and Water Conservation District Board represents the farmers of the north; and the Southern Soil & Water Conservation District Board from the south represents the farmers from the south. And, with that, I think there's a potential benefit here with the farmers of Guam and the military to provide fresh, local produce, and fish, and shrimp, aquacultural products.

And along with that, the food security issue. I think it is more incumbent on the military to ensure that we grow and take immediate action regarding a food security. We read it in the newspaper, all those imports are coming in from foreign lands and are causing a lot of our problems. So, I believe it is in the best interest of the military and the farmers of Guam to partner in this area, and see how we can help each other increase the potential and ability for the farmers of Guam to use that military market.

With the local community, as far as the market, we have some legislation in place right now that requires our Government of Guam agencies to buy local agricultural products. However, there's a snag there, because recently there is another law that came in place that the local farmers have to meet USDA standards. And a lot of the local farmers never went for any kind of workshop or dissemination on that kind of legislation.

And these are the things, I believe, that we need to visit with our good senators here in Guam, and see if we can maybe in the future, before legislation is passed like that requiring the farmers of Guam to meet USDA standards before we can market to our school cafeteria, I think they should have checked that with the local farmers and come up with some proposal and give us some timeframe, where we can be educated on what is the USDA standard. Because after all, yes, we do want food security for our children and for our teachers, and fresh produce, but we need to work together on this.

With the education part, currently we are, with the Guam Soil and Water Conservation District Boards, along with the environmental education, we started what was called the Adopt a Watershed Project to entice teaching environmental education and farming issues through the Inarajan Elementary School as pilot projects and in Talofofo and Merizo. So, of course, the University of Guam here has education in that area for majors, I believe, and minors in the agricultural majors.

Thank you for the question, Congresswoman Christensen.

Mrs. CHRISTENSEN. And if I remember General Bice's response to a question about buying local produce, I think from the Congresswoman, he was very open, so this seems like there's a possibility for that to become a reality.

I'll recognize Ms. Bordallo for her questions now.

Ms. BORDALLO. Thank you very much, Madam Chair.

Senator Cristobal, I don't have prepared questions for you, but you mentioned the status, and I want you to know that this would be a local endeavor, and once the people of Guam have made the decisions, that we will take that message back to the U.S. Congress.

Guam spent nearly 10 years in this effort and a good $10 million. I sat on the Commission as well. So, I'm very familiar, and I want you to know that whatever the people of Guam decide, I will carry that to Washington, D.C.

But I want to thank you for your very distinguished career, and as a past member of the Commission of Self Determination.

I do have a question for Mr. San Nicolas. We were just talking about this—the USDA standards, is that local law?

Mr. SAN NICOLAS. I believe it is a local law, a year or so ago. Somebody had the bright idea to incorporate that and made that a regulation for the farmers of Guam.

Ms. BORDALLO. Well, then I guess your efforts have to be with the local Legislature.

Mr. SAN NICOLAS. Yes. We had good senators that were working for the farmers to ensure that we capitalize in the market, you know, with the Government of Guam agency, and then somebody came up with that bright idea to put that burden on the farmers.

I'm not against quality, meeting all the requirements, but I believe communication should be given to the farmers and maybe some kind of orientation before those kind of laws are put in place. And I also believed that public hearings maybe should have been afforded, especially to the farmers.

Ms. BORDALLO. Mr. San Nicolas, I've always been very supportive of the farmers and agriculture. My late husband was a very strong leader in that area. The Green Revolution, we all remember that.

You mentioned the strong desire of our farmers to gain access to expanded military markets on Guam, and I think I got from your testimony that it is not at its peak definitely now. And I concur with the desire to have locally grown fruits and vegetables sold in our commissaries and supplied to the ships that pull into port, and that come to our region for training exercises.

Can you give us a sense of what the local production capacity is at this time? Do we have the capacity to provide the fruits and the vegetables to the commissaries and the ships, and so forth?

Mr. SAN NICOLAS. Congresswoman, Madam Bordallo, I'm glad for that question.

Yes, we definitely have that capacity. What we need is very similar to the Chamber of Commerce and other members that have come before you. We need to partner with the military, we need to partner with our local government, we need to partner with the hotel industry, so that we can motivate the farmers of Guam to maximize their productions.

Right now, the major problem, or one of the major problems, is marketing our product. So, I believe that starting with the military, if we can partner and have some kind of dialogue, similar to the support that the local people and the elected officials are supporting the Chamber of Commerce or the tourism industry in helping any way to enhance the—like for example, the production and the imports that we are faced with, and the pests that are continually coming, and we call those invasive species; and those are the things that our local government and the Federal Government can assist us in combating the negative effects and the cost for that.

But, yes, we definitely have the capacity if we are given the support and assistance that are needed with our endeavors.

Ms. BORDALLO. Mr. San Nicolas, you mentioned marketing, I agree with that. I know that our crops do not include all types of fruits and vegetables. We are heavy on the melon and—some of the others, but would you say that, right at this time, we do have the capacity to provide the produce to these areas?

I mean, I'm just thinking. I mean, would you——

Mr. SAN NICOLAS. Yes.

Ms. BORDALLO. You would say yes to that?

Mr. SAN NICOLAS. Yes.

Just for example, for the aqua-culture farm that my family operates. If the military or the hotel industry would buy from us, we can meet their demands, especially in the local industry, and the same with the local farmers.

The main reason the farmers are shy from maximizing their production, again, is because the market is very limited. And also the imports, the competition from the imports——

Ms. BORDALLO. And the USDA?

Mr. SAN NICOLAS. Yes, definitely.

So, those are the challenges that we need collaboration with our Federal and local officials to help improve those issues that we face.

But we got good farmers out there that can really maximize their production, but right now we try to just meet whatever market demand that is there, given the situation that we are facing with the challenges of the imports and the pest problems, those invasive species.

Melon can grow beautifully in Guam. Papaya can grow beautifully in Guam, and go year round. But we need to have support, such as the pilot projects that are happening throughout the island. We need those high breed papayas that are more resistant to the invasive species. But we do have the capacity to do that. We need the support from our, for example, our local Department of Agriculture. Now, we are partnering with the University of Guam and we are doing very good with the University of Guam.

Ms. BORDALLO. Good.

Mr. SAN NICOLAS. And so we are just looking to also capitalize on this opportunity with the military buildup here.

The investment that they're having here, I would like definitely that they look into the farmers of Guam and see how we can partner to have this mutual benefit that we can provide to them.

Ms. BORDALLO. What about our schools?

Mr. SAN NICOLAS. Our schools are—that's one thing I think that we need to look into the current legislation that I was informed of, and I think we need to revisit that legislation and see how we can improve on that.

Ms. BORDALLO. Very good.

Mr. SAN NICOLAS. Yes.

Ms. BORDALLO. Very good. Thank you, Mr. San Nicolas.

I do have more questions, if you're going to call a second round.

Mrs. CHRISTENSEN. Yeah. We will do another round. Thank you.

Mr. Ruder, as we've met with different groups, and perhaps on the very first day, we began to hear that Japanese, Korean, and other companies outside of Guam who are already beginning to come in and position themselves to take advantage of this buildup, that they seem to know more than the local businesses here. Are those concerns some that the Chamber also shares? And, if so, how do you see the Chamber working to position themselves to ensure that the local businesses will have an equitable share, be very competitive, to benefit from the buildup?

Mr. RUDER. Thank you, Madam Chairwoman.

Sure, there's concern, but having said that, borrowing from what Mr. Lujan was saying, there are certainly opportunities for Guam businesses and local businesses in particular to work through Federal and local organizations that are existing to complete the process of preferred designation status, whether it'd be ADA certification or small business, women-owned, minority-owned businesses. So, we think those opportunities are out there.

The Chamber is very active in that regard through the Small Business Committee at the Guam Chamber of Commerce, and working actually very closely with Mr. Lujan's office, as well as SPDC out at the University.

Mrs. CHRISTENSEN. Do you feel that there's information that's being shared outside of Guam that you're not receiving?

Mr. RUDER. My inclination, and I've learned a lot here this morning, again, thank you for having me, but my inclination is that—and I think as you stated, this is a long process, and I trust the folks that are involved both locally, as well as on the Federal level. And I trust that, as information becomes available, that it will be shared and that the opportunities, in particular in our case for local small businesses, will present themselves.

Mrs. CHRISTENSEN. OK. Thank you.

Ms. Leberer, much has been made about—in the initial panel, by the military that the NEPA process and the EIS will afford the public the opportunity to have their concerns about the—all of the impacts, but in particular, their concerns about the negative impacts of the buildup on their culture and way of life addressed. Do you share this view?

Ms. LEBERER. Thank you for the question, Madam Chairwoman.

And I think it is—there's a couple of answers to that. I think that, there's one EIS for the relocation, but there's a myriad of projects that are occurring in this entire military buildup, and they are not all connected. And so in order to really look at cumulative impacts, I think that that's not being met.

Another problem that, they did have open houses, DOD did have some open houses, with some very general, very vague information

for the public, and the public was asked to comment sort of on anything they could think of that might be an issue. And then that was incorporated, and as General Bice pointed out, I believe he said 900 comments were received. But those are received on sort of the general idea of relocation of the Marines and not on very specific information.

And when this gets to the point where the EIS is—the draft EIS has been released with more specific information and alternatives, then the local agencies and the community will have a very short timeline to comment on that, and it will have already been a little too late for some—if new technologies arise or new alternatives come too late, then even DOD's hands are a bit tied and they won't necessarily be able to address those.

Mrs. CHRISTENSEN. How would you recommend we deal with that?

Ms. LEBERER. Perhaps some enabling legislation from Congress to allow DOD a little more flexibility in the EIS process to really incorporate input and alternatives throughout the process might help.

I can provide more substantial information——

Mrs. CHRISTENSEN. And do you see any role for the local government and the Legislature and——

Ms. LEBERER. Well, the local government is trying very hard to review everything that they can. And in my written testimony, I talked—and I alluded to the need for increased capacity for the local agencies.

The local resource agencies are really capacity strapped in terms of human resources and financial resources, and so some of what Congress can do to help too would be to increase allocations for existing Federal grants and also to release some of the DOD project funding in advance, so that local and Federal regulatory agencies can use those funds to help really assess the alternatives in the impacts.

But I think that the local agencies themselves are trying very hard to be a part of this process, but they're just really capacity strapped.

Mrs. CHRISTENSEN. Thank you.

With your permission, Madam Bordallo, I'm going to just ask my last question.

Ms. BORDALLO. OK.

Mrs. CHRISTENSEN. And then I'll turn to you and let you complete yours.

Mr. Robertson, this is a problem that we face in the Virgin Islands. You mentioned that some of the people who could probably benefit from the buildup by receiving the training and becoming newly employed with their new skills are not interested in working in jobs that require manual labor.

Is there anything that you see that can be done or is being done to increase the interest of that group of individuals in coming into this workforce and taking advantage of the opportunities?

Mr. ROBERTSON. Yes. We did commission a study a couple of months ago on that very question, and we realize that we have to put together an ad campaign, maybe with the radio, newspaper, television components to it and to try to change attitudes to some

degree, because there is a mindset on the island that construction is a dirty business and is supposed to be done by foreigners from Asia. And it is just not so, because I'm from the construction industry myself. I'm also a professional engineer, but it is a very good industry to be in.

Mrs. CHRISTENSEN. It pays well.

Mr. ROBERTSON. A person can earn a lot of money, more so than in lot of other cases.

So, we have to change that attitude.

Mrs. CHRISTENSEN. Thank you.

Ms. Bordallo?

Ms. BORDALLO. Thank you. Thank you very much, Madam Chair I will just run through the rest of my questions. Is that all right with——

Mrs. CHRISTENSEN. Yes.

Ms. BORDALLO. All right.

Mr. Ruder, I have a question for you. The visitor industry must be nourished and protected in the years ahead. You suggest expanding the Guam-Only Visa Waiver Program. What specific ways can we improve this program, and should the visitors' stay be expanded from 15 to 30 days? How can we streamline the process to add new visitor markets to this program?

Mr. RUDER. Well, I think certainly recognizing the issues is a good place to start the discussion. For example, Guam once enjoyed a Guam-Only Visa Waiver for Korea, which was exclusive to Guam, that's now been extended to the continental United States.

Ms. BORDALLO. That's correct.

Mr. RUDER. That's certainly going to impact the visitor industry.

So, understanding that, we think that we need to look outside of our core markets and try to expand the Guam-Only Visa Program to some more of the emerging markets in the Asia-Pacific region.

Certainly, the first market that comes to mind is China, and I know that's been discussed, and it is a discussion that's ongoing.

Ms. BORDALLO. How many days?

That's 15 to 30? That's the timeframe?

Mr. RUDER. Certainly the—within reason, the longer that we could have our visitors on Guam, the more beneficial it would be for the community, within reason, recognizing all the other concerns.

Ms. BORDALLO. My next question, Mr. Ruder, is, it is definitely noted that the business environment will become very competitive during this buildup, and it will be very important for Guam's companies, small, medium, and large, to participate in the buildup. The Chamber can recognizably fulfill an important role in ensuring that Guam's companies are prepared to successfully compete for construction and service contracts, subcontracts, and other related work.

Can you explain what the Chamber may be doing to help Guam's companies prepare to successfully compete in a faster pace, more competitive business environment, and is the Chamber helping facilitate partnerships between off-island and Guam-based firms?

Mr. RUDER. Thank you very much for the question, Congresswoman Bordallo.

Certainly the Chamber for many, many years has been engaged with the local business community, particularly the small businesses. Our Small Business Committee is an extremely active committee that involves all sectors of the community from the University to GCC, to our very members. So, we hold the number of ongoing seminars. In fact, there's a seminar this Friday, not dealing specifically with the Federal Government procurement issues, more in regards to advancing employee development within our own small businesses.

So, that's one example, but as I stated earlier, the work that is done ongoing with the SBA and SPDC are two of our very good partners in this endeavor.

Ms. BORDALLO. Thank you.

Thank you, Mr. Ruder.

Mr. RUDER. OK.

Ms. BORDALLO. Ms. Leberer, to your knowledge, has the Nature Conservancy established a working partnership with the Department of Defense at any particular instillation and with such instillation's host community in support of conservation goals? In other words, is there an example out there that we can turn to where DOD might have or is currently working in strong partnership with TNC? Are there conservation-oriented organizations in a local community in the area of environmental management? Are there lessons to be learned here or a model to follow in some sense with respect to what we are facing here in Guam?

Ms. LEBERER. Thank you for the question, Congresswoman.

And, yes, I am not familiar with the specifics, but the Nature Conservancy in the mainland has several state programs that work with Department of Defense installations.

I believe Hawaii is an example. And I think that they have also worked with the local governments and communities.

But I think that I would also like to reemphasize what I started my testimony with, that the Micronesia program works a little differently than the state programs. And so it certainly, I think that we could look to some of those as potential models, but they may not work entirely as appropriately for Guam, but it is certainly something that we would be open to exploring, but only with the expressed invitation of our local partners on Guam, the local government, and in consent for consultation with the communities.

Ms. BORDALLO. Another question I have, given your work in the islands and your professional experience, can you comment on how DOD is currently controlling for invasive species on Guam and in the region? Are there areas for improvement, and can you give us some specific ideas for how invasives can be controlled, given the buildup plan?

Ms. LEBERER. I focused on invasive species for the past two years, but in my prior life in the Government of Guam, I worked with many of the agencies that are trying to control and eradicate, in the particularly the brown tree snake in Guam, and I was also present when the results of the Brown Tree Snake Commission were presented in 2005. And I believe one of the biggest challenges in regards specifically to the Department of Defense was a bit of challenge with communication and coordination. I think that has

improved since the results were released. I think they definitely have a huge role to play.

The House, the U.S. Department of Agriculture's Wildlife Services, the APHIS Program, and they are really critical in helping us to prevent the spread of the invasive species off or on Guam. I think prevention is the key. Prevention is much more cost effective than control and eradication. It costs Guam over $10 million—it cost Guam and Hawaii, and in other places, over $10 million a year to try to control and eradicate the brown tree snake.

I think there are certain things that Department of Defense can also implement, like in the case of marine invasives. They don't have a built management plan in place apparently, and that's something that they also could help our Port Authority to implement. That's something they could implement. They are considering training exercises in the Freely Associated States, and that will increase the risk of marine invasives traveling through village water.

So, I think that prevention is the key. Congress can help with infusions of support for a rapid response and prevention and quarantine programs, and all that.

Ms. BORDALLO. Thank you. Thank you.

And I have one follow-up to Mrs. Christensen's line of questioning. Is the work and the report prepared by the Governor's Civilian-Military Task Force Report as broad and as in-depth to be an adequate response during the comment period on the EIS?

Ms. LEBERER. Again, I think that it was a good response to the current level of information that was received, but I think that even the Department of Defense themselves, things have been changing rapidly and information isn't always as available to the local resource agencies. And, in the words of Department of Defense, I don't think they always know exactly which projects are passed. But I think the earlier that all of the information is available, the better the review would be for all of us.

Ms. BORDALLO. Thank you.

And, a couple of last questions for Mr. Robertson. In your mind, what would you consider a successful skilled trade training program to look like? Congresswoman Christensen mentioned this, but what level of financing would it need, how many students would it need to enroll in order better meet the needs of the buildup?

And in your testimony, we heard that the response just is not good, and I think you said that it is because we are so used to foreign workers coming in that——

Mr. ROBERTSON. Right.

Ms. BORDALLO —we don't feel that. And I agree with you wholeheartedly. Construction jobs and blue collar workers are making far more money than professionals throughout the United States.

So, can you answer that for me?

Mr. ROBERTSON. Yes.

Our cost of operation is actually quite low, because we have a low overhead, and so the figure I gave you of $2,500 to $3,000 per year, per student, is a good number.

In addition to that, in some cases, there might need to be a stipend given to the trainee, because maybe he needs to sustain his family while he's studying.

But also at the same time, we are looking at the people getting jobs either rapidly, so they'd be drawing a salary from their employer, which would be a percentage of the total, starting out 60 percent of wage, then working up to a 100 percent when they complete the journeyman status.

And we, in our Academy, don't want to grow so fast that we lose control of what we are doing. So, we would like to get up to a hundred fairly soon, but we need a facility to do that, and then get to 200 and then 500, and we are certainly willing to go beyond that. But even 500 people coming into the program, we are looking at 3 or 4 years to actually complete all the study and all of the OJT to become an apprentice. So, it doesn't contribute mightily to the numbers needed for construction among the journeymen.

Ms. BORDALLO. Well, I think it is important that we get the word out in the community, and I think that if you run this through radio and television, this is all public service ads on their part, hopefully. But I think that's what it needs. It needs to get the word out throughout the island.

Now, my last question, can you generally explain for us any GCA held positions on prevailing wage rates for workers, and also on the issue of foreign labor? Are there any particular concerns or overviews of the Associations that Federal partners, Congress, and the local government, should keep in mind as the planning continues?

Mr. ROBERTSON. A very good question, thank you for that.

We have been working with the local Department of Labor, and we have recently come together and agreed on some rates. We are rationally increasing the level of pay to most of the trades. And this would be payable to the H2B workers, as well as a minimum for the local workers.

At this point in time, we don't see a need for your office to get too deeply involved in that. We don't want to raise the rates too radically because it would affect not only our industry, but also affect other businesses and industries on Guam, because it would draw people from those industries over the construction and disrupt perhaps their activity. We don't want to do that.

Could I possibly respond to a question given to Mr. Ruder awhile ago?

Ms. BORDALLO. Surely; surely.

Mr. ROBERTSON. And that is about dissemination of information.

And I do know from a very reliable source that the Minister of Defense in Japan did have an Industry Forum on the 3rd of August. I don't know what was discussed, but I was told about it a few days before it happened.

And in addition to that, I know reliably that an architectural firm from Japan visited Guam a few weeks ago, and they had a contract from the Ministry of Defense to begin doing preliminary designs for the Marine Corps. And it is possible they're just doing some preparatory work, and I've asked some of the people of JGPO. They don't know anything about it. So, apparently they're just trying to get a head start on it.

But I would like to add quickly that there are a lot of rumors running around, and people sometimes give out what is really truly

rumor as fact, like the Koreans going to be doing all this work with the Japanese, and I don't think there is any substance to it at all.

Ms. BORDALLO. You know, I'm glad you brought that point up, Mr. Robertson, because I think that is the core problem to some of this dissension here, is people are just listening to anyone coming up, talking this and that without any authority. So, I think if we just hold together until official word comes out, that we will be a lot better off as a community.

So, again, I want to thank you all for being here as witnesses. Thank you for your testimony.

I yield back.

Ms. CRISTOBAL. Madam Chair, may I?

Mrs. CHRISTENSEN. Senator Cristobal.

Ms. CRISTOBAL. Yes.

Thank you, Madam Chair.

I just wanted to get back to your question earlier, because it kind of took me aback, your question with respect to kind of having some kind of middle ground between the Chamber of Commerce's survey and what I feel the Chamorro people——

Mrs. CHRISTENSEN. And if I could I just interrupt you for just a minute.

And it is not just a survey. I referenced that, but it is the—I think it is a general consensus that most people support the military buildup. So, if we could get away from the survey for a minute.

Ms. CRISTOBAL. OK. Well, that's fine.

Madam Chair, just, I recall looking at your website and I remember seeing that you do have the purview of the full political development of our people. And it just occurred to me that it is really kind of unfair to ask the Chamorro people to resolve this unresolved issue of political status, and I think that the influx and rather the planned military buildup presents a missed opportunity if Congress does not take it upon itself, because Congress is the ultimate authority that will determine the civil rights and political status of the native inhabitants according to the Treaty of Peace of 1899. And it just dawned on me that it is really unfair. I don't think it should be continuously a local initiative.

We, like our Congresswoman has stated, spent enough money to try and attain some kind of standing through a political status, and we, I was also part of the negotiations that occurred in the latest bout, and that was not successful. So, we have had some failed Congressional hearings, we have had some failed local initiatives to the local leadership here. I think it is time for Congress to step up and do this for——

Mrs. CHRISTENSEN. Well, if you could be more specific——

Ms. CRISTOBAL —for us.

Mrs. CHRISTENSEN. This is a little off topic, but what is it that you would have Congress do, because the people of Guam——

Ms. CRISTOBAL. Here we have——

Mrs. CHRISTENSEN —like the people of the Virgin Islands are fully authorized to begin a process and to complete that process of self-determination.

We don't—I have this argument with Puerto Rico all the time. They don't need to come to Congress to have a referendum to de-

cide their status. So, what is it specifically that you would want Congress to do?

Ms. CRISTOBAL. Well, in the U.N. Charter, the United States has the obligation to promote the economy of the indigenous people and to usher in the status options. So, how do we get to that point without the help of the administering power?

And at the U.N. level, Madam Chair, the U.S. has become increasingly transcendent. They refused to participate. And it has become very difficult for those of us who go up there, like I said, where I'm totally unbudgeted. I think this is a government function, Madam Chair.

Mrs. CHRISTENSEN. Well——

Ms. CRISTOBAL. It is not a local indigenous people's function. We have been, for 300 years, living under military rule. And all the three rulers have always stated that they have to maintain us for military purposes and control. We need to move away from that.

Mrs. CHRISTENSEN. Well, as I said, this is related because——

Ms. CRISTOBAL. It is.

Mrs. CHRISTENSEN —this decision is taking place in an unincorporated territory, although I do not ascribe to the position that the territory is being treated differently from a state should this happen, because I think we can find examples that would support my position that whether it was state or territory, the Department of Defense would be undertaking the process in the same way.

But I think that when we go back, we are dealing with this with Puerto Rico. The Virgin Islands is embarking on an entirely different process right now of just drafting a constitution for us as an unincorporated territory. I think status will follow.

But perhaps we will discuss with our Committee whether we ought not to hold some hearings to hear from the territories what—where they are and what they would like to see happen. So, that would be a separate hearing that we would consider doing——

Ms. CRISTOBAL. I think that would be quite well, Madam Chair.

Mrs. CHRISTENSEN. I hope that you didn't also want to suggest that because you are an incorporated territory, the people of Guam were powerless to advocate for change and be successful in making change happen.

Ms. CRISTOBAL. Obviously we haven't, because we have had all our local initiatives that have failed at the Congressional level, Madam Chair. And we have a people here with a 4,000-year rich history, and we want to continue. Our numbers are continually diminishing and with the influx of people, our votes are being diluted.

When I attended the meeting with General Lee, I pointedly asked him if he would allow U.S. citizens to participate in a vote of self-determination for the Chamorro people, and he said "yes," that he would. So, obviously there is plan to dilute our vote. I mean, it is absurd to think that U.S. Armed Forces people are going to be allowed to decolonize a colony.

Mrs. CHRISTENSEN. OK. Well—I thank you.

Ms. CRISTOBAL. Thank you, Madam Chair.

Mrs. CHRISTENSEN. The Congresswoman would agree with me that we will go back and discuss what having—where we go from here on that particular issue.

At this point, I want to thank the witnesses for their testimony and for their very comprehensive answers to our questions.

The members again may have some further questions, which we will submit in writing, and ask you to respond in writing too.

And I'd also like to remind everyone that the hearing record will be open for ten days for the inclusion of any written testimony, and testimony should be e-mailed to insular.guamhearing@mail.house.gov.

If there's—oh, yes. Let me just make a few close—would you like to make any further closing comments?

Thank you.

Well, in my opening statement, I said that today's hearing would be the start of the Congressional record, and the Congresswoman also said that the start of the Congressional record on the potential U.S. Military buildup of Guam and the challenges facing this community with the representatives from the Federal and local governments, as well as representatives from the community voicing both support and concerns.

I believe that we've gotten off to a good start of incorporating a myriad of concerns and opinions. Over the past few days, I've received a full briefing from the Joint Guam Program Office, the U.S. Marines and the U.S. Navy, as well as the Air Force, on their plans as they are now being developed to relocate Marine forces to the island from Japan, and for other movement of forces and assets that will impact your community.

In today's public testimony delivered by General Bice, I heard information that was consistent with what we were briefed. At this time I'm satisfied that there's not a great difference between the two. I'm told that your leaders have received similar information from meetings with General Bice and other Federal officials. So, I'm hoping that we are all starting off today from the same page, and I hope that this hearing has helped to bring us all to that point.

I recognize that the feelings of frustration and uncertainty in your community are sourced in not knowing what will happen and being felt—and feeling that you can't affect change. For some, it is a perceived powerlessness, with respect to the will of the Federal Government, but I, for one, never believed that the people are powerless, and I have witnessed that power and action and have seen it actually make change happen.

That being said, I believe that there is some side benefits to the process, because the debate itself will change Guam, with or without a military buildup, because of the greater awareness of the problems of infrastructure, of education, healthcare, environment, and the reliability of essential services that exist today, as well as some of the insecurities because of the current status that exist in some segments of the population.

At the same time, the Federal Government, and most especially our U.S. Military, should not be surprised at what the people of Guam are asking for. This is a small island where the people and their ancestors have had significant moments that have changed their lives—Magellan's arrival, Spanish colonization, United States acquisition, and the brutal enemy occupation. This military buildup is one of those significant moments, and we must remember that

the Guam of today is also far different from that of the 16th Century or even the 20th Century. This is the benefit of political and other experience, and there's also a greater political maturity.

So we are here, we are prepared to be your partners to help ensure that you maximize a great opportunity this military buildup can present, and to minimize any untoward impacts that such a large influx of new people and new military needs could bring. Our country is indeed fortunate to have Guam as part of our family. We share the Governor's position that Guam's people must be viewed as relevant, as important stakeholders, and as equal partners, and that they must be full participants in this process.

The island's location is strategic, and the people of Guam have always been described as some of our country's most patriotic citizens. A military buildup could seem to be a natural fit. Some of the finest military leaders are heading up the project.

It is clear that Guam's leaders are equally skilled and even more so committed that the buildup considers the negative impacts on the island community, as well as the potential positive ones, and I look forward to the Committee being a part of that process.

And thank you again for those who were witnesses, thank you for all who attended.

I want to thank the President of the University for, again, making this hall available and for staying with us throughout the entire hearing.

And if I don't get a chance to do so publicly again, I want to thank the people of Guam on behalf of our entire delegation for their warm hospitality.

Oh, yes, and I want to just remind everyone that the town hall meeting will be held this coming Thursday at 6:00 p.m. It will be at the Hilton. And the testimony or the questions or any comments that are received at the town meeting will also become a part of the record of this hearing.

So, thank you again. If there's no further business before the Subcommittee, the Chairman again thanks the members of the Subcommittee and our witnesses, and the Subcommittee stands adjourned.

[Whereupon, at 1:01 p.m., the Subcommittee was adjourned.]

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