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IDENTIFYING LABOR SOLUTIONS FOR THE GUAM MILITARY BUILDUP

OVERSIGHT HEARING

BEFORE THE

SUBCOMMITTEE ON INSULAR AFFAIRS

OF THE

COMMITTEE ON NATURAL RESOURCES
U.S. HOUSE OF REPRESENTATIVES

ONE HUNDRED TENTH CONGRESS

SECOND SESSION

Tuesday, September 23, 2008

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OVERSIGHT HEARING ON "IDENTIFYING LABOR SOLUTIONS FOR THE GUAM MILITARY BUILDUP"

Tuesday, September 23, 2008
U.S. House of Representatives
Subcommittee on Insular Affairs
Committee on Natural Resources
Washington, D.C.

The Subcommittee met, pursuant to call, at 2:08 p.m., in Room 1324, Longworth House Office Building, Hon. Donna Christensen [Chairwoman of the Subcommittee] Presiding.

Present: Representatives Christensen, Gallegly and Bordallo.

Mrs. CHRISTENSEN. Good afternoon, everyone. The oversight hearing by the Subcommittee on Insular Affairs will come to order.

The Subcommittee is meeting today to hear testimony on identifying labor solutions for the Guam military buildup. Under Committee Rule 4(g), the Chairman and the Ranking Minority Member can make opening statements. However, if there are no objections, I will also allow the gentlelady from Guam, Congresswoman Bordallo, to give an opening statement as well. And I recognize myself for five minutes.

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

Mrs. CHRISTENSEN. It is good to see everyone here this afternoon.

A little more than a year ago, the Subcommittee responded to a request from our colleague and Delegate from Guam, Ms. Bordallo, and traveled to the island to conduct an oversight hearing on the planned military buildup scheduled to occur within the next decade.

In Congress, one does not know Guam without also knowing Congresswoman Bordallo. And anyone familiar with the Guam buildup is aware that Congresswoman Bordallo is fighting for Guam's interest on all fronts—the island's people, economic opportunity, preservation of its environment and its culture. It is because of her concern for Guam's future that the Subcommittee has taken great interest in this issue, and I applaud my colleague for her diligence and fortitude.

As many here are aware, the agreements struck between the United States and the Government of Japan in 2005 would ultimately result in the relocation of approximately 8,000 U.S.

Marines from Okinawa to Guam. In addition to that number, the Department of Defense estimates 9,000 more, comprising Marine families and others to support their new relocation, will be needed.

The relocation will cost anywhere between $10 billion and $15 billion. A little more than half of such costs will be shouldered by the Japanese Government, with the remainder by the United States. During the August 2007 oversight hearing, the Joint Guam Program Office's Executive Director, retired General David Bice, testified that, of the projected 15,000 additional jobs which will be created to execute construction on Guam, approximately 75 percent, or a little more than 11,000, would need to come from off island. The remaining 4,000 jobs could be filled locally by Guam residents.

Today's hearing focuses on just one piece of the Guam buildup—labor solutions. We are aware that the Interagency Group on Insular Areas, led by the Department of the Interior, has met and established working groups to collaborate with Guam and that DOD is also active in these meetings.

Even with such partnerships, however, I believe it is still necessary that the Federal Government bear the greater burden in helping Guam prepare. We have a responsibility to give the island community assurances that their interests are also ours.

In terms of the matter before us, I believe it is important for Guam's residents to know that they will be the first to fill jobs and that the Federal Government is assisting their institutions to prepare its residents. Our government should be instilling confidence that Federal and local laws will be enforced to ensure that the H-2 workforce will be there to do the job and not be left behind—and that nothing we do to meet our country's mission in Asia and the Pacific comes to the detriment of the island's community.

This buildup has been characterized as one of the largest realignment missions in our country's history, and it should therefore command the attention of all Federal agencies working together at all levels. I am skeptical that without the full pledge and collaboration of all Federal agencies, tangible success for the island will not be realized. I hope that this hearing offers us optimism that everything which can be done for Guam and the region is being carried out.

I am pleased that our first panel comprises leaders who are central to the solutions needed for Guam over the next decade. We are pleased to welcome back our former colleague, Congressman Bob Underwood, who is now the President of the University of Guam; from the Guam Community College, its President, Mary Okada; and from the Guam Department of Labor, Director Maria Connelley.

For our second panel we also welcome the Executive Director of the Joint Guam Program Office, retired General David Bice; and the Acting Assistant Secretary for Insular Affairs, Mr. Doug Domenech.

[The prepared statement of Ms. Christensen follows:]

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

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conduct an oversight hearing on the planned military buildup scheduled to occur within the next decade.

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Mrs. CHRISTENSEN. At this time, I would like to recognize Ms. Bordallo for any opening statement she might have.

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

Ms. BORDALLO. Thank you very much, Madam Chairman; and I want to thank you for your kind words.

I wish the audience to know that the Chairman of the Insular Affairs Subcommittee has always been very supportive of Guam and all of its issues, as well as other representatives of the U.S. Territories. We are a tight-knit group; and on this issue, the military buildup, we continue to hold hands and support each other. I truly appreciate your calling this hearing to order today, Madam

Chairwoman; and I appreciate your leadership on this matter and standing as a partner with Guam as we try to ensure that the military buildup is a success for everyone on our island and in the Marianas and Greater Micronesian Region. We also want this initiative to be a success for our partner, the Department of Defense, and for our national security interests.

Today's hearing addresses one of the major and challenging issues facing our community as we continue to prepare for the ongoing military buildup on Guam. I appreciate all of the input from the witnesses present today, as well as the written reports that we will be receiving from Governor Felix Camacho, Speaker Judy Won Pat, members of the Guam legislature and our mayor's council and other stakeholders in the community.

Our witnesses and others from Guam have put a lot of work into their plans; and I strongly encourage all of the Federal agencies, including the Joint Guam Program Office, the Office of Insular Affairs and the United States Department of Labor, to be specific and to provide all of the necessary assistance in order to ensure that military buildup benefits both the civilian and the military community. And I will repeat that, that it benefits both the civilian and the military community.

Our primary goal is to provide full employment for the people of Guam and for those who seek jobs from our region. We need to continue to build robust training centers and programs to meet the training needs of those in Guam and in our region who desire to be gainfully employed to make the buildup a success and to be a part of this process. If we would gainfully employ thousands of our Guam residents and our friends in the CNMI and from Micronesia and Palau, this would be good for Guam and our region as a whole.

And at this time, I would like to note the presence of Ambassador George of FSM who is in our audience. Thank you very much.

Providing jobs and opportunities for workers on Guam and our region will provide a greater quality of life for everyone.

Here with us this afternoon are two panels of outstanding witnesses. In our first panel, we have a former Member of the U.S. Congress, Dr. Robert Underwood; and he is the current President of the University of Guam. Ms. Maria Connelley, Director of the Guam Department of Labor; and Ms. Mary Okada, the President of the Guam Community College. I want to thank you for traveling all the way to Washington—and I know that trip—during this final week of legislative session and for your testimony this afternoon. Your input and leadership on these matters is greatly appreciated.

Additionally, I look forward to testimony from a friend of mine, Major General Bice, Executive Director of JGPO, and the Honorable Doug Domenech, Acting Deputy Assistant Secretary for Insular Affairs for the Department of the Interior.

I appreciate their leadership on the national level as we implement strategies for the buildup, and I look forward to the answers to today's questions about where we stand toward shaping the workforce and training our people for these jobs. And I yield back my time.

Mrs. CHRISTENSEN. Thank you, Congresswoman Bordallo.

Mrs. CHRISTENSEN. If there are no objections, I would like to now submit for the record the written testimony of Mr. John Robertson, Chair of the Committee on Government Relations for the Guam Contractors Association.

Hearing no objection, so ordered.

[A letter submitted for the record by the Guam Contractors Association follows:]

GUAM CONTRACTORS ASSOCIATION
718 North Marine Corps Drive Suite 203 Tamuning, Guam 96913-4425
Telephone: (671) 647-4840 Facsimile: (671) 647-4866
Email: gca@ite.net
Website: www.guamcontractors.org

September 18, 2008

Honorable Donna M Christensen
Chairwoman, Subcommittee on Insular Affairs
Committee on Natural Resources
U.S. House of Representatives
Washington, DC 20515

Regarding:Identifying Labor Solutions for the Guam Military Build-up

Dear Congresswoman Christensen:

Thank you for inviting the Guam Contractors Association to provide testimony at your Oversight Hearing on 23rd September 2008 in relation to "Identifying labor solutions for the Guam military buildup". Our written testimony follows. We apologize for not being able to attend the hearing to provide verbal testimony and that is because of the great distance from Guam to Washington, DC.

We did provide verbal testimony at the Oversight Field Hearing on Guam on 13 August 2007 and our current testimony is similar to what was provided then.

Workforce Availability. An adequate workforce is not available on Guam to deal with the massive construction program that is expected to commence at about third quarter of FY-2010. The Joint Guam Program Office has projected a need for about 15,000 skilled tradesmen at peak. Depending on the rate at which contracts are put on the market by NAVFAC, the demand could go much higher up to say 22,000. In addition to skilled tradesmen there will be need for professionals including managers, engineers, supervisors, administrators and accountants. Also, semiskilled and unskilled laborers will be required. In general, we believe the numbers of persons required will be sourced from the following locations:

From Guam. Local citizens and residents should be given priority treatment in relation to employment. Otherwise, there could be resentment in the community toward the military buildup with the possibility of a backlash. To maximize job opportunities for Guam residents, skilled trades training must be intensified. See further discussion below. For most semi-skilled and un-skilled positions, there is generally, sufficient numbers of workers on Guam, with some of these individuals originating from Micronesia.

From Micronesia. Individuals from the Commonwealth of Northern Mariana Islands (Saipan, Tinian, Rota), Republic of Palau, Federated States of Micronesia (Yap, Chuuk, Pohnpei, Kosrae), and the Republic of the Marshall Islands have special status and can travel freely to Guam and the U.S. They can and will migrate to Guam for job opportunities created by the military buildup. Some of these have or will acquire skills necessary for positions in the skilled work force. Many, however, lack a working knowledge of the English language and because of circumstances lack basic employability skills. There are important cultural differences between the various islanders in spite of the relatively short distances between them. Many Micronesians currently live in Guam and have already joined the workforce after training. Micronesians merit special attention and not only because of their special status in relationship with the United States. Those that become employed will be an asset for the community for years to come. Those that move to Guam that are unable to find jobs could become a strain on the Guam economy and local society.

From CONUS. Mainland based contractors that take contracts on Guam will normally supply key management, engineering and administrative personnel from their home base. Guam based contractors will likely recruit key personnel from the mainland through affiliated companies or by other means. Some tradesmen from Guam that migrated to CONUS during the period of a prolonged weak economy in search

of better paying jobs can be expected to return to reunite with their families. Skilled tradesmen from CONUS are not expected to take temporary jobs in large numbers and for the following reasons: From past experience, it is known that top quality skilled tradesmen will not travel that far from home and family even for higher wages. There are no tax incentives such as for overseas employment and Guam wages are not attractive. Those CONUS based tradesmen that take jobs on Guam normally do not adapt well and tend to return home within a few months time. The construction market in CONUS is expected to rebound within the next year or two and there is even now a shortage of skilled construction workers. Skilled tradesmen that might choose to take jobs in Guam would have to be replaced by H-2B workers in CONUS.

From Japan. Because of the financial contribution by the Japanese government to the cost of relocating elements of the Marine Corps from Okinawa to Guam, many contracts will no doubt be won by Japanese contractors. Like American firms, the Japanese contractors can be expected to supply key management, engineering and administrative personnel from their home base. When working abroad, Japanese firms tend to utilize skilled workers from other Asian countries such as the Philippines, Thailand and India.

From Asia. Construction contractors on Guam, whether local or CONUS based, traditionally use skilled tradesmen from Asia to fill jobs that cannot be filled by local Guam personnel. This has been so since the end of World War II. The Philippines has usually been the first choice because of proximity, language and their ability to meld into the Guam life style and community. The contractors should be allowed to select the source of their skilled workforce.

Development of a Skilled Workforce on Guam. As many persons as possible from Guam and neighboring islands must be brought into the workforce for the military buildup. As of this date, not enough is being done locally by either the government or the private sector to develop a skilled workforce on Guam. This is due to a lack of funding. Taking into account that training for skilled trades requires on average four years, the need for greater action is now. There follows, discussion of institutions most involved in training activities on Guam.

The University of Guam has programs in place to prepare individuals for careers in business administration, accounting and other fields adaptable to the engineering-construction industry as well other industries that will expand as result of the military buildup. The UOG has initiated a 2-year pre-engineering program in conjunction with the University of Iowa that can prove most helpful in preparing individuals for careers in engineering.

Guam Community College has primary responsibility in the territory of Guam for secondary and postsecondary career and technical education programs. These programs are pertinent to the engineering-construction industry as well as industry and commerce in general. GCC has technical education programs for governmental agencies, the hotel and restaurant industry, auto mechanics as well as some construction skilled trades. The Guam Contractors Association has maintained a strong relationship with the GCC for many years for the provision of trades training. There was a sharp drop in the number of trainees in the late 1990's and early 2000's as result of the economic situation and a shift in focus by GCC's leadership at the time. With the change in key leadership last year (i.e., new President and two Vice Presidents), the relationship is now recharged and an MOU is soon to be signed between the GCC, the GCA and the GCA Trades Academy laying the groundwork for a joint effort in training of a local workforce in skilled trades for construction and related fields.

The GCA Trades Academy was established as a separate non-profit institution of learning by the Guam Contractors Association in 2006 and has in place all necessary licenses and certifications for its purpose. First classes started in October of the same year and it has been in continuous operation since then. It now has about 100 participants. The GCA initiative is designed specifically for developing a skilled construction workforce on Guam in line with what many local chapters of the Associated Builders and Contractors on the mainland are doing. Contractors Associations have learned that training from within the industry produces better results for skilled trades than state sponsored junior colleges. A few key matters of interest:

The Guam Contractors Association has had training and apprenticeship as a primary focus for more than 30 years and it is accredited by the U.S. Department of Labor. Training had previously been conducted exclusively at GCC. In the late 1990's and early 2000's there was a reduction in training activity as result of the economic situation on Guam and a change in focus at GCC. The relationship is now back on track as mentioned above.

Training at the GCA Trades Academy is based on curricula of the Contren Learning Series as developed by NCCER—National Center for Education and Research.

It is recognized by the U.S. Department of Labor and other agencies as being the best program available for construction trades. It is used extensively in CONUS by open-shop and some union trades training centers. Credits are transferrable from one training center to another. Those completing the course are placed on a national register for job placement anywhere in the United States.

The GCA Trades Academy is following the example of contractor associations across America by setting up certified training programs that are taught by construction professionals within a construction environment. Such training centers in CONUS are generally funded by school districts or by federal and local governments.

Participants in the GCA Trades Academy training program are generally hired by a local contractor after completion of training in the basics including safety in the work place. In fact, the academy is able to guarantee jobs to all those with interest in construction as a career and are willing to apply themselves to learning.

The Board of Trustees is intent on working in close cooperation with the University of Guam, Guam Community College and the Guam Public School System in carrying out common objectives toward developing a genuine Guam workforce.

The GCA Trades Academy has begun reaching out to Micronesians living on Guam and on the outer islands. For example, the Trades Academy is assisting other public and private sector groups in Saipan, Rota, Pohnpei and other islands in establishing a trades academy patterned after the one on Guam.

The GCA Trades Academy has reached out to the Department of Youth Affairs, the Department of Corrections and Drug Court to offer training to those ready for rehabilitation.

The GCA Trades Academy could increase its student population from 200 to 500 almost overnight if necessary funding was in place. Rapid growth is dependent on adequate financial support. Because training for most trades requires four years, the time to take this training seriously is now.

Center for Micronesian Empowerment. On Guam, the Trades Academy is cooperating with the Center for Micronesian Empowerment (CME) to draw Micronesians into the workforce. The CME is assisting these individuals in becoming established on Guam and becoming acclimated to the local culture. It is providing training in English as a second language and is teaching employability skills. The CME is a private sector non-profit Guam based organization supported by the Guam Chamber of Commerce and a number of local businesses. It is focused not only on construction trades but also employment opportunities in the hospitality industry.

Funding for Workforce Development. A funding stream for the GCA Trades Academy and its students in the program is not yet mature, although it has proven to be economically viable. As indicated earlier, it could reach out to more trainees with a more robust funding stream.

Startup costs for the GCA Trades Academy have been by contributions from GCA member firms and some local businesses. Likewise, most tuition and related expense has been paid by the individual student or his or her employer.

The Guam Department of Labor has sponsored some students using Workforce Investment Act funds but only for those that are first time job seekers or those that have become displaced. This funding source amounting to $180,000 is ongoing but may not be fully utilized because of lack of participants.

Citibank has provided a $30,000 grant for six scholarships over the current year. The Guam Chamber of Commerce has also set up a scholarship fund with the Trades Academy.

Grant funding has been provided to the GCA Trades Academy through the Guam Community College for some training equipment and simulators.

Guam has for a number of years had a Manpower Development Fund (MDF) that has as its source of revenue, 70% of registration fees paid primarily by construction contractors, to the Guam Department of Labor for the processing of nonimmigrant alien temporary worker visa requests. The remaining 30% is retained by the Guam DOL for administration of the program. The MDF money is passed through the Department of Administration, as approved by the Guam Legislature, to the Guam Community College. The use of these funds is strictly limited to apprenticeship training and does not include pre-apprentice training or other forms of craft training. As of this date, none of the MDF dollars has been made available to the GCA Trades Academy for construction trades training. That is expected to change with the new closer working relationship between the GCC and the GCA Trades Academy. The GCC has agreed to provide financial support for some apprentices using the MDF.

It is important to note that Apprenticeship Training programs were very popular during earlier times with both employers and trainees. The current generation of young adults are not as willing as their predecessors to make an early commitment

to a career choice. Employers are not as eager to indenture apprentices absent the long term commitment. For that reason, the U.S. Department of Labor is considering a change in its policies. Meanwhile, The NCCER offers a certificate for those completing its training courses that can be used for attaining journey person status. This change in approach is working in CONUS and Guam from the standpoint of workforce development but has limits with regard to public funding.

The GCA Trades Academy is in need of further financial support to accomplish its mission within the short timeframe of the military buildup. Note again that WIA funds and Manpower Development Funds are restricted. Funds with fewer restrictions could be used for pre-apprenticeship training and other craft training that is needed. Assistance from the federal government might best be accomplished by supporting grant opportunities through the Guam Community College for use by the GCA Trades Academy.

Related Concerns. There are other important concerns related to the need for an expanded workforce on Guam.

Visa Quota. This was a concern last year but is now resolved with the removal of Guam and CNMI from the U.S. quota on H1 and H2 visas. It will be in effect for 5 years starting in June 2009.

Security. There is concern that nonimmigrant temporary workers from Asia must not be a security risk before entering Guam. That has been addressed with the military and a solution has been found.

Unions. Guam is a right to work territory. The GCA is opposed to the entry of construction trade unions into Guam to represent the workforce. Wage rates will increase over the next few years and the GCA is working with the Guam DOL to ensure that happens but in a way to not negatively impact the fragile local economy.

Camp Accommodation. Guam contractors prefer to provide camp accommodation for their nonimmigrant alien temporary workers. Some additional "Olympic Village" style temporary worker camps may be necessary for the large number of workers expected to be on Guam for the military buildup. Such facilities could be designed for later use as schools, affordable housing or other. This will require cooperation between local and federal government officials.

Specifications for Worker Camps. Construction contracts developed by NAVFAC for MILCON projects should include strict requirements for worker accommodation. Camps must conform to OSHA and other regulations and should include a cafeteria, a clinic, a convenience store, recreational and other facilities to avoid overtaxing existing similar facilities on Guam.

Compliance Issues. There have been compliance difficulties in the past on Guam when using non-immigrant alien labor. Guam's principal contractors want there to be a level playing field with all participants playing by the rules.

Senior Level Personnel. 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 school officials might be persuaded to expand in the near term to accommodate the temporary surge.

Medical. 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 upgrades. This matter needs urgent attention in order to not deter senior managers and engineers from living and working on Guam.

Trusting the foregoing discussion proves helpful to you during your deliberations concerning this important subject.

Sincerely,

Guam Contractors Association

James Martinez President	John M Robertson PE Chair, Committee on Government & Labor Relations

Copy:
Honorable Madeleine Bordallo
Honorable Felix Camacho, Governor of Guam
Mr. David Bice, Executive Director, Joint Guam Program Office

CAPT Paul Fuligni, Commander, NAVFAC Marianas
Ms. Maria Connelley, Director, Guam Department of Labor
Dr. Robert Underwood, President University of Guam
Ms. Mary Okada, President Guam Community College
Dr. Bert Johnston, Director GCA Trades Academy
Dr. Narissa Bretania-Schaffer, Superintendent Guam Public School System

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A few words concerning the authors:

James Martinez was born and raised on Guam. He has managed the Guam Contractors Association since 2001, first with title of Executive Director and now President. Under his leadership, the association has grown from 197 to 356 corporate members. He strengthened the relationship with the Associated Builders and Contractors to the point that the GCA is now the Guam Chapter of that national organization. He was instrumental in establishment of the GCA Trades Academy and became the first NCCER master trainer on Guam. He is responsible for the GCA Apprenticeship program.

John M Robertson PE is from Houston, Texas and came to Guam in 1999 as general manager of a multinational contracting organization. When that firm closed their Guam operation, he remained and formed two firms of his own. AmOrient Contracting Inc is a general contractor managing design and construction of military projects. AmOrient Engineering performs planning and engineering services for the military. He has been on the GCA Board of Directors since 1999. He was president for two years. He is the current Chairman of the Committee on Government and Labor Relations. He was instrumental in establishing the GCA Trades Academy and is its current Chairman, Board of Trustees. He is also on the Board of Directors for the Guam Post, Society of American Military Engineers.

Mrs. CHRISTENSEN. I would now like to call up our first panel of witnesses: Congressman Robert Underwood, President of the University of Guam; Ms. Maria Connelley, Director of the Guam Department of Labor; and the President of the Guam Community College, Ms. Mary Okada.

The Chair would like to remind witnesses that your written statement will be submitted for the hearing record, and the timing lights on the table will indicate when your time is concluded.

Mrs. CHRISTENSEN. I now recognize Congressman Underwood to testify for five minutes.

STATEMENT OF THE HONORABLE ROBERT A. UNDERWOOD, ED.D., FORMER MEMBER OF CONGRESS, PRESIDENT, UNIVERSITY OF GUAM

Mr. UNDERWOOD. Hafa adai and good afternoon to you, Madam Chairman, and our representative, Madam Bordallo; and I appreciate the opportunity to present my testimony on behalf of the University of Guam.

As we all know and as you have outlined, the decade of the 2010s will bring enormous changes to Guam, enormous challenges to Guam. We are going to see anywhere from 10 to 15 billion dollars expended, millions of square feet of office floor space constructed. Most of the people of Guam see this as a welcome opportunity. Many are opposed to it. And all are concerned that we have the opportunity to fully participate in the economy that will come with this new buildup.

There will be a different economy of Guam in the decade of the 2010s. The challenge before us today is the need for labor. To date, most of the attention about labor has been focused on the need for construction trades and technical fields. In anticipation of the perhaps 15,000 construction jobs that are needed, we have seen many

ideas: the lifting of H-2 caps, Department of Labor programs. The Guam Community College has been strongly involved. And everyone kind of agrees that it is important that these needs be met locally and regionally first before we bring in workers from foreign or even U.S. mainland sources. Collectively these efforts and a "local first" policy, as outlined by you, Madam Chair, is something that we all endorse and merit your support.

But I believe we must look at Guam's labor needs in a much larger framework. The anticipated buildup will not only bring thousands of new workers, but it will bring in hundreds of professionals, people who will be working in a wide variety of fields, from engineering, to construction management, to accountants. There will be nurses, need for nurses, teachers, environmental specialists, technologists at all different levels, all requiring university level training.

As the President of the only baccalaureate and master's degree granting program institution in Micronesia, I know there is only one place that has an apprenticeship program for professionals, and that place is the University of Guam. So while we talk about apprenticeship programs for workers, I don't think we are thinking about apprenticeship programs for those who are working in the professional fields.

We are not sure of the number of professionals that we need for the coming new economy. Based on discussions with fellow educators and government planners and corporate representatives and military officials, we have some preliminary numbers. We know we need 60 new nurses, 200 new teachers, 50 business managers every year for the next decade. This will respond directly to the changed circumstances. We also know that there will be the need for 50 environmental specialists, 20 planners, 130 technologists and 5 biologists for the Government of Guam alone.

The numbers are preliminary and based on projected population growth. We don't know what the U.S. corporations that will be coming into Guam and what level of professionals they will bring to the island. But we do know that we need attention to this; and so, in conjunction with the need for professionals in the new economy, I ask for four specific things:

First, we ask Congress to help us by expanding the analysis of future labor needs to include the needs for professionals and degree holders. We request that a specific study by the Government Accountability Office of professional needs for Guam and the region will help us prepare for the future and, more importantly, prepare our young people for the future. This report must review the demands of the new economy of the 2010s, taking into account public and private sectors and existing Federal policy on the funding and hiring of professionals in Federal contracts.

Second, we ask the Congress for balance in the allocation of resources for training the labor force of the 2010s. We do not know what the appropriate balance is between investing in the training for trades and technical fields and for those who need degrees. There are many complicated issues to address. But, as we sit here today, there is no balance whatsoever. The University of Guam needs resources to meet the challenges of the new economy, and we ask that existing and new training programs be given the flexi-

bility to address the needs for professionals and that all Federal efforts be required to specifically address how professional needs in the new economy of Guam will be met as a result of massive Federal spending.

Third, Guam is a very special place ecologically. The anticipated changes for an island 220 square miles in size will create enormous challenges. We want to preserve our corral reefs, our unique plants and trees and special connection to the land. We do not want to be at some future date the subject of a cleanup process that we can avoid through careful planning today. And we ask the Federal Government to work with the university in environmental science and marine biology to develop the solutions necessary for the protection of the environment.

Last, we ask that the military look to the university to meet the specialized and professional needs of their personnel. Currently, we are not given this opportunity on military bases because of the region-wide contracting arrangement of educational services by the Department of Defense. We are available for Guam military facilities and personnel, and we can work together to fashion a curriculum which will promote joint learning experiences that will strengthen civilian-military relationships.

As Guam rides the roller coaster of the new economy as we look into the decade of the 2010s, most of the construction jobs will ramp up very quickly and just as quickly ramp down. But the need for professionals will be stable, because you will need the professionals to sustain the new infrastructure and to provide needed services. If we don't provide those opportunities for local people or people in the region, it means that there will be another group of people, of newcomers. We won't be able to have a sustainable economy, an economy that builds strong civilian-military relationships, and we won't be able to sustain a healthy social economic structure on Guam.

Our future depends upon this balance. We ask that you consider it. We ask that you strongly consider the idea and the notion of bringing balance to these resources that are applied to Guam.

Thank you very much.

Mrs. CHRISTENSEN. Thank you, Congressman Underwood; and thank you for broadening the picture of the employment needs and the training needs for this military buildup.

[The prepared statement of Mr. Underwood follows:]

Statement of Robert Underwood, President, University of Guam

Hafa Adai and Good Morning Madam Chair and Members of the Committee

I am Robert Underwood, President of the University of Guam, and I am testifying on behalf of my home institution on "Identifying Labor Solutions for the Guam Military Buildup." I thank the Subcommittee on Insular Affairs and the leadership of Congresswoman Christensen for addressing this very important issue for Guam.

The next decade, the 2010s will bring enormous changes to Guam and we know that it will be a time of tremendous opportunity and significant challenges. Guam will witness the arrival of as many as 20,000 military personnel and dependents plus another 20,000 individuals who will be working in the new economy that Guam will have. We know that $10-15 billion will be expended and an unknown millions of square feet of floor space will be constructed. The anticipated scale of the change is so enormous that even the Department of Defense, America's largest bureaucracy, cannot manage the changes within its existing units. Special units, special legislation, special purpose entities and special arrangements have been established and more are being contemplated as the build up is implemented.

The people of Guam will have many new employment opportunities, the island's infrastructure will be taxed beyond its current capacity. The land will be paved over and turned over. The subsurface water resources will be explored and exploited. Even the utilization of the air space above us is being reconfigured to accommodate dramatic increases in military traffic. Many people welcome the opportunities that these changes will bring. Some are afraid of the changes that will occur. All are concerned that the challenges will not be met and the opportunities will not be fairly distributed to the people of Guam. It is clear that we need special effort, special plans and special arrangements to ensure a successful transition to the new economy. These plans must simultaneously protect the land, enhance the quality of life and provide new opportunities for our young people. The 2010s will shape the nature of the society and economy of Guam for the balance of this century.

The challenge before us today is the need for labor. To date, most of the attention about labor has been focused on the need to train for the construction trades and related technical fields. In anticipation of the need for 15,000 (perhaps more) construction workers, federal caps on H-2 workers for Guam have been lifted by Congress and federal funding will be directed towards workforce development programs and increased resources for institutions like the Guam Community College, the Guam Department of Labor and private efforts like the Guam Construction Trades Academy. Everyone acknowledges that it is important that these needs be met locally and regionally first before we bring in workers from foreign or even U.S. mainland sources. Collectively, these efforts and a "local first" policy merit your support.

But I believe that we must look at Guam's labor needs in a much larger framework. The anticipated build up will not only require thousands of new workers in the trades, it will require hundreds of professionals and managers in a wide variety of fields. The pace of the build up, the challenge to the environment, the growth of the population require new professionals to work in the educational, health care, social welfare and environmental regulatory infrastructure of the island. This is in addition to the accountants, engineers, construction managers and information technology professionals who will be needed to manage the build up and sustain the new infrastructure for the foreseeable future. But unlike the construction trades and technical fields, there are few federally resourced apprenticeship programs for professional fields and little legislation is being contemplated in helping an insular area take advantage of these opportunities.

As the President of the only baccalaureate and master's degree granting institution in Micronesia, I know where the majority of the apprenticeship programs for professionals lie. They are located on the campus that I now oversee. The University of Guam, through our 35 majors and 15 masters represents the island's major institutional effort to train the professionals who will provide the capacity needed both before and after the buildup.

We are not sure of the exact numbers of professionals needed for the coming new economy. Based on extensive discussions with fellow educators, government planners, corporate representatives and military officials, we have some preliminary numbers. For example, we know that we will need 60 nurses, 200 teachers and 50 business managers every year for the next decade. This will respond directly to the changed circumstances, the new economy and the need to replace an aging professional workforce. The University can currently keep pace with perhaps 50% of these needs. Within five years, we also know that we will need 25 special education teachers, 5 vocational rehab professionals, 50 environmental specialists, 20 planners and 130 technologists and 5 biologists for the Government of Guam alone. We understand that the federal government will be hiring 40 environmental specialists in the next few years.

These numbers are preliminary and are based more on projected population increases rather than the specific demands of the new economy. We know that the U.S. based corporations will bring in hundreds of managerial, administrative and engineering personnel to fulfill contract obligations. We believe that many if not most of these positions could be filled by local talent. Unlike the case of the construction trades and the need for imported labor, no one is forcefully advocating a policy to "hire local" or provide resources to train local residents to fill these positions. We do not propose a specific policy in this regard. But we do ask for four things that will help us respond to the military build in a way that builds up all of Guam, expands opportunities and enhances our lives as islanders and Americans:

1. First, we ask the Congress to help us by expanding the analysis of future labor needs to include the need for professionals and degree holders. We request that a specific study by the Government Accountability Office of professional needs for Guam and the region will help us prepare for the future and, more importantly, prepare our young people for the future. This report must review the demands of the new economy of the 2010's taking into account public and pri-

vate sectors and existing federal policy on the funding of and hiring of professionals in federal contracts.

2. Second, we ask the Congress for "balance" in the allocation of resources for training the labor force of the 2010s. We do not know what the appropriate balance is between investing in the training for trades and technical fields and for degree programs. There are many complicated issues to address. Currently, there is little attention to training opportunities for professional fields. Today, there is clearly no balance whatsoever. The University of Guam needs resources to meet the challenges of the new economy. We ask that existing and new training programs be given the flexibility to address the needs for professionals and that all federal efforts be required to specifically address how professional needs will be met in Guam as a result of massive federal spending. We need to get started now, as it takes four years or more to train these critically needed professionals.
3. Third, Guam is a very special place ecologically. The anticipated changes for an island 220 square miles in size will create enormous environmental challenges. We want to preserve our impressive coral reefs, unique plants and trees and special connection to the land. We do not want at some future date to be the subject of a clean up process that we can avoid through careful planning today. We ask that the federal government work with the University in environmental science and marine biology to develop the solutions necessary for the protection of the environment.
4. Fourth, we ask that the military look to the University to meet the specialized and professional education needs of their personnel. Currently, we are not given this opportunity on military bases because of the region wide contracting arrangement of educational services by the Department of Defense. We are available for Guam military facilities and personnel and we can work together to fashion a curriculum that will promote joint learning experiences that will strengthen civilian-military relationships.

As Guam rides the economic and social roller coaster of 2010s, the pattern of labor needs is clear. The construction jobs will rise quickly at the beginning of the next decade and almost as quickly decline before the end of the decade. The number of jobs that will be needed on a permanent basis in the new economy will be only a small fraction of that needed to build up the infrastructure. While we must ensure that the people of Guam should be given every opportunity to take these positions, the overwhelming majority of these jobs will leave the island.

On the other hand, the professional positions that are needed will be of longer duration and offer more permanent opportunities for the people of Guam. The professional positions will be the backbone for a new and stronger economy in which the people of the island are full participants and will have taken full advantage of the opportunities. They will teach, they will nurse, they will manage the environment, they will plan the economy, they will manage new businesses and they will provide the basis for a healthy and robust economic and social structure. But they can only do so if they are trained and educated and if they are given the opportunity to enter expanded and new university-level programs. If they are not given this opportunity locally, they will leave the island and they may still become accountants and nurses and engineers. Unfortunately, they will likely practice these professions elsewhere as newcomers take up these opportunities in Guam.

There can be no alternative. An economy which is based on bringing in workers from foreign sources and importing professionals from the outside on a short-term basis can be legitimately defended, but is inefficient and unsustainable. However, if we know in advance that we can do something today that will ensure the fair distribution of opportunities in the next decade while we build a strong military-civilian relationship, then we must act. I trust that we will act in partnership and provide these professional opportunities for the people of Guam.

Si Yu'os ma'ase' put I atension-miyu. Thank you very much.

I am prepared to answer any questions you may have.

Mrs. CHRISTENSEN. The Chairwoman now recognizes Ms. Connelley to testify for five minutes.

STATEMENT OF MARIA S. CONNELLEY, DIRECTOR, GUAM DEPARTMENT OF LABOR

Ms. CONNELLEY. Thank you for this opportunity to appear before you to present my testimony on identifying solutions for the Guam military buildup.

Limitations of the labor pool and the cost to develop specialized skills to meet the needs of the impending growth have prompted Guam's Civilian Military Task Force Labor Subcommittee, led by the Guam Department of Labor, to adopt strategies for which to provide strategic guidance. Efforts by GDL, the Guam Department of Labor—and I would like to list them now:

Strategic planning and partnership at the national level with the Interagency Group on Insular Areas and the Federal regional council in San Francisco with the formal mechanism for coordinating the activities of the numerous Federal agencies with programs for the island.

Second, within the last year and a half, we have seen so many on-site visits by Federal agencies, from USDOL, DOI, USDOE, EEOC, HHS, OSD, Naval Audit, DOD, OEA, Navy—to name a few.

And, third, USDOL and DOI office of Insular Affairs providing technical assistance and training in developing a clear workforce strategy to achieve goals and actionable strategies. We have been collaborating and cross planning, insular partnership.

During the 8th Micronesian Chief Executives Summit held in CNMI in November of 2007, the chief executives passed a resolution to establish the Regional Workforce Development Council, which was tasked with developing a 5-year regional workforce plan and holding strategic planning and implementation sessions biannually within the Micronesian Islands. Leveraging local, Federal, private funds in support of administrative and travel needs for RWDC are priority areas to ensure that the chief executives' workforce initiatives are accomplished.

In September, 2008, last week, on behalf of the RWDC, the Guam Department of Labor submitted a proposal for Federal grant funding through the regional innovation grant. The purpose is to undertake strategic action planning to maximize opportunities and minimize challenges posed by recent regional economic shock, including upheaval in partner economies—tourism and garment industry declines—and planned military expansion on Guam.

The Guam Department of Labor has taken an active role in providing peer-to-peer training to our neighboring island jurisdiction. At the request of the U.S. Department of Labor ETA, Guam used its data capturing infrastructure to create an integrated workforce system for the CNMI. We are also in the process of providing technical assistance and training, doing the same thing for the Republic of Palau.

Alien labor. With impending military growth, the Department has seen a significant increase in the number of H2B applications. Efforts continue to streamline the processing of H2B applications and strengthen collaborative efforts with Federal labor enforcement entities located on Guam, such as the FBI, the U.S. Customs and Border Patrol, U.S. Citizenship and Immigration Service.

Apprenticeship and pre-apprenticeship training. In 2004, the first Workforce Investment Act Apprenticeship Training Pilot Pro-

gram partnership began with the Guam shipyard and the Guam Port Authority and has since invested nearly $1.4 million in workforce funding to participant salaries, benefits and educational assistance.

Guam has also expanded its apprenticeship training through partnership with the Guam Hotel and Restaurant Association, the Guam Waters Works and the Guam Contractors Association Trades Academy. Through Federal subsidies, the Department also supports on-the-job training and work experience programs with the private sector.

Guam Registered Apprenticeship Program. In 2006, the Guam Registered Apprenticeship Program was created through local law for the purpose of authorizing the Department of Labor to contract with businesses on a formalized apprenticeship training system that offers tax incentives in exchange for hiring and training individuals in demand-driven occupations. To date, the Guam Department of Labor has worked with employers to train 41 apprentices and certify more than $1.2 million in tax rebates.

Next, Youth Initiative, Learning Continuum. Partnering with the Guam Public School System, the Department of labor established the Passport to Careers, a year-round learning continuum program designed to take youth through a pipeline system, preparing them for more structured training and providing them with employability skills to meet the needs of employers. This program provides the opportunity for Guam's youth to participate in the job market identified by the power of e3 within the construction trades, allied health, education and business technology.

1,655 GPSS students participated in the Passport to Careers program. 164,363 completed hours in the world of work at a cost of 973,000 of WIA funds.

Incumbent training. The Governor of Guam also recognizes the need to develop the skills of employees currently in the workforce who provide critical services to the local community. Efforts are under way to revitalize the former Guam Joint Training Board, a collaborative entity of Federal and local government human resources personnel. This board would be tasked with leveraging resources and assisting the Government of Guam agencies with ascertaining their manpower and human resources needs.

Dislocated worker. The Department has formed a partnership with the Airman and Family Readiness Center, Andersen Air Force Base, Guam, to apply Federal funding under the dislocated workers program to train veterans and military spouses through the One Stop Career Center. From 2006 to present, 98 military spouses received service at the One Stop Career Center and over $106,000 tuition fee paid to the Guam Community College and University of Guam for retraining.

Accountability. Internal controls and accountability have also remained a priority at the Department. At the direction of Governor Camacho in 2005, the Agency for Human Resources Development and its Federal grant funding was reorganized under the purview of the Guam Department of Labor. Since the realignment and transformation, the Guam Department of Labor reduced disallowed program costs by 99 percent and was taken off high-risk grantee status by the Guam Department of Labor.

The Guam Department of Labor also continues to receive consistent increases in Workforce Investment Act funding, from $3.4 million in program year 2004 to $5.2 million in program year 2007.

Data Consortium/Workgroup. Guam and the insular areas suffers from a lack of current, consistent and regularly maintained data needed to make sound decisions relating to labor market and economic development trends. Efforts to address this critical need include the Department of Labor's involvement in a tri-agency partnership with the Bureau of Statistics and Plans and University of Guam and data collection in programs such as the HIES report, the 2010 Census project preparation, the Civilian Labor Force Survey and the 2008 Micronesian Survey.

In conclusion, Madam Chairwoman, this is an overview of the activities of the Guam Department of Labor. We recognize that our commitment must be demonstrated at all levels, Federal, regional and local. We recognize that in order for current and future workforce to reap the benefits of the military buildup, we must look at the temporary foreign workers to fill the immediate labor needs while developing apprenticeships, internships and on-the-job training in demand occupations.

I thank you for the opportunity to testify before this distinguished body today to share Guam's labor solutions and respectfully request your support as we pursue Federal resources to augment the specialized training required of our workforce to meet the demands.

The Guam Department of Labor for fiscal year 2010 OMB request outlines the $23.2 million in apprenticeship funding and talent development that—

Mrs. CHRISTENSEN. Ms. Connelley, I need you to wrap up.

Ms. CONNELLEY. We thank you in advance.

Mrs. CHRISTENSEN. Thank you. We did give you a little extra time. But thank you for your testimony.

[The prepared statement of Ms. Connelley follows:]

Statement of Maria S. Connelley, Director, Guam Department of Labor

Good Morning Madam Chairwoman, distinguished members of the Sub-Committee, ladies and gentlemen. Thank you for this esteemed opportunity to appear before you to present my testimony on identifying solutions for the Guam military buildup.

It is no secret that Guam is on the cusp of unprecedented growth. The anticipated realignment of military personnel and their dependents from Okinawa to Guam, coupled with the infrastructure needed to support both the civilian and military community is viewed as the single largest expansion the island has experienced since World War II. A recent transportation study estimates Guam's current population of 173,000 to grow by 47,000 or approximately 27% in the next five years. For an island that spans 30 miles long by 8 miles wide, it is not difficult to imagine both the opportunities and challenges the military build up poses now and for years to come. Of paramount concern is Guam's capacity to meet the labor demands of such growth. The island's current workforce is 60,110 and the unemployment rate as of September 2007 is 8.3%. It is estimated anywhere from 10,000 to 20,000 additional workers are needed to fill the skilled labor force in the construction industry alone. Utilizing the island's current workforce, Guam is only able to fill 10-15% of this demand. Limitations of the labor pool and the cost to develop specialized skills to meet the needs of the impending growth have prompted the CMTF Labor Subcommittee, led by Guam Department of Labor (GDOL), to adopt strategies, which provide strategic guidance, and resources to strengthen and sustain the viability of Guam's local workforce.

We recognize, however, that our goals cannot be achieved alone. What is required is a collaborative effort and strengthened partnerships at the federal, regional and

local level. Mirroring the national strategic direction of U.S. Department of Labor, Employment & Training Administration (USDOL ETA), GDOL adopted the power of E3 (Education, Employment and Economic Development) into its workforce development mission. In an effort to address the needs of the military and the civilian population in this expansion, Guam Governor Felix Camacho issued Executive Order No. 2006-10 establishing the Civilian Military Task Force (CMTF). The CMTF is comprised of representatives from the local government, military, and private sector all of whom are part of developing an integrated comprehensive master plan. Eleven (11) Sub-Committees have been established under the CMTF and they are Health and Social Services, Public Safety, Education, Economic Development, Labor, Environment, Ports & Customs, Infrastructure, Natural Resources, Housing, and Social/Cultural.

Efforts by GDOL and the CMTF have resulted in the following:

- Established partnership at the national level with the Interagency Group on Insular Affairs (IGIA)
- Quarterly meetings with the Federal Regional Council (FRC) to include USDOL Employment and Training Administration
- On-Site visits by regional representatives from U.S. Office of Federal Contracts Compliance Programs, Equal Employment Opportunity Commission (EEOC), U.S. Citizenship and Immigration Service, State Department, Bureau of Apprenticeship Training and U.S. Department of Education
- Improved working relationship with USDOL ETA Region Six

In 2004, Guam received approval from Region VI of the U.S. DOLETA to implement its five-year strategic plan to establish apprenticeships and life-long learning models and the shifting of existing workforce training dollars from soft skills to training in demand-driven industries.

Collaboration and Cross Planning:

- **Insular Partnerships:**

Opportunities for collaboration and joint planning have increased due to the dynamic growth agenda. The discussions and various meetings have prompted collaboration and cross-planning teams to begin drafting strategies and work plans to address the growth agenda. The cross planning provides a much needed opportunity to maximize resources across partners and programs both public and private that are essential for carrying out the vision. The challenge for the people of Guam, as well as the residents of the neighboring islands in the Commonwealth of the Northern Marianas, the Federated States of Micronesia and the Republic of Palau is how best to translate these unprecedented opportunities into concrete benefits for our respective communities, not just during the construction period, but on a sustainable basis after the military buildup.

Recognizing this growth as mutually beneficial to the region, Governor Camacho in 2004 called on the Chief Executives in Western Micronesia to come together to formulate unified policies and strategies that address current infrastructure capacities, needs and safeguards. The Western Micronesia Chiefs Executive Summit has since expanded to include the Federated States of Micronesia (FSM), Republic of the Marshall Islands (RMI) and others and continues to meet on a bi-annual basis.

During the 8th, Micronesian Chief Executives Summit held in CNMI in November 2007, the Chief Executives passed a resolution to establish the Regional Workforce Development Council (RWDC), which was tasked with developing a five-year regional workforce plan and holding strategic planning and implementation sessions biannually within the Micronesian Islands. Leveraging local/federal/private funds in support of administrative and travel needs for RWDC are priority areas to ensure that the Chief Executives' workforce initiatives are accomplished.

The RWDC involves representatives from Education, Employment and Economic Development to carry out the vision of the Micronesian Chief Executives for Workforce Development in the Region. The first RWDC meeting held on January 28 & 29th was designed to facilitate communications among all members and stakeholders within the region that lead to an ongoing effort for improved regional workforce development planning and implementation.

In June 2008, on behalf of the RWDC, GDOL submitted a proposal for federal grant funding through the Regional Innovation Grant for such purposes. The purpose is to undertake strategic action planning to maximize opportunities and minimize challenges posed by recent regional economic shocks, including upheaval in partner economies (tourism and garment industry declines) and planned military expansion on Guam.

USDOL ETA's vision to strengthen our regional communities through a WIRED framework launched the "Peer-to-Peer Technical Assistance Training" for the Pacific Jurisdiction with Region VI. Region VI embarked on the opportunity to promote effi-

ciency by identifying staff within the region to provide training and technical assistance in areas demonstrated as a best practice. The probability of success is greater when utilizing best practices among regional communities given that the uniqueness, culture, and challenges in workforce issues that are common throughout the jurisdiction. An example of a successful outcome of this peer-to-peer training was the 2006 deployment of a mirrored version of the Guam Workforce System with the Commonwealth of the Northern Mariana Islands (CNMI) now known as CNMI Workforce System. In May of 2007, USDOL ETA Region VI accepted CNMI's first ever WIASRD report, a reflection of CNMI's commitment to accountability.

In FY2006, Palau received a budget cut in WIA dollars resulting in the delay of deploying the system for their island. With the success of CNMI's report, the desire to move the same system to Palau was placed as a priority for both U.S. Department of Labor Region VI and Guam. In line with our State Plan, Guam in conjunction with Region VI, identified funds in their statewide monies and funded this much needed project.

- **Local partnerships**

Education, economic development and employment partnerships remain the catalyst for all our programs and initiatives. By shifting the emphasis of workforce training from soft skills to vocational opportunities in demand-driven industries, GDOL has been able to establish programs based on the true demands of the labor market.

Guam's priorities, as outlined in the USDOL ETA approved strategic plan include:

- Enhancing Guam's One-Stop Career Center program delivery for employers, employees and career strategies
- Establish a fully integrated workforce investment system
- Adopting and integrating the proposed workforce learning continuum as the framework for the Power of E3
- Collaboration with businesses and other non-governmental entities
- Life Long Learning

Using these priorities, GDOL has since developed and continue to administer the following programs:

Alien Labor

- **Alien Labor Processing and Certification Division (ALPCD)**

The ALPCD continues to streamline its efforts in the processing of H2B applications on Guam. With impending military growth, ALPCD has seen a significant increase in the number of the H2B applications. Strengthening collaborative efforts between the U.S. Citizenship and Immigration Service (USCIS), provides opportunity for GDOL to streamline processes and improve enforcement efforts in complying with local and federal mandates. The following page represents the total number of number of H2B on Guam to include occupations and miscellaneous statistics:

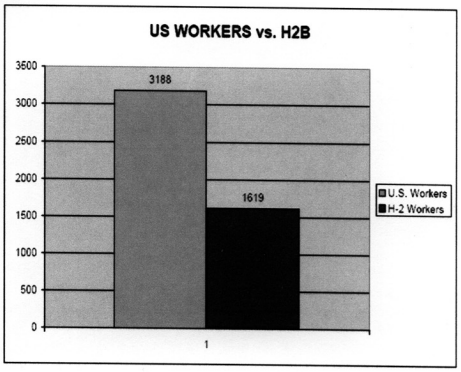
Department of Labor
Alien Labor Processing Certification Division

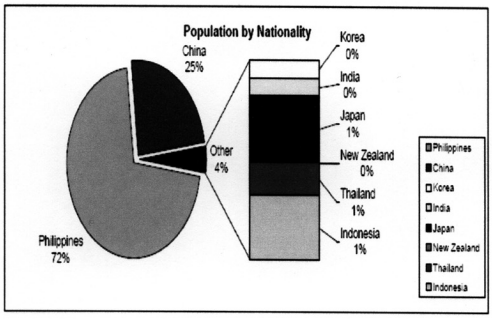
Employers Workplace Monthly Report Summary
MONTH ENDING: July 2008

"Other" Occupations Total

OCCUPATION	WORKERS
Accountant	2
A/C Installer	3
A/C Mechanic	2
Assistant Manager (Spa)	1
Automobile Body Repairer	2
Bookkeeper	1
Building Maintenance Repairer	3
Camp Cook	4
Civil Engineer	4
Computer Systems Analyst	1
Core & Well Deep Drill Operator	1
Cosmetologist	2
Concierge (Japanese)	9
Database Analyst	1
Electric Motor Repairer	8
Electric Motor Rewinder	1
Electrical Drafter	1
Food & Beverage Hostess	1
Food & Beverage Server	2
Heavy Equipment Operator	7
Heavy Equipment Mechanic	8
Jewelry Salesperson	1
Landscapers	9
Laundromat Supervisor	2
Massage Therapist	41
Manager (Restaurant)	2
Manager (Spa)	1
Pharmacist Assistant	2
Plumber	16
Refrigeration Mechanic	1
Sales Associate (Clothing)	1
Sales Rep. (Graphic Center)	1
Sales Rep. Mech. Equip. & Supplies	1
Service Engineer	2
Service Technician	2
Scuba Dive Instructor	5
Spa Supervisor	1
Specialty Cook	17
Wedding Attendant	1
Wedding Coordinator	3
Welder	x

POINT OF ORIGIN	
Philippines	1151
China	398
Korea	7
India	6
Japan	24
New Zealand	0
Thailand	12
Indonesia	23
	1619





Prepared By: Angela Tydingco
Contact Information:
Alien Labor Processing and Certification Division
P.O. Box 9970 Tamuning, Guam 96931
(671)475-7005/7013
Please address any inquiries to Greg S. Massey, ALPCD Administrator

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Workforce Development and Training

- **Apprenticeships and Pre-apprenticeships**

Well before the announcement of military realignment plans for Guam, the island recognized the need to diversify industries, promote economic development and increase the skilled workforce. In 2004, the first Workforce Investment Act apprenticeship training pilot program partnership began with the Guam Shipyard and Guam Power Authority. In line with the vision of USDOL ETA for supporting demand driven occupations, apprenticeship training continues to be a key workforce training model in Guam's state plan and plans of work. Since inception, nearly $1.4 million in WIA funding has been invested in participant salaries, benefits and educational assistance.

Guam has also expanded its apprenticeship training through partnerships with the Guam Hotel and Restaurant Association, the Guam Contractors Association and the Guam Trades Academy. Through federal subsidies, GDOL also supports on-the job training and work experience programs with the private sector.

On July 12, 2007, the U.S. DOLETA issued Training and Employment Guidance Letter (TEGL) 2-07 listing 13 states including Guam that continue to leverage Workforce Investment Act funds to support Apprenticeship Training.

- **Guam Registered Apprenticeship Program**

Public Law 28-142 was signed into law on July 18, 2006 by Governor Felix Camacho. This law outlines an act to add a new Chapter 44 to Division 3 of Title 22 Guam Code Annotated to create a Guam Registered Apprentice Program (GRAP) and to authorize the GDOL to contract with businesses pursuant to U.S. Department of Labor, Bureau of Apprenticeship and Training Program Standards, and to provide employer incentives for the development of a skilled workforce.

The intended purpose and objectives of the law and these Rules and Regulations is to establish the best possible method for developing employee skills through a formalized apprenticeship training system that is proven cost effective, goal oriented, and designed to meet the specific skill needs of the employer. The local mandate is in place to encourage businesses to receive tax incentives in exchange for hiring and training individuals in demand-driven occupations. The law also appoints the GDOL as the agency charged with formulating and administering program regulations. To date the following statistics are provided:

- **GRAP Registered Employers**: 3
  - Guam Shipyard
  - Guam Telephone Authority
  - Cars Plus
- **GRAP Apprentices:** 41
  - Guam Shipyard 30
  - Guam Telephone Authority 7
  - Cars Plus 4

GRAP Tax Credit Requested: $1,233,196.28

- **Youth Initiative—Learning Continuum**

Passport-to-Careers: Passports-to-Careers is the youth umbrella program led by the Guam Public School System (GPSS), Curriculum & Instruction staff taking the lead, OSCC partners are diligently coordinating and developing the "Passport-to-Careers" program to bring approximately 500 high school students into the work place for career exploration activities. On 7 July 2005, vocational education students reported to private/public sector employers based on industry clusters. Participants were afforded the opportunity to career explorations similar or related to their vocational education classroom environment. After summer employment, students return to the classrooms, and encouraged to continue their vocational education career path. Through the youth Passport to Careers program, the pipeline for youth to enter into more structured training with certification is available. Youth who enter the Passport to Careers are afforded an opportunity to be exposed to the workplace in demand driven occupations such as construction, Information Technology, Allied Health, Education and others.

The year round learning continuum takes a youth through a pipeline system, preparing them for more structured training and providing them with employability skills to meet the needs of employers. The goal of PTC is to prepare high school students in the Career Path with skills and competencies to enter the workforce. This program provides the opportunity for Guam's youth to participate in the job market identified by the power of e3 within the: Construction Trades, Allied Health, and Business Technology industries.

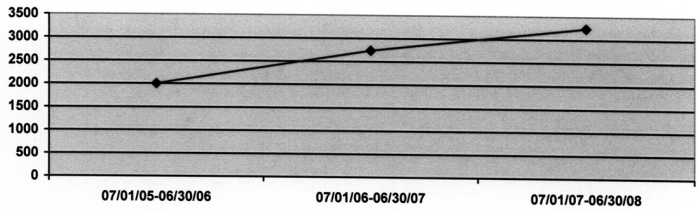
Session	# of Participants	Hours Worked	Total Costs
Summer 2005	505	46,936.50	$260,214.78
Winter 2005	99	6,303.50	$34,946.45
Spring 2006	99	3,922.00	$21,743.47
Summer 2006	333	41,182.25	$228,313.36
Winter 2006	118	7,324.50	$40,606.84
Spring 2007	97	3,112.25	$17,254.24
Summer 2007	194	23,387.25	$147,281.79
Winter 2007	92	4,991.00	$31,430.95
Spring 2008	0	0.00	$0.00
Summer 2008	148	27,204.25	$191,819.21
TOTALS:	1685	164,363.5	$973,611.09

- **One Stop Career Center**

Guam's One-Stop Career Center (OSCC) continues to provide job seekers; students and employers access a convenient, reliable, up-to-date broad range of coordinated employment, training and educational services, program information, services and resources through a full service One-Stop Career Center System and a network of satellite sites to improve employment outcomes.

One-Stop Customers (Walk-In & Registered)

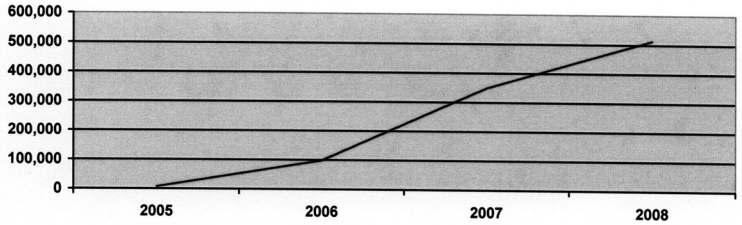
	07/01/05-06/30/06	07/01/06-06/30/07	07/01/07-06/30/08
Unique Visitors	2008	2744	3252



In April 2005, the Guam Department of Labor launched their website providing resources to our customers via the internet. In July 2005, the GDOL launched their on-line job bank resulting to an increase of on-line customers. As of June 2008, the GDOL has received a total of 11,781 on-line job applications.

Website Customers:

Category	July 2005	July 2006	July 2007	July 2008
No. of Unique Visitors	155	2,172	5,947	7,017
Number of Visits	299	4,635	10,375	16,243
Number of Hits	8,206	98,956	349,955	513,856



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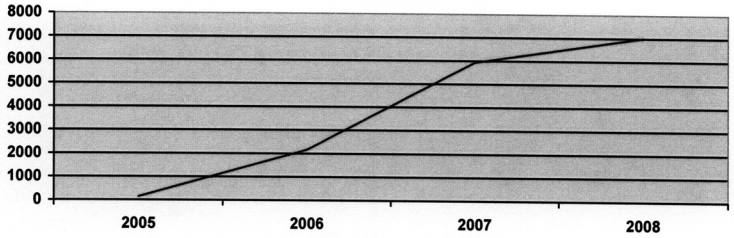

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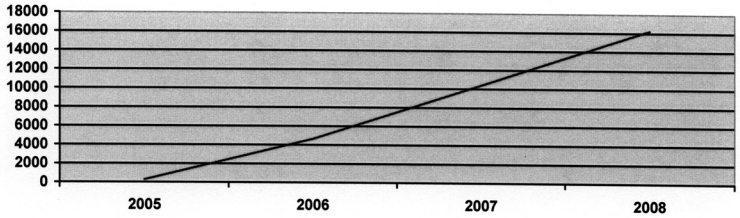


Number of Visits

- **Incumbent Training—Talent Development**

The government of Guam also recognizes the need to develop the skills of employees currently in the workforce who provide critical services to the local community. Efforts are underway to revitalize the former Guam Joint Training Board, a collaborative entity of federal and local government human resource personnel. This Board would be tasked with leverage resources and assist the government of Guam agencies with ascertaining their manpower and human resource needs for the military build-up.

As a result of this meeting, the focus expanded to include various critical needs of government of Guam agencies. After conducting a manpower/human resource needs assessment, the group was divided into subcommittees comprised of:

- Talent Development Subcommittee
- Standards for Employment Subcommittee
- Apprenticeship Subcommittee

• **Dislocated Worker Training:**

A review of current WIA law and regulations indicates that there is limited local policy guidance on serving returning military service members (non-retirees) or military spouses as dislocated workers; and this population may be served with the WIA Adult Formula Grant funds in accordance with the requirements of that program. Unlike the WIA Adult Program, however, the WIA Dislocated Worker Formula Grant Program has basic eligibility criteria that must be met for a participant to be considered a dislocated worker. The Jobs for Veterans Act (PL 107-288) provides an emphasis on serving by establishing a priority of service for veterans and certain spouses in all employment and training programs, administered by the U.S. Department of Labor.

The WIA Dislocated Worker Formula Grant Program is one of the affected programs, and guidance was issued in September 2003 Training and Employment Guidance Letter (TEGL) No. 5-03 explaining how the veterans' priority of service was to be implemented in all employment and training programs, in which it was noted, that the veterans' priority must be applied consistent with programmatic eligibility standards and other priorities mandated by statute, and thus, in order to be served in the dislocated worker program, a participant must meet the statutory eligibility criteria to qualify as a dislocated worker and then, if the participant is a veteran or a spouse of certain veterans, must be given priority over dislocated workers who are non-veterans.

In line with the Dislocated Worker Program intent, GDOL formed a partnership with the Airman and Family Readiness Center, Andersen Air Force Base, Guam. The partnership promotes training and development opportunities to veteran's and military spouses through the One Stop Career Center. The following statistics are the number of military spouses that have been served to date:

Number of Participants:	**98**
Total Costs:	**$106,080.00**
Training Type:	**Post Secondary Education** **Vocational Training - CRT**

Accountability & Transparency:

SINGLE AUDIT REPORTS—OVERALL REDUCTION IN DISALLOWED COSTS (FY02-FY05): 99.82% AT FINAL DETERMINATION ISSUED BY GRANTOR

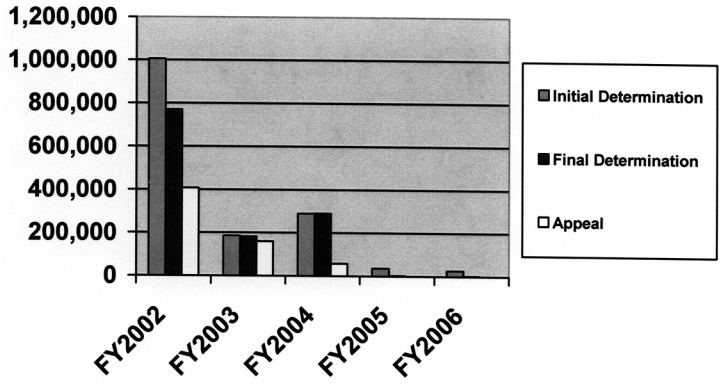
FY2002-FY2004: In February of 2005, the GDOL took over the financial administration of the Agency for Human Resources Development in line with the Governor's Executive Order. The transition of administrative functions encompass a variety of outstanding issues with U.S. Department of Labor (federal grantor) specifically responses to Single Audit Reports for FY2002 thru FY2004.

In 2005 GDOL submitted a response to the Initial Determination which comprised of $1,479,593.00 in disallowed costs. As a result of this response the GDOL was able to demonstrate allowable activity amounting to $239,852.00. In 2006, U.S. Department of Labor issued a final determination in the amount of $1,239,471.00 in disallowed costs and a demand for payment was issued. Upon receipt of the final determination the department issued a "Notice to Appeal" and requested for retesting of documents submitted to the auditor. A result of this request determined that $614,258.00 previously disallowed was in fact allowable, a 50.44% in reduction.

FY2005: On April 17, 2007, USDOL ETA issued the Final Determination resulting in a total amount of $2,240.00 determined as disallowed costs.

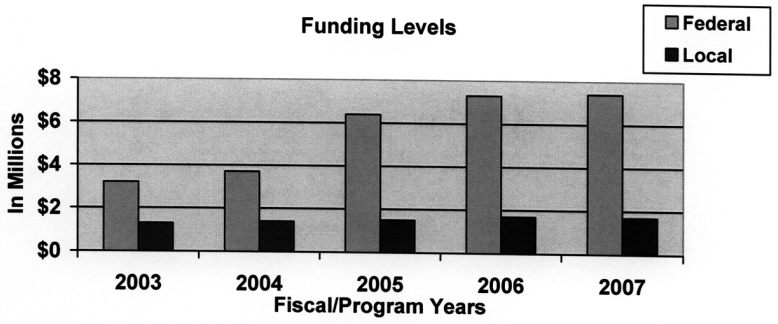
FY2006: On March 31, 2008, USDOL ETA issued the Final Determination resulting in a total amount of $1,234.00 determined as disallowed costs.

Audit Year	Initial Determination	Final Determination	Appeals Hearing
2002	1,004,982	768,964	407,404
2003	185,584	181,480	159,790
2004	289,027	289,027	58,019
TOTAL:	**1,479,593**	**1,239,471**	**625,213**
FY2005	36,097	2,240	
FY2006	26,988	1,234	



MAINTAINING LEVELS OF FUNDING TO INCLUDE AN INCREASE IN FEDERAL FUNDS

Federal	**3.2**	**3.7**	**6.4**	**7.3**	**7.4**
Local 1.3	**1.4**	**1.5**	**1.7**	**1.7**	**1.7**



As a result of the milestones achieved and internal fiscal and data controls in place, GDOL reduced its disallowed costs by 99% for Fiscal Years 2002-2005 and was taken off high-risk grantee status by USDOL. The Department also continues to receive consistent increases in Workforce Investment Act funding, from $3.4M in PY2004 to $5.2M in PY2007.

Data Consortium/Workgroup:

Guam and the insular areas suffers from a lack of current, consistent and regularly maintained data, needed to make sound decisions relating to labor-market and economic development trends. There is need for a regional data plan to ensure that, ongoing, regular, consistent, accurate information is collected and shared to ensure that policy decisions are based on fact, not supposition. In line with the Workforce Investment Act 2007-2009 State Plan and Plans of Work (POW) Goal 2, the Labor technical team continues to meet with other government partners in updating and streamlining data collection efforts. Several strategies for data collection include a harmonized data reporting system and a collaborative partnership for consistent and validated data. Several strategies and upcoming data collection efforts as follows:

- Household & Income Employment Survey (HIES) & Funding availability
- 2010 Census project preparation
- Civilian Labor Force Survey (CLFS)
- 2008 Micronesian Survey

Conclusion

With the impending military buildup before us, we are called to expand our focus and reach beyond our partnership with the federal government, and into the Pacific region. GDOL continues to play an active role in the Regional Workforce Development Council, the Civilian Military Task Force and others. Additionally, we must educate local employers about ensuring a safe and healthful working environment, fair treatment and equal rights for employees, and timely compensation for services rendered. We recognize that in order for our current and future workforce to reap the benefits of the military buildup, we must look at temporary foreign workers to fill the immediate labor needs while developing apprenticeships, internships and on-the-job training in demand-driven occupations for the future and sustainability of our island people.

Madam Chairwoman, this is an overview of the activities at the Guam Department of Labor. I look forward to responding to any questions you may have.

Mrs. CHRISTENSEN. The Chair now recognizes Ms. Okada for five minutes.

STATEMENT OF MARY A.Y. OKADA, PRESIDENT, GUAM COMMUNITY COLLEGE

Ms. OKADA. Hafa adai, Congresswoman Christensen, Congresswoman Bordallo.

Greetings from the island of Guam. It is indeed an honor to be here this afternoon to provide testimony to the Subcommittee in identifying labor solutions for the Guam military buildup.

Over a year ago, the Guam Community College submitted written testimony to the Subcommittee panel on insular affairs relative to the college's role in preparing Guam for the U.S. military buildup. After submitting such testimony, we were fortunate to have the congressional delegation visit our campus, showing firsthand GCC's current capacity and our ability to grow our facilities to meet the workforce needs of Guam.

Since then, the Guam Community College has immersed itself with several discussions and activities with organizations such as the Joint Guam Program Office and various subcommittees of the Civilian Military Task Force.

In addition to these two important organizations, we are working closely with Guam's business industry as well as our local government agencies to ensure that the Guam Community College is able to do its part to provide a well-trained and educated workforce to meet the island's expanding needs. The college continues to solidify our relationship with the Guam Contractors' Association in preparing the workforce for Guam's construction boom. Both GCA and

GCC are looking at the future of the island's construction business and have plans to recruit students beginning with our middle school so they gain a better understanding of what true opportunities are available in the construction fields. This recruitment and education of our program opportunities plays a pivotal role in ensuring the future of our workforce. But our efforts must not stop here. We are committed to joining forces to educate our residents on the available opportunities this military buildup will bring to our territory.

In addition to preparing for Guam's construction boom, as Guam's only community college that offers comprehensive programs that lead to an associate's degree or certificate in over 50 specialized fields of study, we are continuously identifying the changes needed to current curriculum and anticipating the establishment of new programs. With the increase of business partners that will rely on skilled worker, the college will continue to be responsive to their needs and the requirements of our growing community. Recipients of these training programs are widespread, meeting the demands of our civilian as well as our military communities.

As participants of the Interagency Group on Insular Areas, the college has been successful in identifying and obtaining additional resources to support many of our programs. For instance, the college recently received a college access grant that will provide educational opportunities for at-risk low-income students. This will strengthen our commitment in providing information and services to students for entry into postsecondary education. This recruitment of at-risk students into postsecondary education is essential for all phases of the military buildup—pre-construction, construction and post construction.

We recognize the importance of training and educating our residents on Guam so that they are able to compete in the labor market. Without the increase in this recruitment, we will be unable to sustain the future labor market needs with the additional jobs that will be available.

Planning for Guam's future growth, a few weeks ago the college broke ground on the construction of a new allied health center that will provide the necessary classroom space for our allied health programs, while augmenting laboratory space for our science programs. This new project will help to address health education for our island. The new center will provide an additional 24,000 square feet of classroom, laboratory and office space to the college.

This is the first step in increasing our capacity at the college. With the completion of this building, the college will pursue other health occupational programs. Our current capacity does not allow this expansion of programs without the additional space.

Most recently, the college obtained another construction grant to support the expansion learning resources for our students. Having expansive resources for our students is critical to success of student learning outcomes, continued increases in enrollment and retention of current students.

We appreciate the opportunity to provide input and be part of the solution that addresses Guam's labor shortage. The Guam Community College continues to be available to participate and be-

come an active member of the IGIA's working committee that will allow GCC to assist the IGIA meet the goals and objectives outlined to address labor issues as a result of this unprecedented growth.

We thank the Committee for providing Guam Community College with the opportunity to provide this testimony. We remain confident that through our collaborative efforts of the Federal Government, the Government of Guam, the private sector and the people of Guam, we can make this massive endeavor a success for Micronesia.

As a unified voice on Guam, we continue to support Governor Felix P. Camacho's contention that what benefits the U.S. military must benefit every man, woman and child who calls Guam home.

Chairwoman Christensen, we invite you to come to the college and witness the continued growth of the Guam Community College. Please visit our campus whenever possible to see the dedication and commitment we have made to ensure the success of our island. If there is any assistance or support that the Guam Community College can provide, please feel free in letting me know. I commit to you our ability to serve as part of the solution in addressing Guam's labor shortage as a result of Guam's impending military buildup.

Again, on behalf of the Guam Community College Board of Trustees, our Board of Governors, faculty, staff, administrators, but most especially our students, un Dangkolu na Si Yu'os Ma'ase for providing the Guam Community College with this opportunity to provide our testimony. We look forward to working with you for the benefit of our people and the continued success of our students. Thank you.

Mrs. CHRISTENSEN. Thank you, Ms. Okada. I look forward to coming back and seeing the progress you are making. I was impressed with the first visit.

[The prepared statement of Ms. Okada follows:]

Statement of Mary A.Y. Okada, President, Guam Community College

Hafa Adai Congresswoman Christensen and members of the Subcommittee on Insular Affairs,

Greetings from the Island of Guam! It is indeed an honor to be here this afternoon, to provide testimony for the subcommittee in "Identifying labor solutions for the Guam military build-up."

Over a year ago, the Guam Community College (GCC) submitted written testimony to the subcommittee panel on Insular Affairs relative to the college's role in preparing Guam for the U.S. military buildup. After submitting such testimony, we were then fortunate to provide a campus visit to Congresswoman Donna Christiansen and Guam's U.S. Delegate, Congresswoman Madeleine Bordallo. During the Congressional Delegates visit to our campus, we were able to show firsthand GCC's current capacity and our ability to grow our facilities to meet the workforce development needs of Guam.

Since then, the Guam Community College has immersed itself with several discussions and activities with organizations such as the Joint Guam Program Office and various subcommittees of the Civilian Military Task Force. In addition to these two important organizations, we are working closely with Guam's business industry as well as our local government agencies to ensure that the Guam Community College is able to do its part to provide a well-trained and educated workforce to meet the island's expanding needs. The college continues to solidify our partnership with the Guam Contractors' Association (GCA) in preparing the workforce for Guam's construction boom. Both GCA and GCC are looking at the future growth of the island's construction business and have plans to recruit students beginning with our middle school students to learn what true opportunities are available in the con-

struction fields. This recruitment and education of our program opportunities plays a pivotal role in ensuring the future of our workforce. But our efforts must not stop there. We are committed to joining forces to educate our residents on the available opportunities this build up will bring.

In addition to preparing for Guam's construction boom, as Guam's only community college that offers comprehensive programs that lead to an associate degree or certificate in over 50 specified fields of study, we are continuously identifying the changes needed to current curriculum and anticipating the establishment of new programs. With the increase of business partners that will rely on skilled workers, the college will continue to be responsive to their needs and the requirements of our growing community. Recipients of these training programs are widespread, meeting the demands of our civilian as well as military communities.

As participants of the Interagency Group on Insular Areas (IGIA), the college has been successful in identifying and obtaining additional resources to support many of the programs. For instance, the college recently received a College Access Grant that will provide educational opportunities for at-risk low income students. This will help strengthen our commitment in providing information and services to students for entry into postsecondary education.

A few weeks ago, the college broke ground on the construction of a new Allied Health Center that will provide the necessary classroom space for our Allied Health Programs, while augmenting laboratory space for our Science Programs as well. This new project will help to address health education for our island. The new center will provide an additional 24,000 square feet of classroom, laboratory, and office space to the college. This is the first step in increasing our capacity at the college. With the completion of this building, the college will pursue other health occupation programs.

Most recently, the college obtained another construction grant to support learning resources for our students. The resources are critical to continued increases in enrollment and retention of current students.

We appreciate the opportunity to provide input and to be a part of the solution that addresses Guam's labor shortage. The Guam Community College continues to be available to participate and become an active member of the IGIA's working committee that will allow GCC to assist the IGIA meet the goals and objectives outlined to address labor issues as a result of Guam's unprecedented growth.

We thank the committee for providing Guam Community College with the opportunity to provide this testimony. We remain confident that through the collaborative efforts of the Federal Government, the Government of Guam, the private sector, and the people of Guam—we can make this massive endeavor a success for Micronesia. As a unified voice for Guam, we continue to support Governor Camacho's contention that what benefits the U.S. Military must benefit every man, woman and child who calls Guam home.

Chairwoman Christiansen and members of the Subcommittee on Insular Affairs, we invite you to witness the growth of the Guam Community College. I invite you to visit our campus whenever possible, to see the dedication and commitment that we have made to ensure the success of our island. If there is any assistance or support the Guam Community College can provide your committee, please feel free in letting me know. I commit to you our ability to serve as a part of the solution in addressing Guam's labor shortage as a result of Guam's impending military buildup. We look forward to working with you and members of your subcommittee in developing a wholesome plan that will benefit all shareholders—more importantly the citizens of Guam and Micronesia.

Again, on behalf of the Guam Community College Board of Trustees, Board of Governors, faculty, staff, administrators, but most especially our students. un Dangkolu na Si Yu'os Ma'ase for providing the Guam Community College with this opportunity to provide our testimony to the Subcommittee on Insular Affairs. We look forward to working with you for the benefit of our people and the continued success of our students.

Mrs. CHRISTENSEN. I now recognize myself for questions; and I will start with my colleague, Congressman Underwood.

One of your last recommendations had to do with the military utilizing the University of Guam; and I was wondering, in the past, has the military ever approached the university for training or education purposes? Would this be a first?

Mr. UNDERWOOD. Well, in the past—and we would have to go back a couple of decades—the University of Guam was a little bit more active in its extension services with the military. Currently, these services, educational services are bidded out on a region-wide contract that includes services to Japan, Okinawa and Korea.

What happens is that the University of Guam would have to bid for that, instead of looking at the Guam piece separately. And of course there is another realistic stumbling block as well, and that is much of these activities are done through distance education, and the University of Guam hasn't perfected that in the same way that the University of Maryland and Central Texas have. But, in any event, what we need is we need to get our foot in the door.

I have discussed this with General Bice, as well as others. And they are willing to listen, and I think they have a sympathetic ear on this particular issue.

I tried to make the case that the Marines and military personnel on Guam should have access to, you know, local educational—they do have access, but they should have access to these services on base as well. And so we look forward to that partnership.

Mrs. CHRISTENSEN. Thank you.

And what percentage of the professionals on Guam—the accountants, nurses, IT professionals and et cetera—are trained at the University of Guam? And are you prepared, if given the resources that you speak about, to increase that?

Mr. UNDERWOOD. Well, you know, right now I would say—without a lot of follow-up data, I would say that probably a third to 40 percent of the professionals on Guam who work in basic fields in education and nursing and business got their education from the University of Guam. The recent Chamber of Commerce asked how many had gone to school at the University of Guam, and I think about half of the hands went up in the room. So it is a pretty substantial amount.

But, of course, we are talking about an increased number of professional positions, hundreds of new positions opening up. And we can't sustain—even if we existed at the current level, we would probably be preparing less than a third for the new positions that are coming up. So that is a source of problems for us.

Because it is not just a problem for the University of Guam. I think it is for the entire kind of socioeconomic structure of the island. And that is if a fair amount—I don't know what that fair amount is—maybe half—of the existing professionals are from the island or from the region, then you help create the basis for, you know, good-paying positions and people who earn higher salaries than—and you sustain a kind of a professional class and a middle class for the next generation. And that is the basis upon which we think sustainable income, a sustainable economy will be based. So, you know—of course, in partnership with the Guam Department of Labor and the Guam Community College with whom we work very closely and work very well.

But I think it is kind of like the part of the puzzle, the part of the economic puzzle that hasn't received adequate attention.

Mrs. CHRISTENSEN. Thanks. Thank you.

Ms. Connelley, I don't know if Guam is like the Virgin Islands. In the Virgin Islands, a lot of our residents don't want to work in

certain kinds of jobs. So my question to you is, are you satisfied that the available workforce on Guam is getting ready to take advantage of the opportunities that the pending military buildup will bring? And are there more things that we can be doing to assist besides finances?

Ms. CONNELLEY. I firmly believe that the people of Guam right now are, especially those unemployed. The unemployment rate on Guam is 8.3. So we are after those people who are at least—the last report was looking—there were about 5,000 people looking for jobs at the time.

But with the recent—what this military buildup is going to bring is that there will be more jobs for base operation support and there will be more jobs for the construction industry. With the very competitive salary and the benefits that the Federal service contract is now offering and with the latest salary prevailing wage rate that the U.S. citizenship and immigration is going to be issuing, I firmly believe that our local people will be attracted and our local people will be applying for these jobs and working for the private sector.

Mrs. CHRISTENSEN. Thank you.

And, Ms. Okada, you mentioned that you are engaged in a number of collaborations with GAGPO and other government and business organizations. Are you satisfied with the collaborative efforts thus far and have they been helpful to you in your efforts to prepare Guam residents for the opportunities the buildup would bring?

Ms. OKADA. The collaboration we have had with several of the government agencies has helped us build the framework or foundation in moving this project forward. The data that we are lacking is to identify specifically which occupational areas and how many so that we can plan our growth based on those projections.

Right now, because we don't have the projections available to us, we are just taking individual requests for certain types of training. So until we get specific numbers or a little bit more planning numbers as far as which occupational numbers that will give us time to prepare—because some of the curriculum that we need in some of the areas need to be developed and we need to get—we need some time to collect that information and move it forward.

But, yes, the collaboration has been very beneficial for us, because at least it allows us to talk education at all levels instead of just focusing on either the vocational programs in the K-12 environment or postsecondary education.

Mrs. CHRISTENSEN. Thank you. Thank you.

The Chair now recognizes Ms. Bordallo for her questions.

Ms. BORDALLO. Thank you, Madam Chairman. I have a general question which you touched on, but I would like to elaborate a little bit more.

Dr. Underwood, you state a goal to partner with the U.S. military in Guam to establish professional development and educational courses. Can you elaborate on the nature of this arrangement and what the program would entail if it developed at the University of Guam? And are there other similar partnerships between universities and the Department of Defense for such professional development programs?

Mr. UNDERWOOD. Well, initial discussions have been that, you know, a big part of the move to Guam is the headquarters of the third MEF. So that implies that there will be a lot of training opportunities. Because they all want their skills upgraded, and they will want the opportunity to do things that are degree oriented.

We believe that this is an opportune time for the university to partner with the military to develop unique forms of curriculum for these kinds of programs. And they could be masters' level programs. They could be bachelor level programs. Where we are taking on the issues that are difficult, like how do you deal with communities that are undergoing rapid change? What is the responsibility of an officer corps in dealing with local communities? Just basic leadership training.

We know that the military services have these kinds of unique contracts with selected universities. So those are the kinds of things that we think will be innovative and different that are both tailor made for the Guam experience but also uses the Guam experience to further train fit officers.

I want to add that this is slightly outside—this is outside the scope of the basic educational services that Ms. Christensen asked me about earlier, and that is just the way that they bid those basic educational services now. We want to get our foot in the door. But I think that the fact that the headquarters unit is moving to Guam provides the university this opportunity.

You know, universities are very flexible units. They can bring in people. They can create new forms of curriculum. They can be very responsive. So we look forward and we relish that opportunity, and I know that many of the people responsible and with the military buildup have mentioned this. We have even discussed the possibility of partnering even with one of the defense universities to provide this level of training or to do economic analysis of what is going to happen in Guam as a result of the military buildup. So we are constantly looking for those opportunities, and I think that General Bice and others are open to those possibilities. Of course, a little nudging from you will help a lot.

Ms. BORDALLO. So what you are saying, Dr. Underwood, is that there are similar partnerships between the military and universities?

Mr. UNDERWOOD. Yes, that is correct.

Ms. BORDALLO. Finally, has the IGIA Guam Task Force looked into your proposals for establishing this partnership and developed any sort of way ahead for its implementation?

Mr. UNDERWOOD. To my knowledge, no. But, of course, you know, that is partially dependent upon the university making its case as well; and we will do so. So we will continue to advance this concept and with IGIA and anyone else who will listen.

Ms. BORDALLO. Very good.

Now, another point I have made quite an effort to get across in meeting with the IGIA, Department of the Interior is the fact that the MOUs are very important in this buildup. We are facing a very important election. In a couple of months there will be a new administration. We want to make sure that any of the agencies that you are dealing with as president of the community college, director of labor and the University of Guam, any of these agencies that

you have been meeting with, it is important that, whatever they promise, that this is carried on. There is a continuation.

So have any of you had any—I will start with you, Mary. Have you laid down any proposals between the Federal agencies and the community college and suggested, are you for the MOUs? Have you suggested this?

Ms. OKADA. We have had discussions about the MOU based on the last IGIA. However, there has been no documented MOU to my knowledge on either the Subcommittee on Education; and I don't believe there is any for labor, either. But we are continuing to have that discussion with them. Because they recognize the importance of continuing what efforts we have already started in collecting the data; and the people that are responsive right now from the Federal agencies, we have already established good working relationships with them and we are—it is important for us to be able to continue that dialogue with the appropriate members. But we are expanding as far as having greater dialogues.

The Committee on Education is working a lot better now with the U.S. Department of Education. Initially, we were under HSS; and I believe they are working on or there is a proposal to reposition us.

Ms. BORDALLO. I would suggest that you be persistent. If you don't hear from them, you know, continue to. Because I think it is very important. I am just afraid that, you know, a few months down the road new Cabinet people will be appointed; and they may say, well, this wasn't during our watch.

So, Mary, could you mention on behalf of the Department of Labor?

Ms. CONNELLEY. Yes, ma'am. Most of the people that we are working with, the 11 Federal agencies that we are working with either one way or the other, they have—for example, the Department of Labor, they are a grantor. So we really don't need an MOU because we get a formal grant from them.

The Department of—the U.S. Department of Education is another member, and they provide funding to Guam in the insular areas, and we are working very closely with them. Because, again, they are also providing Federal funds under the Pacific Islands Grant.

Ms. BORDALLO. Very good.

Dr. Underwood.

Mr. UNDERWOOD. With those agencies that we have specific grants from, of course we have good relationships and we have had a number of discussions. But to, I think, your point on the MOUs, it is absolutely critical, because this provides the framework for a relationship more so than just the framework for a particular grant. And that relationship is absolutely key, especially for an institution like the University of Guam, which is somewhat unique.

And so, you know, if we are—for example, if we are trying to create balance between training opportunities for people in the trades and professions and—trades and people in the professions, that kind of MOU would go a great way toward establishing a framework through which future granting opportunities, future technical assistance opportunities are provided. And so the MOU is abso-

lutely critical; and I think that we should work a little bit harder, I mean, you know, on our end.

I think, you know, there was a little bit of a misunderstanding of the direction that you wanted to take in the MOU. I think people are now seeing the very important wisdom of that, because it is going to provide the framework for those future opportunities, and it is going to help resolve transition issues into the next administration. Because those transition issues, as those of us with a few years of political experience on this—weeks, months go by and nothing happens and there is no framework. But if you have the framework in existence, even the existing bureaucracy, the wheels will continue to turn, and there won't be lost opportunities. So I think it is very important.

Ms. BORDALLO. I thank you, Dr. Underwood. And I certainly agree with you.

I wish—I would like to tell the three witnesses that we do have a memorandum of understanding between MARAD and the port. So I feel comfortable in that. But for the rest of the agencies, GovGuam agencies that are involved in this military buildup, I think it is very important that we try to develop something very near in the future.

Madam Chair, I have a very important hearing to attend, an Armed Services meeting; and it has to do with the defense authorization bill. Guam has many provisions for the military buildup in it, and I want to make sure that those provisions are still there. So if you would excuse me for the second panel. But I will have staff here.

Mrs. CHRISTENSEN. Certainly. It is very hard. What we will do is, in the interest of time and some of the schedules have been changing throughout the day, so I am going to excuse—thank the panel for their testimony and for their answers to the questions. We probably have more questions for you which we will submit in writing, and we would ask that you respond in writing to those questions.

I would now like to call up the second panel, Major General David Bice, the Executive Director of the Joint Guam Program Office, and the Honorable Douglas Domenech, Acting Deputy Assistant Secretary for Insular Affairs of the Department of the Interior.

Ms. CHRISTENSEN. As soon as you are ready, Major General Bice, you may start your testimony.

STATEMENT OF MAJOR GENERAL DAVID F. BICE (USMC RETIRED), EXECUTIVE DIRECTOR, JOINT GUAM PROGRAM OFFICE

General BICE. Madam Chair, Congresswoman Bordallo, thank you very much. I am pleased to appear before you today on behalf of the Joint Guam Program to share information on existing potential labor solutions for the Guam military buildup.

To meet a total civilian and military construction effort of approximately $2-1/2 billion per year, we estimate between 6,000 to 20,000 off-island workers will be needed on Guam. These workers will require temporary accommodations. The Department of Defense is currently estimating the cost for providing temporary housing for the H visa portion of the workforce supporting the military

construction effort. We plan to include these costs for these services in each U.S. military construction appropriation and Government of Japan direct cash contribution project.

One of the approaches being considered for temporary construction workforce housing and logistics support is to place the responsibility for such support on the individual construction contractors. For such an approach to work, the Department would partner with the appropriate Federal and Guam agencies to monitor a compliance with underlying worker health, safety, security and labor laws and regulations and underlying contract terms implementing such laws and regulations.

Medical and health care support for the temporary workforce is also under study. The Department is aware of the challenges facing Guam's medical and health care community, and we do not want to add to that situation. Although temporary construction labor may fulfill the bow wave of construction needs, the cumulative goal for the Federal and Guam officials, as you heard, is to create long-term career opportunities for the populous in the region.

With the training initiatives being implemented by the U.S. and Guam Departments of Labor, I am confident that skill levels and earnings potential will rise. A cooperative spirit has been displayed by relevant Federal and Guam agencies, and we have established momentum required to achieve success. This realignment of forces is good for Guam and the surrounding islands, good for the region and certainly good for the nation.

Thank you for this opportunity to discuss the labor issues associated with the realignment of forces in Guam, and I thank you for your continued support to this initiative, and I look forward to your questions. Thank you.

Mrs. CHRISTENSEN. Thank you, Major General Bice.

[The prepared statement of General Bice follows:]

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

Chairwoman Christensen and members of the Subcommittee, thank you for the opportunity to testify on the labor solutions for Guam military build-up requirements. As the Executive Director for the Joint Guam Program Office (JGPO), I am responsible for the planning and integration of the Department of Defense (DoD) 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

As mentioned in my last testimony to the Subcommittee, the proposed military build-up on Guam is a key component of the United States Alliance Transformation and Realignment Agreement (ATARA) with the Government of Japan (GOJ). As part of this realignment, the U.S. seeks to increase the flexibility to contend with uncertainty; strengthen allied roles; build new partnerships; create the capacity to act both within and across regions; develop rapidly deployable capabilities, and focus on effective military capabilities

To accomplish the military and political objectives of the ATARA and military realignment to Guam, both the Department of Defense and the Department of Labor (DOL) recognize that large numbers of temporary construction workers will be needed for the military and civil, construction projects that are to occur between now and 2014. As documented by the DOL, Guam's current workforce has an insufficient supply of labor to meet the demands of this temporary surge in construction activity.

A major enabler in securing the necessary temporary construction workers needed for the Guam military build-up was the passage of the Consolidated Natural Resources Act of 2008, Pub. L. 110-229. This Act, which contains provisions changing

the immigration laws of the Commonwealth of the Northern Marianas Islands (CNMI), waives the cap on H visas, including the H2B visa used by skilled construction workers, for Guam and CNMI. This waiver becomes effective with the start of the transition period, which begins in the first full month, one year after the passage of the act, or June 1, 2009, and extends through December 31, 2014. An extension of the transition period beyond December 31, 2014 and the associated H visa waiver cap is possible, but only for CNMI. Once construction efforts commence in Guam in early 2010, DoD and JGPO will be in a better position to determine if statutory or regulatory relief is required.

We are grateful to Congress for this visa waiver provision, but may need to extend the waiver beyond 2014 should program timelines necessitate.

LABOR ESTIMATES

The Department of Defense recently provided a report to Congress detailing the status of the Guam Joint Military Master Plan. DoD estimates there are approximately 5,600 construction workers currently available in Guam today. Naval Facilities Engineering Command (NAVFAC), the Department's construction execution agent on Guam, estimates between 5,000 and 10,000 construction workers are needed to execute approximately $1B of construction work in place (WIP) per year. NAVFAC also estimates that between 12,000 and 25,000 construction workers would be required to execute $2.5B of WIP annually on Guam. Therefore, an estimated 6,000 to 20,000 off-island workers will be required to reach the necessary work force strength. The NAVFAC study estimated that approximately 6,000 workers are expected to migrate to Guam from the continental United States or Hawaii to support the construction effort. The remainder would come from either the Commonwealth of the Northern Mariana Islands, Freely Associated States, or from other foreign locations as non-immigrant construction workers requiring H2B visas. Through the State Department and Department of Interior, we have been working to establish a network of available workers in the Pacific Territories and States. This database will be provided to industry via the DOL websites and the industry forums.

LOGISTICS FOR LABOR INFLUX

The significant increase in construction workforce on Guam will require a temporary increase in accommodations. The development and ultimate decision regarding the appropriate solution or solutions for workforce housing and logistics is ongoing, and part of overall program planning being conducted with industry and the Government of Guam (GovGuam) stakeholders. Some key factors driving development of potential solutions include costs, durability, post-construction (secondary) use of facilities; risk to government and contractors, and post construction benefits and impacts. DoD is currently estimating the approximate cost for providing temporary construction workforce housing. Costs to provide these services will be funded respectively in each U.S. MILCON appropriations and GoJ Direct Cash Contribution projects.

One of the approaches being considered for temporary construction workforce housing/logistical support is to place the responsibility for such support on the individual construction contractors. The Department is still evaluating the strengths and weaknesses of this approach from both a contracts management and a community benefit perspective. The Department understands that for such an approach to work, the contract documents, the source selection process, and contract administration would have to ensure management of large numbers of temporary construction workers. Additionally, for such an approach to work the Department would partner with the appropriate Federal and GovGuam agencies to monitor compliance with applicable worker health, safety, security and labor laws and regulations, and the contract terms implementing such laws and regulations.

Other options considered for adequate workforce housing include:

- DoD funded workforce housing on DoD property under MILCON authority, with post-construction (permanent) use for barracks, training facilities, etc.
- DoD funded temporary workforce housing on DoD property as an overhead cost on large construction contracts. This concept involves industry building durable temporary facilities as required, and dismantling worker accommodations after the project is complete.
- Privately funded construction and operation of worker housing on GovGuam property that can subsequently be adopted for public use (affordable housing). This concept includes partnerships with GovGuam and private industry to create public/private ventures.

- Establishment of logistics contracts to provide durable temporary worker housing as part of an overall logistics contract that includes housing, medical, transportation and other services.

No matter what solution or solutions are implemented to address temporary construction workforce logistics, the Department will partner with appropriate Federal and Guam authorities to ensure the safety and security of all temporary construction workforce personnel.

The Department will include enforcement by proper authorities of appropriate standards to ensure the safety and security of all transient workers in housing complexes including:

- Safe and secure living conditions for transient personnel
- A standard-of-living commensurate with U.S. & Guam housing standards
- Suitable physical security and accommodation of cultural diversity

Medical and healthcare support for the temporary workforce is also under study. The Department is aware of the challenges facing the Guam medical and healthcare community, and we are looking for ways to mitigate and perhaps even improve the situation for all concerned.

TRAINING PROGRAMS

Through the Interagency Task Force meetings co-chaired by JGPO and the Department of Interior Office of Insular Affairs, the Department of Labor has been making progress in helping the Guam Department of Labor prepare the Guam workforce for the opportunities this strategic realignment brings. The Guam Department of Labor is focused on preparing the local citizens to meet the long-term career oriented job opportunities that this strategic initiative offers. These opportunities include the construction trades and the full range of professional and service skills typically found in our highly technical and skilled defense related businesses. DoD endorses this approach and is aware that the construction program will expand and contract and a stable, skilled workforce will be needed by the DoD activities on Guam and accompanying defense industry.

Even as we set a completion target for the construction activities surrounding the Marine relocation, we expect the demand for skilled construction workers on Guam, on-base and off, to be significantly higher than it is today. At the local level, the Guam Community College has expanded their Construction Trade Program to include a diesel mechanical course and construction boot camp. It is clear that the educational institutions on Guam understand the new demand for a full-fledged labor training and development program and are expanding as industry needs become more apparent.

Beyond Guam, we do know that we will also be relying on the outer islands to partake in job opportunities. The Guam Contractor's Association's Trades Academy, which was officially established in 2006, is also stepping up to the plate to assist in filling the island need for skilled labor. The Trades Academy has increased classes within their four year program that already includes heavy equipment, safety, carpentry, heating/ventilation/air conditioning and electrical trade's skills.

The Trades Academy guarantees job placement to all students, even prior to graduation and has placed students with 45 companies. The academy also offers credentialed construction skills to under-employed workers. This is important, given the strong desire by DoD, Guam, and the insular islands to develop a talent pool that fills enduring job vacancies that will sustain a healthy economy well beyond the completion of the strategic realignment.

Temporary foreign labor is not the ultimate focus of the Program's labor effort. Although temporary construction labor may fulfill the bow wave of construction needs, the cumulative goal for Federal and Guam officials is to create long-term career opportunities for the populace in the region; the kind of job opportunities that raise skill levels and earning potential.

Recent actions by the U.S. Citizenship and Immigration Service (USCIS) to raise wage rates for H2B construction workers on Guam will ultimately benefit Guam as a whole as the economic standard of living rises for all those in the construction trades. We are confident that the studies and analysis conducted by USCIS accurately reflect the economic environment and will bring stabilization to long term labor costs associated with Guam military buildup construction contracts.

CONCLUSION

This strategic realignment on Guam requires a coordinated effort among all Federal and Guam agencies. Collectively we have made great strides in moving in the right direction to solve the many issues we face. Continued coordinated planning to address temporary construction workforce housing and logistics issues and enduring-job training initiatives require participation from various entities to ensure suc-

cess. Based upon the cooperative spirit that has been displayed to date by the relevant Federal and Guam agencies, I am confident that we have established the momentum required to achieve success within the desired timeline. I encourage us all to continue to move forward in our common goal of promoting security in the region.

Thank you for this important opportunity to discuss the labor issues associated with the realignment of forces on Guam. I also thank you for your continued support and dedication.

Mrs. CHRISTENSEN. The Chair now recognizes Mr. Domenech for his testimony.

STATEMENT OF THE HONORABLE DOUGLAS W. DOMENECH, ACTING DEPUTY ASSISTANT SECRETARY FOR INSULAR AFFAIRS, DEPARTMENT OF THE INTERIOR

Mr. DOMENECH. Thank you, Chairwoman Christensen and Madam Bordallo. It is good to see both of you again. And Secretary Kempthorne sends his greeting, as usual.

Madam Chair and members of the Subcommittee, thank you for the opportunity to testify on identifying labor solutions for the Guam military buildup.

As you know, under the proposed Guam military buildup, approximately 8,000 U.S. Marines and 9,000 dependents will be shifted from Okinawa, Japan, to Guam. It is anticipated that Guam employment will benefit in two ways: first, through the initial construction-related jobs and, second, through permanent new defense and nondefense jobs to support the new military mission.

The more immediate concern, as you know, however, is finding labor for the construction phase of the buildup between 2010 and 2014. It is estimated that perhaps up to 15,000 people will be needed for constructing military facilities and another 5,000 to 7,000 for construction in the civilian areas of Guam. Labor from outside Guam will likely have to be imported.

Contemplating the challenges ahead, it was decided that the IGIA should establish a Guam Task Force to coordinate the military buildup issues across all the Federal agencies. The task force has established five working groups. One of them is specifically on labor, and that group has been very active.

As you know, the Department of Labor issues regional innovation grants—they were discussed earlier—the RIG grants for regional labor planning. The IGIA has encouraged Guam to apply for such assistance, which they have. The Guam region in this case—for the purposes of the application, the Guam region would include, of course, Guam, CNMI, the Marshall Islands, Micronesia and Palau. When completed, the plan would define the existing regional workforce supply and skill levels, the kind of raw data that we need and identify any gaps that would affect the present and future economy of the region. The plan would also set out strategies to address those identified needs. So we are very anxious to have the results of that.

Up to this point, Interior funding has been aimed at expediting this planning process. In March, the Office of Insular Affairs provided Guam a technical assistance grant to aid in the writing of the Guam grant application to the Department of Labor for the regional plan. OIA and Labor believe that a solution to Guam's work-

force issues can only be realized through this regional collaboration. So that is the aim of the plan.

Within the IGIA's Labor Group, discussions of the labor supply have centered on two main issues, the availability of United States-eligible labor and the availability of foreign labor. The massive scale of the Guam military buildup makes the importation of foreign labor inevitable. For this reason, Congress included a provision lifting the cap on H visa workers in Guam. Because there is a large supply of labor in nearby countries, the labor needs of this immense project should be met.

Discussion and effort now revolve around the United States-eligible labor and how to attract such workers to Guam. The United States-eligible workers, of course, include persons who are U.S. citizens, United States permanent residents and freely associated state citizens from the Marshall Islands, Micronesia and Palau.

The United States-eligible labor and available labor takes precedence over foreign labor for jobs that will become available on Guam. Therefore. We are pursuing a mechanism that requires that employers first advertise the job regionally. Then only if no qualified U.S.-eligible applicant applies can the employer apply for a United States visa for a foreign worker to work on Guam.

Mr. DOMENECH. While the labor needs are daunting, we believe that looking to the U.S.-eligible labor first will be a significant part of the solution. The labor group is discussing possibilities for outreach to persons living in the 50 States, as well through the Internet and notices postings to unions and employers and military for returning veterans.

OIA has specific concern for the United States-eligible labor in the territories of Guam, CNMI, FSM, the Marshall Islands, and Palau. Word, of course, is already out in these jurisdictions that there will be jobs in Guam. The challenge is to connect that labor on these other islands with other employers in Guam.

Interior is exploring the establishment of a job match system to connect potential workers with employers in Guam. In the Freely Associated States, workers may need further instruction in English and math, as well as the cultural differences that they may experience in Guam. In addition, resumes or job applications need to be developed. Transportation to and housing in Guam may need to be arranged as well.

Apprenticeship programs like the ones that have been discussed earlier are a key factor in this as well. In these efforts, the Department of the Interior will be seeking to help the Freely Associated States eliminate difficulties in getting their workers from their home island to jobs in Guam.

In addition, we have a concern, final concern, that the workers who are from off-island locations receive comparable wages and benefits; and we are actively working through both the IGIA process and with other Federal agencies to raise awareness on that issue.

Thank you very much.

Mrs. CHRISTENSEN. Thank you, Deputy Assistant Secretary.

[The prepared statement of Mr. Domenech follows:]

Statement of Douglas Domenech, Acting Deputy Assistant Secretary for Insular Affairs, U.S. Department of the Interior

Madam Chair and members of the Subcommittee on Insular Affairs, thank you for the opportunity to testify on the identification of labor solutions for the Guam military build-up.

LABOR NEEDS

Under the proposed Guam military build-up, approximately 8,000 United States Marines and 9,000 dependents will be shifted from Okinawa, Japan to Guam. Construction of new defense facilities to accommodate this influx of personnel is scheduled to start in 2010, with the relocation to be completed in 2014. The cost of new infrastructure to be installed could exceed $10 billion.

Guam employment will benefit from the build-up in two stages: (1) initial facility building and improvements will create a large number of high-paying construction-related jobs for several years and (2) permanent new defense and non-defense jobs to support the new military mission.

Federal civilian payroll in Guam at the end of 2007 numbered 3,610, of which 3,040 or 84.2 percent were civilian DOD employees. Non-DOD Federal employees were 570 or 15.8 percent of the total. There is roughly one civilian employee for every two active duty persons on Guam. Assuming an addition of about 8,300 Marines and 4,510 active duty personnel in other military services when the build-up is completed, the number of active duty personnel would increase from 6,520 today to 19,330 in 2014. Current estimates of new civilian jobs on Guam resulting from the build-up are as many as 6,000. Given today's total payroll employment figure of just over 60,000, this would be a 10 percent increase overall in civilian employment after 2014.

Our more immediate concern, however, is finding labor for the construction phase of the build-up—2010 to 2014. Labor of all skill levels will need to be secured. It is estimated that 15,000 persons will be needed for constructing military facilities, and another 5,000 to 7,000 for construction in the civilian areas of Guam. The current local work force on Guam will not be able to satisfy all of these labor needs. As a result, some labor from outside of Guam will have to be imported.

IGIA AND INTERIOR EFFORTS

Contemplating the challenges ahead, it was decided that the Interagency Group on Insular Areas (IGIA) would establish a Guam Task Force to coordinate military build-up issues that cross jurisdictional lines of Federal agencies. Interior and Joint Guam Program Office (JGPO) are leading the Task Force effort. The Task Force has established five working groups: Labor, Infrastructure, Environment, Health and Human Services, and Socio-Economic. The Labor Group has been playing a prominent role.

U.S. Department of Labor Regional Innovation Grant (RIG) Program

The Department of Labor issues Regional Innovation Grants (RIG) for regional labor planning. Members of the IGIA have encouraged Guam to apply for such assistance for use in developing a plan that would anticipate labor demand and supply for the Guam region. The Guam region would include Guam, the Commonwealth of the Northern Mariana Islands (CNMI), the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. Both U.S. DOL and OIA have collaborated with Guam on the submission of a RIG application. When completed, the plan will define the existing regional workforce supply and skill levels, and identify any gaps that could affect the present and future economy of the region. The plan will also set out strategies to address those identified needs.

Up to this point, Interior funding has been aimed at expediting this planning process. In March 2008, the Office of Insular Affairs provided Guam a technical assistance grant of $15,000 to aid the writing of the Guam grant application for U.S. Department of Labor funds to develop a regional labor plan. IGIA continues to work closely with U.S. DOL as a regional labor plan is developed.

It should noted that both OIA and Labor believe a complete solution to Guam's workforce issues can only be realized through regional collaboration. Regionalism makes sense here for several reasons, chief among them is the synergy generated by more compact economic development patterns.

Foreign Labor

Within the IGIA's Labor Group, discussions of the labor supply have centered on two main issues, availability of United States-eligible labor and availability of foreign labor. Those who have looked at the issue closely agree that the massive scale of the Guam military build-up makes the importation of foreign labor inevitable. For

this reason, Public Law 110-229 included a provision lifting the cap on H visa workers in Guam (and the CNMI) for a period of five years ending in 2014. Because there is a nearly inexhaustible supply of labor in nearby Asian countries, the labor needs of this immense project can be met.

United States-Eligible Labor

Discussion and effort now revolve around United States-eligible labor and how to attract such workers to Guam. United States-eligible labor includes persons who are United States citizens, United States permanent residents, and freely associated state citizens. By agreement in compacts of free association, citizens of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau are eligible to live and work in the United States and its territories. These three island countries are in relatively close proximity to Guam. Residents of Guam, of course, and residents of the adjacent CNMI who are United States citizens are also eligible to work in Guam.

United States-eligible and available labor takes precedence over foreign labor for jobs that will become available on Guam. A helpful approach will be to pursue a mechanism that requires that employers will first advertise a job regionally. Then, only if there is no qualified, United States-eligible applicant, can that employer apply for a United States visa for a foreign worker to work on Guam. While the labor needs are daunting, we believe that looking to the United States first will be a significant part of the solution.

Outreach

Part of the problem in attracting United States citizen workers will be both distance and lack of knowledge of the opportunities that will be available on Guam. The Labor Group is discussing possibilities for outreach to persons living in the fifty states by utilizing internet sites and notices for posting by unions and employers and the military for returning veterans.

The Office in Insular Affairs has specific concern for United States-eligible labor in territories of Guam, and the CNMI, and the freely associated states of the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau. Word is already out in these jurisdictions that there will be jobs in Guam.

The challenge is to connect the labor in these other island areas with the employers in Guam. The Department of the Interior is exploring the establishment of a hands-on job match system—or "regional labor exchange"—to enable the matching of potential workers with employers in Guam. In the freely associated states, many persons may need further instruction in English and math, and the cultural differences that they will experience in Guam. Resumes will need to be developed in advance, so that the job applicant will be ready when the job is announced. Transportation to Guam and housing in Guam will need to be arranged. Apprenticeship programs on Guam will be another opportunity available to persons from Guam and the surrounding islands. These programs will teach more specialized skills. In these efforts, the Department of the Interior will be seeking to eliminate difficulties in getting individual workers from their home islands to jobs and job programs in Guam.

One concern we have is that workers, both United States-eligible labor and foreign, will receive comparable wages and benefits. We are actively working, both through the IGIA process and with other Federal agencies, to raise awareness of these issues.

Mrs. CHRISTENSEN. The Chair now recognizes Ms. Bordallo for questions.

Ms. BORDALLO. Thank you. Thank you very much for the opportunity to ask the questions first.

And thank you very much, Secretary Domenech.

General Bice, I have a few questions. I am a proponent for training programs for local workers on Guam. Training programs, as Ms. Connelley notes in her testimony, are critical in ensuring our local workforce has the skills needed to assist in this buildup.

Now, to that extent, what is the Joint Guam Program Office, in conjunction with NAVFAC, doing to ensure that local labor forces will be utilized first before outside workers are sought? And are

local hiring requirements going to be built into contracts released by NAVFAC?

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

Two elements to your question: One is the H Visa process. As I understand it, before an H Visa is granted, there is assertion that there is no local, able, willing, and capable worker ready to fulfill that job; so every job fulfilled by an H-2B Visa applicant, that there is a process we go through, and the Guam Department of Labor goes through to determine that there is no one locally available to fulfill that job. That is the first thing.

The second thing is that from all the businesses that I have been in touch with, and in our own situation for the Joint Guam Program Office, we would rather hire locally first because that is where expertise is.

So we are looking for local labor talent first. I know that the businesses are doing the same. They want to hire the local businesses and local labor to fulfill their requirements. I think that will continue.

The question you had on the contracts. Currently, with small businesses, especially in Guam, 40 percent of all contracts awarded by NAVFAC-Marianas are awarded to small businesses in Guam. That is a significant number of contracts to go to local communities there.

So the fact that current contributing awards to small businesses in Guam, as well as the labor hiring practices, just from all practicality, the businesses will be looking for local talent first before they go off island.

Ms. BORDALLO. What you are saying is that the local hiring requirements are being built into the contracts; is that correct?

General BICE. That is correct.

Ms. BORDALLO. Very good.

My second question here to you, General, you stated in your testimony one of the approaches being considered for temporary construction workforce housing and logistical support is to place the responsibility for such support on the individual construction contractors.

You further state that the Department is investigating other methods to solve questions about workforce housing for temporary construction workers.

I am concerned that placing the responsibility of workforce housing on individual contractors ducks the Federal Government's role in oversight of the well-being of individuals supporting their projects.

Now, we have seen this acquisition strategy in Iraq and Afghanistan fail time after time. When can we expect a final decision on how the Department will solve the issue of workforce housing? Moreover, if the Department decides upon a unified housing strategy, where could we expect to see funding for this initiative come from?

General BICE. Thank you for that question.

This is one of our most important areas when it comes to our workforce, ensuring that particularly the H-2B Visa workers—to

assure that they are housed in a safe, secure manner that meets all of our requirements.

Currently, there is a process in Guam today that assures that process. I have had my staff go out with the local Department of Labor inspectors as they go out there and inspect the facilities in which the workers, temporary workers, H-2B workers are living; and we are satisfied that that is a good process. We are going to incorporate that process into our contract.

So we will judge the capability of the contractor and that contractor's ability for future contracts based upon their compliance with meeting these requirements, that is, ensuring that the workers are housed safe and secure, that they are taken care of, and all matters of standards are being met. We will rely on the Department of Labor to provide us those reports.

We will also go out and spot check to make sure those standards are upheld.

Ms. BORDALLO. Would we need funding for this initiative?

General BICE. As I stated, that will be worked into the construction cost for each project. We will work that in, and that will be an overhead cost that will be worked into each project that we will ask an appropriation for.

Ms. BORDALLO. There is one other question, General Bice, and this concerns me a great deal because I sit as Chair of the Health Committee on the KPAC Caucus.

There is a concern on Guam that health facilities are already strained. How can you address health care issues for guest workers, and is it possible to require contractors to provide health insurance through Guam providers to ensure that these health needs are addressed?

General BICE. Currently, we are studying that issue at this point. Yes, we are going to require contractors to provide health care to their workforce. They certainly will do it for the local job sites, first aid clinics and the like there.

What we are looking for is the third level of care. This is care that would require outpatient clinics. So for x-rays or blood work or lab work we are evaluating to see what solution can be provided. Even today in Guam I have a team that is going around and looking at potential clinics to see how we can use those capabilities that you already have in Guam and, again, put that into our contract overhead to provide that funding.

We are also looking at the naval hospital to see if there is a potential solution there. We have examples around the world where we use the existing naval hospital to provide some level of care to workforce. It is not the ideal solution in Guam, but it is certainly an option to be considered.

We expect to have an answer in the not-too-distant future on which option we are going to choose there.

Ms. BORDALLO. Well, what I am thinking here is, say a large corporation comes in, wins a bid for contracting, and they probably have their own insurance from their companies abroad. What I am concerned about is, would they provide health insurance through Guam providers?

General BICE. Are you talking about Guam insurance companies?

Ms. BORDALLO. That is correct.

General BICE. I don't know what they would be providing there, but I do know that we would require them to provide health care and/or health care insurance. Our concern is Guam Memorial Hospital and the capacity of Guam Memorial on taking on additional patient load. In all the briefings that I have seen and heard from Guam Memorial, they are at max, if not over capacity, in patient load. So what we are trying to find are solutions to not exacerbate that problem that they have at Guam Memorial.

So we are hooking at private clinics on Guam to see if there are solution sets there and whether, through insurance or direct cash payments, that medical care can be provided.

Ms. BORDALLO. Could we perhaps include providing health insurance through Guam providers as a preference?

General BICE. Could I take that question and get back to you on that?

Ms. BORDALLO. Yes. All right.

General BICE. Thank you.

Ms. BORDALLO. Thank you.

I yield back my time, Madam Chair.

Mrs. CHRISTENSEN. Thank you, Ms. Bordallo. You didn't leave me many questions to ask, but I am going to start with this.

Let me start with Deputy Assistant Secretary Domenech. We appreciate hearing that the members of the IGIA encouraged Guam to apply for Regional Innovation Grants to develop a plan that would anticipate labor demand and supply for the Guam region, and that they have actually applied for some of those grants.

Since the Guam region encompasses CNMI, FSM, as well as the Republic of Palau, were those respective governments also consulted to get their input on the plan and how it would benefit them and their residents?

Mr. DOMENECH. My understanding of how the grant process works for the RIG grant is that that consultation is actually part of the development of the plan. So my understanding—and we even had an update as we walked in here to the room—is that Guam has applied for that initial funding from the Department of Labor; and with initial thumbs up from them—and I think they analyze it for a month or so—hopefully, they will get the bigger grant that will develop the regional plan. That is when the consultation happens.

Mrs. CHRISTENSEN. OK. Thank you.

You mentioned also that there were a number of challenges in connecting the labor in these other islands with the employers in Guam. In this regard, what efforts might the Department or had the office been taking to eliminate some of the difficulties in getting the individual worker from their home island to jobs and job programs on Guam?

Mr. DOMENECH. That plan is essentially still in development, but what we envision is using our representatives out in all those islands to create the kind of database connection with each of the local islands to connect to their community college system and university system to facilitate, essentially, that kind of connection.

Mrs. CHRISTENSEN. Thank you.

I guess this could be both of you, and it sort of repeats a question that Congresswoman Bordallo asked, but we just want to be very

clear on it because last year both DOD and DOI testified before the Subcommittee that Guam's labor pool would not be sufficient; and we passed legislation placing Guam outside of the H-2B caps.

Throughout the legislative process we have always been assured that Guam residents would be looked to first, and then the U.S. Mainland and the Pacific region, prior to exercising the authority Congress has authorized with respect to the H-2B Visa.

So my question is just to reiterate: Can both of you reiterate your support here today to employ residents from Guam, the region, and the U.S. mainland, before seeking H-2B visas?

General BICE. Yes, ma'am. The application for the H Visa requires the local department of labor to certify that there is no worker on Guam that is ready, willing, and able to perform that task. We will follow that process.

Mrs. CHRISTENSEN. But after you certify that there is no one on Guam, the U.S. mainland, and the region would also come before you and seek an H-2B Visa employee?

That is also the assurance that we want to have.

General BICE. Certainly, that the employers will look for—if they are on Hawaii or the mainland, they will be looking to see and making advertisements available there. But right now there are 1,700 H-2B Visa workers on Guam today, so the process is working to look at Guam first before they go to elsewhere to look for an H-2B applicant.

Mr. DOMENECH. That would be our position as well. We completely support the way you have described it here, Guam labor first.

Mrs. CHRISTENSEN. The U.S., the region first, U.S. citizens, nationals?

Mr. DOMENECH. U.S.-eligible labor first.

Mrs. CHRISTENSEN. OK. Thank you.

General Bice, a recently updated GAO report, at least last week, continues its observation that the local infrastructure is inadequate to meet the demand required for the buildup, and that Guam officials remain concerned that the number of workers needed will strain their services, such as emergency care medical facilities, housing, and transportation.

In response to Congresswoman Bordallo, you addressed some of the medical facility issues. Your testimony now reflects temporary workers in the range of 25,000. That is in addition, I think, to the number that the GAO may have looked at.

So how is the Federal Government responding to these concerns raised by both the GAO and Guam? What role do you expect the local government to play in responding to these new worker numbers and the GAO concerns?

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

We will continue to coordinate with the Government of Guam, especially the department of labor, as we look at these requirements. Certainly, we can establish in our contracting provisions that if there is additional need for workers, that we ask the contractors to bring them in from off-island.

We know that Guam medical services especially are under strain for shortages of nurses and doctors, and we do not want to take away from Guam Memorial Hospital to staff nurses in a clinic that

we establish there. We will consult with the Government of Guam, and if need be, we will require the contractor to bring those medical care workers from off-island.

Mrs. CHRISTENSEN. And housing?

General BICE. We will get the housing for the temporary workers as we described. We will be monitoring that, especially for the H-2B Visa workers, and that—we anticipate that we are going to have to have the construction contractors to build housing to accommodate those workers.

Mrs. CHRISTENSEN. Thank you. I have no further questions.

I will recognize Ms. Bordallo if she has any questions.

Ms. BORDALLO. Thank you, Madam Chairman. Just to sum up. I found out I do not have to attend that Armed Services. I guess we got everything through.

Secretary Domenech, we have emphasized earlier the need for MOUs as a roadmap for the incoming administration. Is it a priority of the IGIA to assist in this process, and is the MOU between MARAD and the Port of Guam a good example for other Federal agencies?

Mr. DOMENECH. It certainly could be.

I am not aware of any resistance to your idea of doing the MOUs. I would, in fact, like to work with your staff to see if we can't begin the process of detailing exactly how that would be. I think the Secretary would be very supportive of your idea of creating some kind of bridge to the next administration that lays out commitments as much as we can commit to a pathway to help Guam.

Ms. BORDALLO. Yes. There is always the situation where someone new coming in, it just wouldn't be a priority. We can't let that happen. This is too big a thing and too many people involved, and the anticipation and all would be just devastating.

Mr. DOMENECH. We have talked with your staff before. This Secretary, maybe more than any previous one, has been so focused on helping the ancillary areas that now is the time to try to get that done.

Ms. BORDALLO. He has been very cooperative. I thank him very much for that.

I have another question for General Bice.

The issue with housing and insurance for H-2B workers can be addressed through the contracts. However, the burden for eligible workers from the region, such as FSM and the other Micronesia areas, will continue to be an issue. They are not coming in on the same DOD contracts.

How are you going to handle that?

General BICE. Thanks for the question.

We will work with the Government of Guam on that to see what requirements are needed for the housing. I know the Governor has asked me specifically to address the H Visa workers. His main concern was to ensure that they are accommodated in a safe, secure manner, and they meet the standards that we all expect people to be living in. So that has been our focus and our efforts so far.

I will consult with the Government of Guam and the Governor himself to see what needs to be done, if anything, to accommodate those workers.

Ms. BORDALLO. These contract workers are going to be looking at benefits. We can't have anything unfair or we are going to have a real problem. So I think that is an important issue.

How will we provide funding for this?

General BICE. Well, the workers today, the H Visa workers today get a housing allowance from the contractors, and their housing allowance pays for their accommodations. In most cases, they don't have to build the facility; they contract those facilities, and that contracted facility is paid for by the contract itself.

Ms. BORDALLO. Yes, I understand that. But what about this other category?

General BICE. I am not aware of any issue dealing with housing for the non-H Visa workers. I am not aware of any problems there, ma'am.

Ms. BORDALLO. Well, for Micronesians, for one thing, I know it is very important, because I know we will be getting a lot of these people that are interested in working for the buildup.

Have you not discussed it?

General BICE. Certainly, that issue has not been brought to my attention by the Governor, no, ma'am.

Ms. BORDALLO. I think we should put that down as an issue, because it is going to come up.

General BICE. I will discuss that with him.

Ms. BORDALLO. All right.

Madam Chairman, I don't have any further questions. Thank you very much for the time.

Mrs. CHRISTENSEN. I thank Ms. Bordallo for her questions, and I thank the witnesses for their valuable testimony and their thoughtful answers.

Members of the Subcommittee, as I said earlier, may have additional questions for the witnesses, and we would ask for you to respond to these in writing. The hearing record will be open for 10 days for these responses, as well as any additional testimony.

Mrs. CHRISTENSEN. If there is no further business before the Subcommittee, the Chairman again thanks the members of the Subcommittee, Ms. Bordallo, and our witnesses.

The Subcommittee stands adjourned.

[Whereupon, at 3:29 p.m., the Subcommittee was adjourned.]