

# MILITARY BUILD-UP ON GUAM

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## HEARING BEFORE THE COMMITTEE ON ENERGY AND NATURAL RESOURCES UNITED STATES SENATE ONE HUNDRED TENTH CONGRESS

SECOND SESSION

TO

RECEIVE TESTIMONY ON THE MILITARY BUILD-UP ON GUAM: IMPACT  
ON THE CIVILIAN COMMUNITY, PLANNING, AND RESPONSE

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MAY 1, 2008



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## MILITARY BUILD-UP ON GUAM

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THURSDAY, MAY 1, 2008

U.S. SENATE,  
COMMITTEE ON ENERGY AND NATURAL RESOURCES,  
*Washington, DC.*

The committee met, pursuant to notice, at 2:15 p.m. in room SD-366, Dirksen Senate Office Building, Hon. Jeff Bingaman, chairman, presiding.

### OPENING STATEMENT OF HON. JEFF BINGAMAN, U.S. SENATOR FROM NEW MEXICO

The CHAIRMAN. Why don't we go ahead and get started. Thank you all for coming. The committee will receive testimony on the military buildup on Guam, and the impact on the civilian community in planning and response to that buildup.

We have five very distinguished witnesses today. I believe Governor Camacho is on his way, perhaps caught in traffic or somewhere. Congresswoman Bordallo, thank you for being here. General Bice, thank you for being here. Mr. Pula, appreciate your presence today. Mr. Lepore, thank you very much for being here.

Guam is one of the most strategic locations in the United States. It's played an important role in our history for over a century. The people of Guam have demonstrated great loyalty to the Nation, particularly during the Japanese occupation, and today a new generation continues to demonstrate their commitment through their military service and sacrifice.

The Defense Department's global restructuring of forces calls for a substantial expansion in Guam. The military and dependent population is expected to grow from 14,000 to 40,000, and tens of thousands of additional temporary and permanent civilians will be needed to provide supporting labor and services. This growth, which is perhaps as much as a 50-percent increase in population for Guam, will require the expansion of housing and roads, utilities, and schools and hospitals. Construction is to begin in July 2010, and to be largely completed within 4 years, at a cost of about \$15 billion. This is a very ambitious schedule. One question we're dealing with today is, What is needed in order to meet these deadlines?

I'm concerned that the Federal civilian agencies may not have the coordination and leadership needed to manage the civilian side of the buildup. The Secretary of Interior chairs the existing Inter-agency Group on Insular Areas, and this group has established a Guam Task Force; however, this structure appears to lack the au-

thority needed to resolve many of the issues that will arise, particularly the funding needs.

Another question is, Are steps needed to strengthen interagency coordination and leadership? The Defense Department has experience in planning and managing large military projects. It has established the Joint Guam Program Office to coordinate its efforts, and the Joint Military Master Plan is expected, in July. I'm concerned, however, that the Government of Guam lacks the capacity and resources to plan for and meet civilian needs unless there is additional Federal assistance.

Where will Guam obtain the professional and financial resources to properly plan and manage and meet the needs of the civilian community? That's another crucial issue for us today.

I look forward to the testimony this afternoon, to working together to help assure that this national security initiative will be planned and managed in a way that benefits the entire community of Guam, both the military and the civilian.

I know Senator Akaka is here, and has taken a great interest in this issue, and let me call on him for any statement he has.

**STATEMENT OF HON. DANIEL K. AKAKA, U.S. SENATOR  
FROM HAWAII**

Senator AKAKA. Thank you very much, Mr. Chairman. I want to thank you and the ranking member for holding this very, very important hearing.

I want to welcome the panel that's here today, and very good friends. I also want to say that I'm glad to see Congressman Ben Blaz here today. I want to say, Ben, aloha and welcome. To all of you, hafa adai.

I look forward to receiving your testimony as the committee explores the impact that the DOD's plans for—have for an increased military presence, and what it will have on the population of Guam.

I also look forward to the opportunity to discuss the planning and resources needs of the civilian community in preparation and response to that anticipated buildup. It is my understanding that, while the Department of Defense has established a broad framework for military buildup on the Guam, the DOD continues their planning process, including preparation of a Joint—Guam Joint Military Master Plan, which I understand is still in the DOD review process.

Similarly, I know that the Government of Guam is still in the initial stages of addressing the many infrastructure challenges associated with a military buildup. I want to congratulate you for the work you have all done thus far. I know this process poses many inherent challenges and unexpected difficulties that you are to be commended for your efforts in doing this.

As we move forward, it is crucial that DOD and other Federal agencies continue to work in close coordination with one another and Guam's local government. In particular, it is vitally important that each entity and contributing partner share a collective understanding, based on accurate and timely information, with respect, not only the military's, but also the community's, needs. Only by working collaboratively will we truly be able to plan accordingly,

including ensuring the Federal resources are appropriately allocated to this undertaking.

I also want to take this opportunity to express my support of H.R. 1595, the Guam World War II Loyalty Recognition Act, which passed in the House and is currently pending before the Senate Committee on the Judiciary. The people of Guam deserve no less than to be recognized for the loyalty and courage they displayed during the World War II occupation of Guam by the Japanese. I know the Representative here from Guam has worked hard on this bill, and we'll be looking forward to it—to have it here in the Senate.

Once again, thank you, to the witnesses, for being here today.

Thank you, Mr. Chairman.

The CHAIRMAN. Thank you, Senator Akaka.

Let me just recognize each of the witnesses here before they start their testimony.

First is The Honorable Madeleine Bordallo, who is Congresswoman from Guam. We appreciate you being here, very much. Honorable Felix Camacho, who is the Governor of Guam, thank you very much for being here. General David Bice, who is the director of the Joint Guam Project Office here in Washington, thank you for being here. Mr. Pula is the director of the Office of Insular Affairs in the Department of Interior. Thank you for being here. Mr. Brian Lepore is director of Defense Capabilities and Management in the United States Government Accountability Office here in Washington.

So, thank you all for being here. All of your—your complete statements will be included in the record. If each of you could identify the points you think are most important for us to understand—and we'll proceed in that way.

Ms. Bordallo, why don't you start, and we'll go right across the table, there.

**STATEMENT OF HON. MADELEINE Z. BORDALLO, DELEGATE  
TO CONGRESS, GUAM**

Ms. BORDALLO. Thank you very much, Chairman Bingaman. My dear friend Senator Akaka, thank you for being here with us.

Again, I would like to mention the presence of General Ben Blaz. He served in the House for four terms, and he has been very supportive of many of the issues facing Guam. So, I want to thank him for his attendance here today.

Mr. Chairman, thank you very much for the opportunity to testify on the very important topic of the military buildup on Guam and its impact on our community. Over the next 6 years, the civilian and military populations on Guam will increase substantially as a result of the major military realignments in the Pacific region and alliance transformation with Japan.

Of particular importance to Guam is the planned relocation of 8,000 marines and 9,000 of their dependents from Okinawa to Guam. Air force units are also being relocated from South Korea to Andersen Air Force Base. Additionally, Guam is expected to host a transit carrier presence, along with increased naval and United States Army activities. In the total, the realignment is estimated to cost roughly \$13 billion through 2014.

Beginning in fiscal year 2010 through the completion of these projects, the Department of Defense estimates that it could spend over \$2 billion in military construction funds on Guam per year. The compressed timeline driving this substantial annual investment is a result of the Alliance Transformation and Realignment Agreement reached by the United States and Japan in October 2005. The compressed timeline in various infrastructure improvements that are needed on Guam pose significant challenges to making this buildup a success for our community. These challenges were identified by the GAO in its September 2007 report on DOD Overseas Master Planning.

Despite the massive investment of military construction dollars, there is a critical need to concurrently improve the civilian infrastructure in Guam, and that is why I have called for the development of a memorandum of understanding between the Government of Guam and their Federal counterparts. These MOUs will be an important step toward identifying source of funds to pay for critical improvements to the civilian infrastructure that will be identified by Governor Camacho in greater detail.

The MOUs will help the Government of Guam plan for the commitments that they will need from the Federal Government to make these infrastructure improvements. Moreover, the MOUs will ensure the continuity of this realignment process.

As the administrations prepare to change, here in Washington, DC, we need to ensure that there is a roadmap that we can depend on. Guam cannot meet this timeline without commitments from the Federal Government. Regardless of who wins the Presidential race later this year, the massive buildup will continue to move forward. A lack of future commitments could very well jeopardize the necessary improvements that are needed to Guam's infrastructure. So, we welcome the committee's assistance in ensuring that the Bush administration provides its guidance for how the Federal Government will assist Guam.

The Interagency Group on Insular Areas, or the IGIA, was established to make recommendations to the President regarding policy implementation actions of the Federal Government affecting the insular areas. I have encouraged Secretary Kempthorne and Secretary Winter to fully utilize the IGIA and continue working with other Federal agencies and departments to facilitate the development of these MOUs. Time is of the essence, and I hope that these MOUs can be completed before the end of the year.

The military buildup presents many, many challenges, Mr. Chairman. Our community has environmental and social concerns, and we look to congressional oversight to ensure that the military buildup occurs in an environmentally sensitive and socially responsible manner. I believe further support is needed to complete a sound EIS under NEPA.

There is one issue that I also want to raise, and Senator Akaka alluded to it, and that is the importance for the Senate to pass H.R. 1595, the Guam World War II Loyalty Recognition Act, which has previously passed the House by a two-thirds margin and is now before the Senate. If you want to know how you can be helpful, the short answer is to pass H.R. 1595. By bringing closure to this issue, we reaffirm that the United States values the sacrifices of

the people of Guam. As we begin a new era in our security relationship between the United States and Japan, Guam seeks closure to a painful chapter in our history. The people of Guam stand ready to do our part for our national security, but we do not want to be taken for granted. So, passing H.R. 1595 in the Senate will be tremendously helpful.

Mr. Chairman, I thank you for this opportunity to address you, and I look forward to your questions.

[The prepared statement of Ms. Bordallo follows:]

PREPARED STATEMENT OF HON. MADELEINE Z. BORDALLO, DELEGATE TO  
CONGRESS, GUAM

Mr. Chairman, thank you for this opportunity to testify today on the very important topic of the military build-up on Guam and its impact on our community. Over the next six years the civilian and military populations on Guam will increase substantially as a result of the major military realignments in the Pacific Region and alliance transformation with Japan. Of particular importance to Guam is the planned rebasing of 8,000 Marines and 9,000 of their dependents from Okinawa to Guam. Plans are also underway to relocate some Air Force units from South Korea to Andersen Air Force Base. Additionally, Guam is expected to host a transient carrier presence along with increased Naval and U.S. Army activities.

In total, and according to the Department of Defense, the realignment is estimated to cost roughly \$13 billion through 2014. Beginning in fiscal year 2010 through the completion of these projects the Department of Defense estimates that it could spend over \$2 billion in military construction funds on Guam per year. The compressed timeline driving this substantial annual investment is a result of the alliance transformation and realignment agreement reached by the U.S.-Japan Security Consultative Committee on October 29, 2005, and further ratified in May 2006. The compressed timeline and various infrastructure improvements that are needed on Guam pose significant challenges to making this build-up a success for both the military and civilian communities. These challenges were identified by the U.S. Government Accountability Office in its September 2007 report on overseas master planning by the Department of Defense and the implementation of the Integrated Global Presence and Basing Strategy. Despite the massive investment of military construction dollars there is a critical need to concurrently improve the civilian infrastructure on Guam.

That is why I have publicly called for the development of Memorandums of Understanding between the Government of Guam and their federal counterparts. These MOUs will be an important step towards identifying sources of funds to pay for critical improvements to the civilian infrastructure including the need for additional public safety personnel, schools, teachers, improved water distribution system, increased wastewater system capacity, an upgraded electrical system and highways, to name a few of the many improvements that will be needed on Guam to sustain an increased population. The MOUs will help the Government of Guam plan for the commitments that they will need from the federal government to make these infrastructure improvements.

Moreover, the MOUs will ensure the continuity of this realignment process. As Administrations prepare to change here in Washington, D.C. in January 2009, we need to ensure that there is a road map that we can depend on. Guam cannot meet this timeline without commitments from the federal government. Regardless of who wins the Presidential race later this year, the massive build-up will continue to move forward. A lack of future commitments could very well jeopardize the necessary improvements that are needed to Guam's infrastructure. Guam cannot meet these obligations without federal assistance, and we welcome the committee's assistance in ensuring that the Bush Administration provides its guidance for how the federal government will assist Guam.

The Interagency Group on Insular Areas (IGIA) was established to "make recommendations to the President, or to the heads of agencies, regarding policy or policy implementation actions of the Federal Government affecting the Insular Areas". I encourage Secretary Kempthorne and Secretary Winter to continue working with other federal agencies and departments through the IGIA to facilitate the development of these MOUs. As with everything regarding this build-up, time is of the essence and I hope that these MOUs can be completed before the end of the year.

The military buildup will present challenges to Guam in many areas. Our community has environmental and social concerns and we look to aggressive Congressional oversight to ensure that the buildup occurs in an environmentally sensitive and socially responsible manner.

There is one last issue that I want to raise with the committee. It is important for the Senate to pass H.R. 1595, the Guam World War II Loyalty Recognition Act, which has previously passed the House by a two-thirds margin and is now before the Senate. If you want to know how you can be helpful, the short answer is to pass H.R. 1595. By bringing closure to this issue, we reaffirm that the United States values the sacrifices of the people of Guam. As we begin a new era in our security relationship between the United States and Japan, Guam seeks closure to a painful chapter in our history. The people of Guam stand ready to do our part for our national security, but, we do not want to be taken for granted. Passing H.R. 1595 in the Senate will be a tremendously helpful step.

Mr. Chairman, thank you for this opportunity and I look forward to your questions.

The CHAIRMAN. Thank you very much for your testimony.  
Governor Camacho, thank you for being here. Go right ahead.

**STATEMENT OF HON. FELIX P. CAMACHO, GOVERNOR OF  
GUAM, HAGATNA, GU**

Mr. CAMACHO. Thank you, Mr. Chairman and Senator Akaka.

On behalf of the people of Guam, I thank you for this opportune to provide testimony on the military buildup on Guam, its impact on our community and our responses to planning and response.

In Proverbs 24:3, it says, "It takes wisdom to build a house and understanding to set it on a firm foundation." Mr. Chairman, Guam is a viable and relevant stakeholder in this endeavor. It starts with the understanding that our future begins with the decisions made today and in the near future. As we make the most of the present, we build for our future, one step at a time.

In less than 4 years, the United States Marines will begin arriving on our shores, starting a migration of United States military servicemen and -women and their families. Construction workers, military contract workers and their families, and others are moving to Guam. What this means is that our island will absorb a 30-percent increase in population by 2012. This is the equivalent of adding almost 550,000 people within a 6-year period to the great State of New Mexico, your home State.

Guam is becoming the tip of the spear for our country's mission in this part of the world, where emerging threats and growing American interests rest. Just as the people of Guam and the nation—and the region have answered the call of duty, fighting in every war and conflict of the past century, we stand ready to support our country in this strategic mission to help improve the security of the nation.

The measure of our commitment is seen in the efforts we've already taken to prepare our entire island community, both civilian and military. We've submitted scoping comments for use in the preparation for the environmental impact statement for the marine relocation from Okinawa. We've made needs assessments that quantify off-base improvements. We've reallocated funding from a pool of limited resources to develop master plans for the only civilian seaport in our transportation system. We've taken many other steps, with limited information and our finite resources, to prepare the way. If done well and with a true Federal commitment to the success of the buildup in Guam, our island will be well equipped—

it will be a well-equipped military forward-operating location in the highly volatile Southeast Asia and Western Pacific regions.

This future that we envision depends on the Federal commitment to a Federal responsibility borne by the United States-Japan Alliance, the Transformation and Realignment for the Future, as entered into the United States and Japan in 2005, and efforts that Guam already is undertaking. Government leaders, the private sector, the civilian and military communities in Guam, have come together since 2006 under the Civilian-Military Task Force I created to focus on the buildup efforts.

Even before the news of the marine relocation, our government has been building roads and schools, improving utility infrastructure, and preparing for normal growth needs. While the Government of Guam has made tremendous strides with limited resources, no American community can shoulder the challenges of a 30-percent increase in population to which this bilateral agreement consigns our people.

For military construction on Guam, Japanese and United States Government contributions are grants that need no direct repayment. Guam, on the other hand, is expected to obtain debt financing to fund off-base improvements and to bear this burden alone.

Mr. Chairman, the brave marines, soldiers, airmen, and sailors of our nation do not live within a fenceline in any United States community. We cannot disregard the fact that the condition of off-base infrastructure and social programs will affect their quality of life. They will travel on the same roads, utilize the same resources, and live in the same community we all share today.

We've already taken great pride in ensuring that among the greatest memories of our military—of military service is the warmth and hospitality of the people of Guam. We call it the "hafa adai spirit." But the 30-percent population increase in a 6-year period places unprecedented, severe impacts on Guam's infrastructure and social programs. We want to be ready, so that we can continue providing America's front line with a home away from home without jeopardizing the basic services the Government of Guam provides to the local community.

It is unrealistic for any American community to plan for, fund, and manage unfunded Federal mandates imposed by the bilateral agreement within the aggressive timelines without assistance from the United States Government. The delta between normal growth and military expansion must be covered by appropriations of the U.S. Congress. I have asked the military and Federal agencies for funding to implement an aggressive schedule of improvements. And we've received support from Federal agencies by way of program funding, including the United States Department of the Interior, through the leadership of Secretary Kempthorne, and the Office of Economic Adjustment of the United States Department of Defense. But, the scope of changes that needs to occur very quickly, we cannot "grant" our way through this transformation. Significant commitments have yet been made. Only notional or predecisional information has been provided to assist our planning efforts. We've been told that the earliest funding cycle for consideration is fiscal year 2010 budget.

Mr. Chairman, military construction is expected to start in 2010, and Guam already is experiencing its initial effects within the cost of real-estate soaring, a tenfold increase in land-use permits, and the number of shipping containers arriving at the only commercial seaport expected to increase 600 percent in 2 years to support the construction boom. Time is running out, and we need a true Federal commitment, sir.

With time running out, I have to say that we are working on submitting our fiscal year 2010 budget request for improvements to the many infrastructure programs I've mentioned, and I humbly ask this committee to support the funding of high-priority projects now, in the fiscal year 2008 and 2009 budget, so that our island can prepare for the growth occurring and that is yet to come.

I want to say that I acknowledge that there are many challenges that Guam is responsible for. However, the people of Guam do expect the Department of Defense and the Federal Government to underwrite the cost to Guam's local community that are directly and indirectly associated with the DOD-driven requirements for the buildup.

It is in Guam's and the Nation's best interests that this buildup produces sustainable outcomes for our island. An integrated approach, one that starts with Federal funding commitment now and that considers the people of Guam, our rights, our health and well-being, as well as the military value to our island, is crucial.

I humbly ask for your support in funding the necessary infrastructure requirements, and I thank you for this opportunity, sir.

[The prepared statement of Mr. Camacho follows:]

PREPARED STATEMENT OF HON. FELIX P. CAMACHO, GOVERNOR OF GUAM,  
HAGATNA, GU

#### INTRODUCTION

Hafa Adai Mr. Chairman and members of the Committee:

On behalf of the People of Guam, thank you for this opportunity to provide testimony regarding the U. S. Military Buildup of Guam.

Today, our focus is on the planned military build up of Guam that will affect our Nation, our region and most especially, our island. What is known thus far is that 8,000 Marines and their 9,000 dependents will be relocated from Okinawa to Guam. Navy, Army, Air Force and Coast Guard mission growth unrelated to the Marine relocation will bring another 12,130 active duty personnel and their dependents, which is approximately a 40,000 military population increase. An estimated 20,000 immigrant workers will be needed to construct \$15 Billion in improvements required by our Armed Forces. This investment will generate a projected 20,000 increase in Guam's civilian population from military contract employees and families and individuals moving to Guam to improve their quality of life. Altogether, a 30% increase is expected in the 170,000 population already resident in Guam. This is the equivalent of adding almost 550,000 people within a six year period to the great state of New Mexico, the home state of the honorable Chairman and the Ranking Member of this auspicious Committee. While these are staggering numbers for any community, the Bi-Lateral Agreement between the Government of Japan and the United States contains an aggressive implementation schedule that requires the Marines to begin leaving Okinawa within four years, by 2012, and to complete the relocation two years later, by 2014. It is this aggressive schedule that, not only demands the full commitment of the Government of Guam, the Department of Defense and the majority of Federal Departments and Agencies, but creates an anxiety and uneasiness amongst the community and those actively involved simply due to the sheer magnitude of the expected growth in population, but more importantly, the significant impact on Guam's infrastructure and social programs. It is unrealistic for any community in the U. S. to plan for, fund and manage unfunded federal mandates imposed by the Bilateral Agreement within the timeline without assistance from the

U. S. government. Guam's planned military buildup will impact the lives of everyone who lives on Guam, both civilian and military communities. But just as the people of Guam and the region have answered the call of duty to join the U. S. Armed Forces in every conflict in this century and in numbers that surpass communities of similar size, so will the people of Guam carry out our responsibility as proud Americans to support our country in this strategic mission to help improve the security of the nation. We all share in this historic opportunity to improve the quality of life of all loyal American citizens in Guam while positioning Guam to play a more significant role in the defense of our country as a well-equipped military forward operating location in the highly volatile Southeast Asia and Western Pacific regions.

*Military buildup on Guam must become a National Priority accompanied by a federal commitment to fund its direct and indirect requirements both inside and outside military bases*

While the military buildup is expected to have a significant impact on Guam's economy, the security of our nation remains a federal responsibility. Guam does not have the sufficient resources necessary to implement this agreement, fund improvements required by military buildup outside military bases or absorb the up-front costs of preparing our island and bracing it for impacts we all know will come. Guam barely has enough to sustain the current level of operations and, therefore, will not have the resources to readily respond to the demands of the build-up. The Bilateral Agreement is a result of negotiations between two of the richest and most powerful nations in the world today. As a bilateral agreement between sovereign governments, its implementation must be a sovereign national priority. The Japanese Diet has already enacted policy and made appropriations to implement the Bilateral Agreement, while it appears the U.S. Government's approach is fragmented, especially with regard to funding.

For U.S. military construction on Guam, Japanese and U. S. Government contributions are grants that need no direct repayment. Guam on the other hand, is expected to obtain debt financing to fund off-base improvements or to enter into public/private partnerships (which require Guam to invest its resources in these partnerships) to support the buildup. The potential for overexpenditure similar to the experiences of other U. S. communities, such as Junction City, Kansas, is real, particularly since we have no control over the timing and cost of relocation. Our 1993 experience with the unfulfilled promise of relocation of U. S. Naval Forces from the Republic of the Philippines provides a relatively recent basis for exercising caution in committing significant resources. Guam has been placed in the unenviable position of having to seek out federal and other forms of financial support for a program that clearly is a national priority. As Lieutenant Governor of Guam Michael W. Cruz eloquently states, "military buildup of Guam is analogous to a canoe that will capsize if improvements on-base are not accompanied by improvements off-base. Only through a holistic approach can balance be achieved and maintained in our journey forward."

Even though the military buildup is four years away, Guam is already experiencing its initial effects. Real estate prices have doubled. The cost of homes has tripled. There has been a 10 fold increase in the number of land use permit applications for new housing and commercial development. Our homeless population is growing, our hospital is already over-crowded, and in-migration is on the rise. In less than 2 years, the number of containers arriving at the Port Authority of Guam (Guam's only seaport) to support the construction boom is expected to increase by 600% per week.

In 2006, I created a Civilian Military Task Force (CMTF) comprised of Guam's private sector, government leaders and military representatives. The CMTF is supported by 11 subcommittees covering the major areas of concern to our local community, with subcommittees consisting of members of Guam's general public, nonprofit organizations, the Guam Legislature, and all the agencies of the Government of Guam. The CMTF and its 11 subcommittees have submitted scoping comments for use in the preparation of the Environmental Impact Statement for Marine relocation; needs assessments that quantify off-base improvements in support of military mission growth; and have engaged in teleconferences and presentations to various federal agencies represented at meetings of the Interagency Group on Insular Areas (IGIA) task force created by Presidential Executive Order on May 8, 2003 and the Federal Regional Council (FRC), consisting of all federal agencies that provide oversight and assistance to Guam. We are reallocating funding dedicated to priority projects unrelated to the military buildup, to develop a master plan for the only civilian harbor in Guam that is expected to bear the brunt of in-coming military cargo and a critical chokepoint to support the buildup. A transportation plan for highways used by the military to transport goods from the harbor to military installations is-

land-wide will soon be completed. Every aspect of life and living on Guam including health, education, welfare, public safety, natural resources, housing, labor, infrastructure, environmental protection, taxation, doing business requirements, and socio-cultural challenges are being assessed at tremendous local cost, to improve the quality of life of all Guam residents, including the military.

And while we confront the growing challenges at home, the majority of the Federal Departments and Agencies only became aware of the Department of Defense's initiatives this past August. They have been scrambling to understand the Defense Department's initiative and how it translates into unforeseen or non-programmed requirements. As a result, we have collectively missed the Fiscal Year 2008 and 2009 federal budget cycles and may have difficulty securing funding under the Fiscal Year 2010 budget.

During a November 2007 Interagency Task Force meeting in Washington D.C., Government of Guam representatives were informed by the Office of Management and Budget that Fiscal Year 2008 funding, required by the Federal Agencies and the Government of Guam to support the DOD move from Okinawa to Guam was "virtually impossible." We were further notified that getting into the 2009 Budget would be "almost impossible."

From an Executive Branch perspective, Fiscal Year 2010 is the earliest opportunity to request funding. As it currently stands, our FY2010 budget request of approximately \$6.1 Billion dollars consists of the following:

- \$195 Million for Port Expansion
- Present studies estimate \$4.4 Billion for Roads
- \$666 Million for Power infrastructure
- \$192 Million for Water infrastructure
- \$593 Million for Education
- \$47.3 Million for Public Health
- Preliminary study is an estimated \$7 Million for A/E for Hospital

The Committee's support of this request is humbly solicited to fund high priority projects in FY2008 and FY2009 as well as our community's needs in order to fully support this buildup moving forward, beginning with a full budget request in FY10. I will make all Government of Guam resources and entities available to help the Committee better understand Guam's challenges and rationale for our budget request.

I am encouraged by the greater interaction between the Government of Guam and federal agencies over the past six months. This interaction is critical to understanding what is needed to respond to this tremendous growth and the certain impacts to the Guam community now and for our future generations. Each federal agency has evaluated its programs in an effort to identify those that can be marshaled to assist in satisfying local needs associated with military buildup. However, existing federal program authorizations do not satisfy all needs as funding and coverage are limited. Various health care programs have funding caps imposed on the amount of assistance that can be provided to Guam while other programs are simply not extended to Guam. While the Government of Guam continues to work with federal agencies to improve the accountability of federally funded programs, I assure you that federal funding received for military buildup will go directly to identified priority infrastructure projects and that there will be full accountability and transparency.

The Bilateral Agreement does not constitute a Base Realignment and Closure (BRAC) action normally characterized by a commitment of federal resources for implementation. We recognize that stateside communities surrounding realigned bases such as Holloman and Cannon Air Force Bases in New Mexico, Ellsworth Air Force Base in South Dakota, Bremerton Naval Station in Washington, Butte Army Reserve Center in Montana among others with representation on this Committee, have had to fight hard to obtain full appropriations to cover base and community needs. While this fight is not an easy one especially in this time of competing budgetary needs, the pursuit of funding by Congressional Delegations is consistent with policies established under BRAC law. The Guam buildup is not a BRAC action so obtaining required resources is even more difficult.

To assist the Committee in understanding and hopefully supporting our needs, I directed the CMTF to develop our budgetary requirements based upon preliminary assessments of the challenges to be faced. With the financial assistance from the Office of Economic Adjustment, Guam has developed an initial master plan which identifies Guam's challenges. We have utilized in-house expertise via the CMTF and its subcommittees to complete the remaining tasks to finalize the Master Plan.

*A true partnership between the United States and its territory of Guam must be established and maintained to ensure program success*

Discussions between the United States and Japan with respect to the details of the Bilateral Agreement have been underway since 2006. Unfortunately, the Agreement was concluded without any input from Guam's leadership. Frequent mention by military officials is made of the inability to accommodate Guam's needs since negotiations on the subject matter have already been concluded between the U. S. and Japan. Financial shares identified in the Bilateral Agreement and subsequent negotiations appear to limit the use of funds to military-related construction only to support the Marine relocation.

Use of Japanese contributions for infrastructure only on-base as opposed to using some funds off-base to allow efficiencies are an example. It will require less U.S. tax dollars to fund the incremental cost to improve and operate single integrated utility systems rather than building and maintaining separate ones. The funding needed to build and maintain a separate DOD power system to serve only 20% of total island demand would be better spent on upgrading the entire transmission and distribution system, benefiting both civilian and military ratepayers. This is consistent with existing federal law. Over \$2 Billion in Japanese contributions are to be used by Special Purpose Entities that may not have to follow U. S. or Guam requirements regarding taxation, small business, or other "doing business" requirements. Guam must be provided a "seat at the table" even if only during U.S. delegation preparatory meetings in advance of negotiations with the Japanese.

Of particular concern is the lack of information being provided on the buildup program as reinforced by reports from the U.S. Government Accountability Office. All information released thus far is either "notional" or "pre-decisional." While we understand the sensitivities of operating under the National Environmental Policy Act, the people of Guam must be full partners to appreciate the breadth and depth of buildup plans so that realistic alternatives and plans can be developed. Most information obtained is provided through the Joint Guam Program Office (JGPO) and while we enjoy a close working relationship between JGPO and the Government of Guam, local consensus is that information released by JGPO reflects decisions already made.

As mentioned earlier, a smaller but somewhat similar effort to buildup Guam was undertaken by the U. S. Navy in 1993 when its bases in the Philippines were closed. At that time, the Navy proposed to relocate approximately 3000 personnel and dependents and invest \$300 Million over four years to support relocation. Today, DOD is proposing to relocate six times more personnel and invest fifty times more money over a similar period of time and they are spending less on mitigation planning and economic analysis than the proposed move from Subic to Guam.. In short, 15 years ago the Navy took greater care of Guam's needs for a proposed build-up that was 50 times smaller than what we are facing today. Although 90% of the comments received during the Navy's EIS scoping meetings dealt with socio-economic concerns, the analysis of socioeconomic issues is sorely limited. The current effort appears to be a simple collection of available data and where data does not readily exist, no effort will be expended to collect such information. The scope of work, which we have requested but have never received, is reported to be deficient in the development of multipliers to show the military's contribution to the Guam economy and the effects of the buildup on Guam's cost of living, real estate values, and overall quality of life. Job creation, retention and impacts on existing industries must be evaluated. Mitigation measures must be developed based upon objective analysis of data. The data collected and analyzed should allow us to develop long term plans to ensure that the few short years of double-digit growth associated with the Guam buildup can be managed to sustain the Guam economy. In Hawaii, the Honorable Senator Akaka's home state, a Supplemental EIS for Hawaii to absorb 5,000 to 10,000 more military personnel based upon "Grow the Army" requirements to study base capacity to support long term decisions is being undertaken. We ask that the military buildup EIS thoroughly analyze the capacity of the local community to support mission growth.

*Various statutory and administrative enablers will ensure program success*

For the military buildup of Guam to be truly successful, the following initiatives must be put in place:

- The Military must be a customer of Guam's infrastructure systems.
- The military has indicated that level of construction that Guam can handle is about \$1B since largest level of construction experienced in the past is \$800M. However, if military informs public about types of business services needed, private sector will respond.

- Military authorized to use alien labor and cap on alien labor will soon be lifted however, need increased funding to train local labor force in order to achieve long term benefits and efficiencies from a life cycle perspective.
- Support legislation to appropriate funds for the Guam Buildup. We cannot grant our way through to meet the demands needed today.
- Involvement of CNMI and other regional jurisdictions for workforce development and increased tourism opportunities
- Military has tendency of stationing active duty personnel on a 3 month (or less than 180 days) rotating basis which prevents Guam from collecting income taxes as provided under Section 30 of the Organic Act. Section 30 must apply annually to billet not length of time of TDY personnel
- Military housing payments must be provided in a fashion that does not create gap in ability to provide affordable civilian housing or increase Guam's homeless population.
- Japanese financial contributions that will be used by US must be required to follow federal law (small business, social security taxes, etc.)
- Special purpose entities established by Japanese must provide benefits to Guam
- Maximum opportunity to obtain contracts must be provided to local and small businesses.
- Military must be required to enforce local doing business requirements to the maximum extent practicable.
- The USDA Federal Loan Guarantee and Critical Access Hospital programs to provide additional technical assistance to Government Guam for funding submission requests for critical infrastructure projects.
- Mid-decade Census conducted to adequately address population growth as a result of the military buildup.
- Given the likely high impact in population on the northern island, designating Dededo and Yigo villages as rural development.
- Lift Medicaid and Medicare reimbursement caps, as well as increase formulary cap grants to Guam.
- Military ensure that adequate safety officers on ground beginning from the construction phase.
- Fully reimburse Guam for compact impact aide

### *Conclusion*

While Guam's proximity to Asia reduces the tyranny of time and distance for military operations, our distance from policy makers in the U. S. creates an "out of sight—out of mind" perception in the minds of the American citizens residing in Guam. Initiatives taken by Congresswoman Madeleine Z. Bordallo to bring Congressional Delegations to Guam have helped reduce this distance and change local perception. Congresswoman Bordallo has brought attention to our needs and we invite members of this Committee to come to Guam to view first hand our challenges and our hope for a better future.

No doubt, we all have many hurdles to overcome. Given the magnitude of this endeavor and the short time within which to accomplish it, success requires that all of us work collaboratively and that we view each other as partners working toward a common good for the security of this great nation.

As Governor for the people of Guam, I acknowledge there are many challenges that are Guam's responsibility—challenges that are results of our current program levels and the natural growth of our island community. We are already taking steps to address those issues. However, I do expect DOD and the federal government to underwrite the costs to Guam's local community that are directly and indirectly associated with DOD driven requirements for the move of the 3rd Marine Expeditionary Force to Guam and the requirements of the other military services including the National Guard and Reserves.

It is in the best interests of the Nation and the people of Guam that the military buildup produces sustainable outcomes, both physically and socially, for our island. An integrated, holistic approach that considers the people of Guam, our rights, our health and our well being as well as the military value of our island is crucial.

DOD's unprecedented expansion is being undertaken in our patriotic American community. Today, the people of Guam are overwhelmingly in support of a greater military presence on our island. They believe that bringing the military back is good for our nation's defense and our people's prosperity. But that goodwill must not be exploited at the expense of the people of Guam. While the opportunities resulting from the military build up are promising, the challenges we face in preparing for it are equally burdening.

Many of the Administration and federal agency officials we have worked with since 2006 may leave office over the next few months. This fact poses a whole new

set of challenges that could be overcome by the Congress in setting overall policy that transcends administrations.

Guam is the only player in the build-up that knows what is necessary to adequately accommodate a U.S. national decision. Guam does not have the resources to meet the military's needs. Our small island only has enough to sustain our normal population growth rate of 6% over 10 years. Now we are being told to prepare for a 30% increase in 4 years and it's up to us to find the funding. This unprecedented growth is beyond our ability no matter how willing we might be to accept the responsibility being asked of us. If we are to succeed in this partnership, Guam must become a true partner with our requirements carrying the same weight and consideration as the military requirements.

On behalf of the people of Guam, I humbly ask for your support in funding the necessary infrastructure requirements. We commit our resources to you to accomplish this task.

Thank You.

The CHAIRMAN. Thank you very much.  
General Bice, go right ahead.

**STATEMENT OF GENERAL DAVID BICE, EXECUTIVE  
DIRECTOR, JOINT GUAM PROGRAM OFFICE**

General BICE. Mr. Chairman, Senator Akaka—pleased to appear before you on behalf of Assistant Secretary of the Navy for the Installations and Environment, the Honorable B.J. Penn.

The fourth realignment effort in Guam is a dynamic program. And while there have been tremendous progress, one thing remains constant: this is an undertaking of substantial proportions, one that will have far-reaching effects throughout the region.

The program will require the support from multiple partners, including the Government of Guam, Commonwealth of Northern Mariana Islands, the Government of Japan, our combined services, and applicable Federal agencies. It's important for all of us to understand that this major force realignment project is vital to our strategic posture on the Pacific-Asia theater and the security of our Nation. This multifaceted relocation effort will ensure United States forces are positioned to defend United States Pacific territories and the homeland, maintain regional stability, maintain flexibility to respond to regional threats, project power throughout the region, defend Japan and other allies by treaty agreements, and providing capabilities that enhance global mobility to meet contingencies around the world.

DOD has expended significant time, manpower, and financial resources to push this program forward. The Joint Guam Program Office identified \$57.4 million between fiscal years 2007 and 2008 for the relocation of forces to Guam. The services have expended \$35 million to date. We have held two industry forums, three inter-agency task force meetings, and three environmental partnering sessions. We're working closely with the Department of the Interior to assist the Government of Guam in, No. 1, identifying its core requirements, and, No. 2, matching up those requirements with potential Federal agencies that may be able to provide the necessary resources to address Guam's critical social services and infrastructure needs.

As the agency responsible for administrating United States territories, the Department of Interior's Office of Insular Affairs has become our partner to increase awareness and action by other Federal departments who can provide assistance to Guam. Secretary Kempthorne has expressed his support for Guam and for the pro-

gram, noting that what is good for Guam is good for the United States.

The prioritized funding requirements list for Federal agencies that is being developed is a big step forward in ensuring that these GovGuam challenges are met. Simply put, Federal agency support to the Government of Guam translates to Government of Guam support to the Department of Defense in a quest to carry out the national defense vision for the Pacific region. As Congresswoman Bordallo, Governor Camacho and Representative Tenorio have previously attested in meetings with us, community support for a force realignment program is strong. Residents of Guam and the surrounding areas are proud Americans who serve and defend our—the United States and our common values. I'm certain that the vast majority, if not all in this room today, would tell you that the United States commitment to prosperity, security, and its ability in the Asia-Pacific region should remain as steadfast.

As a result of our integrated efforts, we're pleased to report that Department of Defense Office of Economic Adjustment has, thus far, provided nearly \$1.7 million in grants to the Government of Guam to support key planning and impact studies. As part of its ongoing technical and financial assistance, OEA has also agreed to incorporate a financial impact analysis that will be tailored to GovGuam's specific needs and phased in a manner that reflect DOD's environmental and social-economic estimates. OEA is also working to bring community planning experts in a process to advise GovGuam on growth management.

Another outcome of our partnership—of our efforts is a partnership between GovGuam's Port Authority and the Department of Transportation's Maritime Administration. Both entities are now working together to achieve GovGuam's goal to support the military realignment, with the ultimate vision of becoming a key intermodal transportation hub in the Pacific Rim region.

As a result of interagency meetings with the local Department of Labor—establishment of a training program designed to prepare residents with the appropriate skills to make them marketable for the military buildup. Additionally, the Department of State is putting forth efforts to build a data base of available work forces in the Pacific Islands that could provide a win-win solution to their economic needs and DOD work force needs.

In closing, I would like to point out that the military realignment on Guam would bring unprecedented growth and opportunities to the island, and also unprecedented challenges. The quality and reliability of infrastructure and social services on Guam have become increasingly inconsistent over the years. Through DOD's environmental studies and planning efforts, longstanding issues with civilian systems on Guam, ranging from healthcare to education, utilities to roads, have been uncovered. These issues are not new and will only become increasingly problematic over time. Overcoming these widespread, diverse challenges requires the support and commitment of resources from across the Federal Government. In order to address both Guam's infrastructure needs that can help facilitate a successful military program and to assist the community—civilian community to grow stronger instead of becoming paralyzed by an unmanageable influx, Federal support is critical.

Thank you, and I look forward to your questions.  
[The prepared statement of General Bice follows:]

PREPARED STATEMENT OF GENERAL DAVID BICE, EXECUTIVE DIRECTOR, JOINT GUAM PROGRAM OFFICE

Chairman and members of the Committee, I am pleased to appear before you today and have this opportunity to provide you an overview of the Department's effort to relocate Marines and their dependents from Okinawa to Guam, the effects this effort will have throughout the region, and what we are doing to carefully plan the realignment effort. The program will require support from multiple partners including the Government of Guam, Commonwealth of the Northern Mariana Islands, the Government of Japan, our combined Services, and the Federal government.

It is important for all of us to understand that this major force realignment project is vital to our strategic posture in the Pacific theatre and the security of our nation.

COST-SHARING AGREEMENT

The financial aspect of the Marine move from Okinawa to Guam involves a cost-sharing arrangement between the U.S. Government (USG) and the Government of Japan (GOJ). Recognizing that Japan will also benefit from rapid relocation, which will allow our forces to move to less densely populated areas of Okinawa, the GOJ has agreed to bear a substantive amount of the costs for the Marine move from Okinawa to Guam.

- Japan will provide up to \$6.09 billion of the total \$10.27 billion up-front construction cost for the realignment, consisting of:
  - \$2.8 billion in direct payments to the U.S. for operational and support infrastructures
  - \$3.29 billion in equity investments and loans to special purpose entities that will provide housing and utilities
- The United States is responsible for the remaining \$4.18 billion and any additional costs.

STRATEGIC BENEFITS OF GUAM

Guam's unique location makes it a strategic choice to support the realignment of Pacific forces. It is able to provide a position for carrier group maintenance and resupply. Basing Marine Corps forces on Guam makes strategic sense for several reasons: it enhances the survivability of our forces by dispersing them; it spreads our force to better cover security cooperation and contingency response requirements for the vast Pacific region; and it positions forces on U.S. territory, removing the requirement to coordinate operational and training issues with a host nation.

Increasing U.S. military capabilities on Guam will fully leverage transformational advancements of the joint force and will create a central hub for the regional ISR/Strike force capability. As envisioned, Guam will also have the infrastructure necessary and in place for agile and responsive employment of assigned or transient forces; however, adequate strategic lift will be a key requirement for rapid, effective deployment of forces from or through Guam.

Transformation from the USMC's current Okinawa-heavy posture in the western Pacific to a more balanced Okinawa-Guam posture better positions the Marine Corps to conduct regular security cooperation activities with a broader array of partner nations. It also ensures that Marine Corps forces are located closer to a larger number of potential contingency areas than is currently the case. It is near enough to contingency areas and potential threats to provide peace and stability to employ rapid response capabilities, promote combined and joint training exercises with multiple U.S. allies, and to implement the requirements of treaties.

PRE-EXISTING CONDITIONS ON GUAM AFFECTING THE REALIGNMENT PROGRAM

The impacts of relocating approximately 8,000 Marines and 9,000 family members, plus the movement of other forces and capabilities to Guam, will be significant. The DOD population on Guam is expected to grow from its current state of approximately 14,000 to nearly 40,000 in a five year period. With Guam's total population of approximately 171,000, including DOD members and their families, the increase associated with the rebasing of Marine Corps forces is significant. If we consider the additional population impact of associated contractors, base support, and the service industry personnel, Guam's population growth could well exceed 25 percent in a

very short period. Few mainland communities would be able to absorb that increase to their population in such a short period of time. For an island community, the impacts are magnified.

The addition of Marine Corps personnel and their families is shedding light on the pre-existing infrastructure and social service challenges on Guam. Utilities and public works, health care, education and other areas have lacked significant attention over the years and may now directly affect or be affected by the relocation effort. Significant issues can be broadly categorized into the categories of environmental, socio-economic, infrastructure, health and human services, and labor/workforce.

To meet the planned timelines, improvements for the port and major roads will be needed to directly support construction. The port and roads will transport the vast majority of the materials and supplies utilized during the construction phase. Delays in infrastructure improvements could impact the ability to complete the program on budget and on schedule. Upgrades to transportation systems will also support the long-term need of handling an increased throughput of supplies to support the island's larger post-construction population.

In addition to infrastructure needs, up to 15,000 workers will be needed to complete the planned construction by 2014. The qualified, available workforce on Guam is limited. Training programs are needed to prepare interested workers for upcoming employment opportunities. The prevailing wage rate on the island is not expected to attract significant numbers of workers from the continental U.S. or Hawaii. Therefore, a sizable number of workers will need to come from neighboring foreign countries. These workers will require H2B visas, making the recent Senate-approved legislation to remove the current annual H2B visa cap for workers coming to Guam and the Mariana Islands critical to the program's success.

#### FEDERAL EFFORTS TO SUPPORT GUAM'S REQUIREMENTS

Close coordination with the Government of Guam (GovGuam) is critical to correctly identify areas requiring federal attention and support. DOD officials meet regularly with representatives from GovGuam agencies who comprise the Civilian-Military Task Force. We also regularly meet with key GovGuam officials to coordinate the development of the Guam Joint Military Master Plan with Guam's own Master Plan to facilitate compatible land use. GovGuam representatives directly participate in DOD planning efforts, and have become a key element in the planning process. As part of the process required by the National Environmental Policy Act (NEPA), public scoping meetings were held last spring with over 900 comments received from the community. Future public outreach sessions are being planned to ensure the community is updated and aware of environmental, socioeconomic and cultural impacts, and that we are considering these impacts. All of this data is helping DOD and other federal agencies determine how we can best support the community and the military force realignment.

The Joint Guam Program Office and the Department of Interior's Office of Insular Affairs created and now lead a federal Interagency Task Force (IATF). Throughout, JGPO and DOI/OIA have been raising awareness across the Federal government of the need to address the systemic challenges to support both the construction effort and the long term impact of stationing additional forces in Guam. The IATF categorized issues into five working groups along the broad categories mentioned above (environmental, socio-economic, infrastructure, labor, and health and human services). Representatives from key federal agencies such as the Departments of Labor, Health and Human Services, State, Agriculture, Transportation, and Homeland Security; the Environmental Protection Agency; Office of Management and Budget and others meet regularly with the intent to identify Guam's requirements that extend beyond DOD's responsibilities and authorities and to match these requirements with appropriate Federal resources. GovGuam representatives, including Governor Felix Camacho and Lieutenant Governor Mike Cruz regularly participate in each of the five working groups. The IATF has held three meetings to date and each working group meets on a regular basis.

The IATF has developed 10 core issues impacting the civilian population on Guam that need to be addressed:

- Strengthen healthcare and education workforce
- Strengthen public safety workforce and address equipment shortages
- Address personnel and equipment shortages at key licensing and permitting agencies
- Conduct future housing assessments
- Conduct comprehensive labor needs assessment
- Perform workforce training

- Make capital improvements to healthcare and education facilities
- Make capital improvements to seaport
- Make capital improvements to public utilities
- Make capital improvements to roadway system

In those areas in which DOD is limited in its ability to financially support “outside-the-fence” issues in Guam, Federal Agencies may be positioned to support other areas of improvement. The 10 previously mentioned core issues demonstrate how critically important Federal agency assistance is to both DOD and GovGuam. As costs and responsibilities for these improvements are decided upon, prioritized funding requirements from Federal Agencies will be key for the creation of symbiotic solutions to the military realignment challenges.

Federal support for “outside-the-fence” issues are essential to both assist DOD as it delivers required USMC capabilities to the PACOM commander and help Guam adjust to a significant change within their population.

#### RESULTS TO DATE OF INTERAGENCY SUPPORT

As a result of these integrated efforts, we are proud to report that DOD’s Office of Economic Adjustment (OEA) has thus far provided nearly \$1.7 million in grants to GovGuam to support key planning and impact studies. As part of its ongoing technical and financial assistance, OEA also agreed to incorporate a financial impact analysis that will be tailored to GovGuam’s specific needs and phased in a manner that will reflect DOD’s environmental and socio-economic estimates. Additionally, OEA is about to commence community planning support and assistance to GovGuam through a Guam Compatibility Sustainability Study (CSS). The goal of the CSS is to support and assist GovGuam’s management and planning capabilities, including land use planning.

Another outcome is the partnership between GovGuam, the Port Authority of Guam and the Department of Transportation’s Maritime Administration. These entities are now working together to achieve GovGuam’s goal to support the military realignment with the ultimate vision of becoming a key intermodal transportation hub in the Pacific region.

Also a result of the interagency meetings, the Departments of Labor, State and Interior are working to develop training programs designed to equip residents with the appropriate skills sets that will make them qualified to support the construction program and post-construction opportunities.

#### STATUS OF PLANNING AND STUDIES

We continue the studies necessary for preparing an Environmental Impact Statement (EIS) in compliance with the NEPA. The EIS will address the movement of Marine Corps forces from Okinawa to Guam as well as Navy efforts to construct a transient nuclear aircraft carrier-capable pier at Apra Harbor and Army intentions to locate a ballistic missile defense task force on the island. A draft EIS is expected in spring 2009, the final EIS in December 2009, and a Record of Decision (ROD) in January 2010.

In parallel with the EIS efforts, we are developing a Guam Joint Military Master Plan (GJMMP). The GJMMP addresses the realignment of Marine Corps forces in the context of other DOD actions on Guam, such as plans to increase intelligence, surveillance, and reconnaissance capabilities and transient forces at Andersen Air Force Base; an increased Navy submarine presence; and the Army effort noted above. A working level draft of the GJMMP will be complete this summer.

#### CONCLUSION

DOD continues to integrate the military, GovGuam, private sector and Federal agencies so existing systemic issues and upcoming challenges created by the anticipated population increase are addressed.

Comprehensive support by all federal agencies and Congress is needed to turn this massive effort into a mutual win for the military and the community. We appreciate the leadership from the Department of Interior and the support and attention from participating federal agencies. Their continued commitment is critical to completing the program and supporting the people of Guam.

Thank you for your continued support and the opportunity to testify before you today.

The CHAIRMAN. Thank you very much.  
Mr. Pula, go right ahead.

**STATEMENT OF NIKOLAO I. PULA, ACTING DEPUTY ASSISTANT  
SECRETARY FOR INSULAR AFFAIRS, DEPARTMENT OF THE  
INTERIOR**

Mr. PULA. Good afternoon, Mr. Chairman and members of the committee. Thank you for the opportunity to testify on the military buildup in Guam.

This buildup holds enormous economic and financial promise for Guam and the region. The economy will benefit from the buildup in two stages. First, initial facility-building and improvements will create a large number of high-paying construction-related jobs for several years. Second, permanent new defense and non-defense jobs to support the new military mission.

Generally speaking, evidence from defense spending history suggests that each dollar of defense spending could generate 75 cents of gross domestic product. The number of both active duty personnel and dependents in Guam could rise from 14,000 up to 38,000-plus in 2014. Based on today's total population estimate of 171,000 for Guam, the buildup would increase the island's population to—more than 23 percent. Guam's economy will need time to adjust to this new level of defense spending. The mix of defense and civilian jobs following the buildup will be of higher paygrade.

Under current rules, Federal income taxes collected on Federal payrolls on Guam are paid into the Treasury of Guam. With the near tripling of military and civilian employees at the end of the buildup, tax revenue for Guam could increase significantly.

It is too early to estimate all benefits and costs related to the buildup. While this prospect presents Guam with a tremendous source of revenue, it also presents major challenges related to project funding.

The impacts of the military buildup are magnified because Guam is an island. It has no outlying jurisdictions that can pick up some of the population increase and that can tap into larger electric grid.

Appreciating the challenges that the buildup will present, DOD established the Joint Guam Program Office. It was decided that the Interagency Group on Insular Areas, IGIA, would establish a Guam Task Force to coordinate issues that cross jurisdictional lines of Federal agencies.

The Task Force has established five working groups: labor, infrastructure, environment, health and human services, and social-economic.

The infrastructure subgroup has identified significant project and budgetary challenges. The facilities that will be built by the military on base will, in large part, be taken care of by the military. However, certain areas of infrastructure may overlap between the military base and the Guam community at large, such as port facilities, a long-haul road between the military bases, housing and healthcare facilities for construction workers. Other potential infrastructure includes schools, hospitals, electric power, water, sewer, and solid-waste disposal.

Up to this point, Interior funding has been aimed at expediting the planning process. In March 2008, the Office of Insular Affairs provided Guam a technical assistance grant of 15,000 to aid the writing of a Guam Regional Labor Plan. Additionally, we have reprogrammed 2 million of GovGuam capital improvement funds so

that the Guam Port Authority can quickly acquire design and environmental studies for wharf modernization.

GovGuam presented draft lists of prospective infrastructure needs, with costs ranging from \$1 billion to up to \$4 billion. A number of plans crucial in determining infrastructure improvement needs related to the buildup are still currently in development by GovGuam and DOD. Once there is an agreed plan for these projects, they may be considered during the development of the 2010 budget, which is imminent.

Among the available funding options for the construction of projects will be the expected income on Guam. Private and USDA financing options show promise and merit more in-depth investigation.

As chair of the Interagency Group on the Insular Areas, the Department understands the need to continue to facilitate discussions among all parties and to assist in the procurement of necessary resources to address the impending pressures on Guam's infrastructure.

Thank you for the opportunity to testify this afternoon.

[The prepared statement of Mr. Pula follows:]

PREPARED STATEMENT OF NIKOLAO I. PULA, ACTING DEPUTY ASSISTANT SECRETARY  
FOR INSULAR AFFAIRS, DEPARTMENT OF THE INTERIOR

Mr. Chairman and members of the Committee, thank you for the opportunity to testify on the military build-up in Guam and its impact on the civilian community, planning and response.

THE TRANSFER OF 8,000 MARINES

Guam is to receive a large defense expansion in the next few years. The proposed build-up is the result of an agreement between the United States and Japan to relocate about 8,000 United States Marines and their dependents from Okinawa to Guam. Construction of new defense facilities is scheduled to start in 2010 with the relocation to be completed in 2014. The cost of new infrastructure to be installed to accommodate the Marines and their dependents is currently estimated to be well over \$10 billion.

As a result of the construction, a formidable amount of new capital will be injected into an island economy that currently produces \$3.7 billion in Gross Domestic Product per year. This flow of capital has the potential to lift Guam's economy to a substantially higher level of output. There will be corresponding increases in local employment and taxes for the Government of Guam (GovGuam). There will also be new businesses to meet new demands for a whole host of goods and services arising from the build-up.

In addition to the relocation of Marine Corps forces from Okinawa, which will more than double the current number of active duty personnel on Guam, the Air Force and the Navy will also see significant increases in both personnel and capabilities. A new small contingent of active duty Army personnel will also be posted to Guam.

This expansion holds enormous economic and financial promise for Guam at a time when conventional income sources for a small and isolated island economy are extremely limited. The economy 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.

The build-up will present significant challenges for Guam's small and isolated island economy. The first big challenge may occur in the early stages of construction, in which labor of all skill levels will need to be secured. The local work force may not be sufficiently able to satisfy all of the labor needs. We are working with our partners to develop training and apprenticeship programs for United States eligible labor in the Guam region. After construction is completed and the Marines move in, the continuing effect on Guam's economy will be large and widespread.

The build-up also presents a challenge to the ongoing interdiction efforts intended to prevent the inadvertent transport of brown tree snakes to other Pacific islands or the mainland United States. Cooperative efforts are aimed at suppressing the brown tree snake population in strategic transportation and cargo facilities through the construction of snake barriers, and other interdiction efforts. The primary threat is that brown tree snakes are prone to hiding in cargo, on aircraft, and in vehicles and could potentially be introduced in other habitats that are snake-free and that support endangered or threatened bird species. We will continue to work with our interagency partners to suppress the tree snake populations in strategic areas, secure military and cargo facilities through the construction of tree snake barriers, and ramped up interdiction efforts as the military build-up on Guam progresses.

#### ECONOMIC EFFECTS OF BASE EXPANSION

In a macroeconomic sense, an important question is how much the proposed base expansion in Guam will contribute to the insular area's economy. Roughly, evidence from defense spending history in the United States, including Hawaii, which is relevant to Guam, suggests that each dollar of defense spending could generate 75 cents of gross domestic product (GDP), the final value of the economy's total output. The 75 cents contribution to GDP from each defense dollar is what economists call the multiplier effect on GDP, which is the sum of direct, indirect and induced effects.

At present, Guam's defense establishment, mostly the Navy, is relatively small. There are a total of 6,520 active duty personnel and 7,690 dependents on island. Defense spending on Guam was \$711.7 million in fiscal year 2005, the latest year for which final figures are available.

Federal civilian payroll 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.

Assuming an addition of about 8,000 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. The number of dependents could rise from 7,690 today to 19,140 in 2014. The number of both active duty personnel and dependents in Guam could rise from 14,210 today to 38,470 in 2014. Based on today's total population estimate of 171,000 for Guam, the build-up will increase the island's population some 22.3 percent to 218,000. These population numbers do not include new businesses that will remain on-island after 2014 which will add owners, employees, and their families to the population.

Using the current ratios for Guam, defense spending for Guam will rise from \$700-800 million to more than \$2 billion in 2014, when construction is planned to be completed. Applying the defense spending multiplier for Hawaii, the increase in defense spending could add \$900 million to \$1 billion annually to Guam's GDP. Assuming a \$3.7 billion GDP and the prospect that the rest of the economy, namely tourism and local government, will continue to perform at the same rate it does today, the build-up could boost Guam's GDP by approximately 22.5 percent. Realistically, it would be hard to envision any other alternative for Guam that would increase its total economic output by nearly a quarter in such a relatively short time.

Naturally, Guam's economy will need time to adjust to this new level of defense spending during the build-up. Once it does, it will be at a much higher level than it has ever been or is conceivable to be under any other scenario. More important, the mix of defense and civilian jobs following the build-up will be of a higher pay grade than would be feasible in the rest of the economy, which is mostly tourism and other services that employ few advanced skills. Other good news for Guam is that national defense, as has been the case in both Guam and Hawaii for many decades, coexists in harmony with the rest of the economy and population.

Again, using the current ratios for Guam, the 12,810 additional active-duty personnel resulting from the build-up could create 6,000 new civilian jobs for Guam. Given today's total payroll employment figure of just over 60,000, this would be a 10 percent increase in civilian employment.

Guam's other major income source is tourism, which is critical to jobs and local tax revenue. As important as tourism is, it is subject to what economists call leaks, that is, more of the money that mostly foreign tourists spend in Guam leaks out of the system in the form of payment for imports, air fares for foreign carriers and foreign-owned hotels. Defense spending, on the contrary, is subject to fewer leaks as compared to tourism, because more defense establishment payments, including

wages, salaries, payments to local contractors, and other base expenses, are likely to remain in the system.

One way to look at the difference between defense and tourism is to look at their average wages and salaries. In Guam, the average of wages and salaries in defense is much higher than the average in tourism. The average level of wages and salaries in defense for all active duty and civilian employees together, based on fiscal year 2005 data, was \$34,037. This figure is 74.8 percent higher than the average for tourism, which, according to the Guam Visitors Bureau, is \$19,468. The higher pay level, in combination with fewer leaks from the system, makes the defense payroll more desirable for nearly every community.

Another way to look at what this expansion will do for Guam's economy is to look at taxes that will be covered over to the Treasury of Guam. Under current rules, Federal income taxes collected on Federal payrolls on Guam are paid into the Treasury of Guam. Currently, this sum is about \$40 million a year. With a near tripling of the number of active duty personnel and about 6,000 new civilian employees at the end of the build-up, tax revenue for Guam could increase significantly.

#### PLANNING AND FINANCING

It is too early to estimate fully all benefits and costs related to the build-up. At this point, many of DOD's plans have not been finalized, and studies evaluating the expected economic impact of the relocation are also pending. However, DOD estimates that the realignment could add as many as 40,000 persons to Guam's current population of 171,000. While this prospect presents Guam with a tremendous source of revenue, it also presents major challenges related to project funding.

The impacts of a military build-up are magnified in Guam because Guam is an island. It is surrounded by water with no outlying jurisdictions that can pick up some of the population increase and that can tap into a larger electric grid. All of the effects are concentrated on one jurisdiction—Guam.

Appreciating the challenges that the build-up will present, the Department of Defense (DOD) established the Joint Guam Program Office (JGPO), headed by Major General David Bice, USMC (Retired), under the Assistant Secretary of the Navy (Installations and Environment). 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 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 Department of Education forms a sub-group within the Labor working group.

Notably, the Infrastructure subgroup has identified significant project and budgetary challenges associated with the build-up. The facilities that will be built by the military on base will, in large part, be taken care of by the military. However, certain areas of infrastructure may overlap between the military base and the Guam community at large. Funding for many of these items has not yet been determined. A sample of this infrastructure includes—

- Port facilities and capacity
- Long-haul road between the Navy and Air Force bases
- Housing for the construction workers (to be privately funded)
- Health care facilities for construction workers

Furthermore, other potential infrastructure expenditures related to the build-up have been identified within the JGPO meetings. These include:

- Schools for children of new civilian workers
- Hospital facilities
- Electric Power facilities
- Water and Sewer facilities
- Solid waste disposal facilities
- Government Administrative facilities

Up to this point, Interior funding has been aimed at expediting the planning process. In March 2008, the Office of Insular Affairs provided Guam a technical assistance grant of \$15,000 to aid the writing of a Guam grant application for U.S. Department of Labor funds to develop a regional labor plan. Such a plan must be in place before training and apprenticeship funds can be released for United States eligible labor in Guam and the surrounding United States-affiliated islands. Additionally, the Office of Insular Affairs has reprogrammed \$2 million in GovGuam capital improvement funds so that the Guam Port Authority can quickly acquire design and environmental studies for wharf modernization. The Department of the Interior be-

lieves it is critical to get the port modernized in order to address future infrastructure issues.

The November 2007 meeting of the Task Force was intended to outline military realignment activities and associated costs, both for the military and GovGuam. At this meeting, GovGuam presented draft lists of prospective infrastructure needs with costs ranging from \$1 billion to more than \$4 billion.

A number of plans crucial in determining infrastructure improvement needs related to the build-up are still currently in development. These plans are a prerequisite for budgetary planning and need to be finalized before construction upgrades can begin. Within this context, facilities that will be crucial to the build-up but which will also benefit Guam's economy, such as the port and road facilities, may be the first priority upgrade projects. Once there is an agreed plan for GovGuam projects, they may be considered during the development of the 2010 budget.

*Projects with Income*

Among the available funding options for the construction of projects with expected income on Guam, private and USDA financing options show promise and merit more in-depth investigation. Projects that have revenue streams may be able to borrow in their own right through public corporations, independent authorities, or other entities. Port activities, electric power, water, wastewater, solid waste disposal can all generate income, which allows them to finance through borrowing. Currently, the Guam Port Authority and Guam Power Authority are organized as independent entities, run their own affairs, and negotiate their own financing.

Independent entities can seek to provide a service at the lowest cost. Thus, they plan for proper capacity and finance only what is necessary. Full cost recovery is a usual requirement. Such a structuring of activities refutes a "gold-plating" argument. Additionally if private sector financing seems scarce, the United States Department of Agriculture (USDA) offers a variety of rural development loans that may be a viable resource for qualified borrowers. As typical for government loan programs, these require that the government get an appropriation only for the risk associated with the loan rather than the entire loan amount. Loans where there is a reasonable risk of default will have a higher cost than those which typically do not default. For instance, the renewable energy guaranteed loan program has a 10 percent subsidy rate compared to the hardship electric loan program which has a .12 percent subsidy rate. Because utilities typically have little risk of default, financing of electric loans is secure and carries a low up-front financing cost on behalf of the Federal government. There is an additional administrative cost associated with all loan programs that is not reflected in the subsidy rate that we would have to consider with this option. For all USDA loans, the borrower would have to agree to the terms of the loan and will need to repay the loan in full.

*Projects without Income*

Construction of schools, roads, and social service facilities such as buildings to house courts and public safety offices, are another matter. They do not generate income but are paid for with tax collections. USDA is a potential source for this type of financing as well through its community facilities grants and loans programs.

While Federal moneys may need to be appropriated for some aspects of some construction projects in the civilian areas of Guam, we are more confident today than earlier that a large portion of construction can be financed through borrowings or public/private ventures, including from USDA. However, such an approach is premised on sufficient Federal funds being available to cover the subsidy and administrative costs of the loan programs as well as full repayment of the loans by the borrowers.

As Chair of the Interagency Group on Insular Areas, the Department understands the need to continue to facilitate discussions between the military and Guam, and to assist in the procurement of necessary resources to address the impending pressures on the infrastructure of Guam.

The CHAIRMAN. Thank you very much.  
Mr. Lepore, go right ahead.

**STATEMENT OF BRIAN J. LEPORE, DIRECTOR DEFENSE CAPABILITIES AND MANAGEMENT, GOVERNMENT ACCOUNTABILITY OFFICE**

Mr. LEPORE. Thank you, Mr. Chairman.

Mr. Chairman, I'm delighted to be here today to testify on our review of DOD's plans for the military buildup on Guam.

DOD is significantly realigning its overseas force structure, and plans to relocate upwards of 25,000 servicemembers and their dependents from Okinawa and other locations to Guam, an important part of that overseas realignment initiative. Here's the bottom line: This is going to cost a lot, be challenging, and have to be done quickly in order to meet DOD's timeframes.

As you requested, I will address three topics today, Mr. Chairman. First, I will address DOD's planning process for the military buildup on Guam. Second, I will identify likely challenges. Finally, I will describe the status of planning to meet the off-base infrastructure challenges. My testimony today is based largely on our September 2007 report on DOD's overseas master plans.

In the 1990s, the United States and Japan negotiated a change to operating rules of United States Forces in Japan and to close Marine Corps Air Station Futenma and relocate the base's force to another base on Okinawa. But, Futenma never closed.

In 2004, the United States and Japan again consulted to reduce the burden of the United States presence. Based on that, DOD will try once again to close Futenma. As before, DOD will try to relocate those forces to another base on Okinawa. What's different is that DOD would also relocate upwards of 17,000 marines and their dependents from Okinawa to Guam.

DOD views the Futenma initiative as the key for other realignments. Also on Guam, the Air Force plans a global intelligence, reconnaissance, and strike hub. The Navy plans to enhance waterfront facilities for transiting aircraft carriers. The Army plans to place a ballistic missile defense site. When completed, the Active Duty and dependent population on Guam will have increased from about 14,000 to in excess of 39,000 people by 2014.

Now to my first main point. DOD has a framework for the military buildup, but many key decisions have not been made yet, and the final size and makeup of the Guam-based force, and the required facilities to support them, are not known. Still, DOD will request funds for fiscal year 2010 before fully deciding on the requirements. DOD plans to complete the relocation only 4 years later, in 2014.

Now to my second point. DOD and the Government of Guam face many challenges. DOD's challenges include obtaining enough money. DOD estimates the buildup will cost at least \$13 billion, but this does not include all costs. For example, DOD has not included the cost of required training ranges on other islands. The Government of Japan expects to contribute about \$6 billion, but a little more than half may be recouped by Japan as servicemembers use their basic allowance for housing to rent their quarters, and certain other fees are paid back to the Government of Japan by funds appropriated by the Congress.

There's something else. First, the Government of Japan plans to review and approve the specific infrastructure plans before providing any funds for the facilities on Guam. Second, if Marine Corps Air Station Futenma is not closed, and the force not relocated, the Marine Corps relocation to Guam may be canceled or may be delayed.

The Government of Guam also faces some significant challenges. Here's a partial list, based on several reports and plans:

Construction demands are likely to exceed the capacity of available workers on Guam; up to 20,000 are needed. In other words, DOD will need about as many construction workers to build the new military infrastructure as the number of servicemembers and their dependents who will use that new infrastructure.

The buildup requires double the existing port capacity.

Guam's major highways may not have enough capacity to accommodate the increased traffic.

Guam's electric system may not be adequate to fully support the buildup.

Guam's water and waste-water systems are near capacity, but demand may increase by 25 percent.

Guam's solid-waste facilities are nearly full.

My last point: The Government of Guam has just begun to plan for this off-base infrastructure, a very significant undertaking. But, continuing uncertainties about the makeup of the Guam-based force make it difficult for the Guam officials to effectively plan.

Communities in the continental United States surrounding growth bases face a similar uncertainty. We recently reported that most such communities, with far lower requirements, were likely to incur significant costs for infrastructure and were seeking Federal assistance. Guam is likely to do likewise.

Mr. Chairman, this concludes my prepared remarks, and I would be happy to take any questions that you may have today.

[The prepared statement of Mr. Lepore follows:]

STATEMENT OF BRIAN J. LEPORE, DIRECTOR, DEFENSE CAPABILITIES AND  
MANAGEMENT, GOVERNMENT ACCOUNTABILITY OFFICE

*Why GAO Did This Study*

To reduce the burden of the U.S. military presence on Japanese communities while maintaining a continuing presence of U.S. forces in the region, in 2005 and 2006 the U.S.-Japan Defense Policy Review Initiative outlined the effort to relocate American military units in Japan to other areas, including Guam. The Department of Defense (DOD) plans to move 8,000 Marines and an estimated 9,000 dependents from Okinawa, Japan, to Guam by the 2014 goal.

GAO was asked to discuss the planning effort for the buildup of U.S. forces and facilities on Guam. Accordingly, this testimony addresses (1) DOD's planning process for the military buildup on Guam, (2) potential challenges for DOD and the government of Guam associated with the buildup, and (3) the status of planning efforts by the government of Guam to meet infrastructure challenges caused by the buildup.

This testimony is based largely on findings of a September 2007 GAO report on DOD's overseas master plans and prior work on issues related to the U.S. military presence in Okinawa. It is also based, in part, on preliminary observations from an ongoing GAO review of DOD's planning effort to address the challenges associated with the military buildup on Guam and on other GAO work on the effects of DOD-related growth on surrounding communities in the continental United States.

GAO is not making recommendations at this time.

DEFENSE INFRASTRUCTURE

PLANNING EFFORTS FOR THE PROPOSED MILITARY BUILDUP ON GUAM ARE IN THEIR  
INITIAL STAGES, WITH MANY CHALLENGES YET TO BE ADDRESSED

*What GAO Found*

DOD has established a framework for the military buildup on Guam; however, many key decisions remain, such as the final size of the military population, which units will be stationed there, and what military facilities will be constructed. This

part of the planning process is ongoing, along with the development of a required environmental impact statement, currently expected to be issued in 2010. However, DOD will submit budget requests for fiscal year 2010 prior to that date, and thus may not know the full extent of its facility requirements before asking Congress to provide the associated funding. Officials of the Navy's Joint Guam Program Office told us that immediately after the environmental impact statement is completed, DOD will commence construction of facilities in efforts to meet the 2014 goal discussed in the Defense Policy Review Initiative. However, other DOD and government of Guam officials believe that this is an optimistic schedule considering the possibility that the environmental impact statement could be delayed, the complexities of moving thousands of Marines and their dependents to Guam, and the need to obtain sufficient funding from the governments of United States and Japan to support the move.

DOD and the government of Guam face several significant challenges associated with the proposed military buildup on Guam. DOD's challenges include obtaining adequate funding and meeting operational needs, such as mobility support and training capabilities. There are also challenges in addressing the effects of military and civilian growth on Guam's community and civilian infrastructure. For example, according to DOD and government of Guam officials, Guam's highways may be unable to bear the increase in traffic associated with the military buildup, its electrical system may not be adequate to deliver the additional energy needed, its water and wastewater treatment systems are already near capacity, and its solid waste facilities face capacity and environmental challenges even without the additional burden associated with the projected increase in U.S. forces and their dependents.

The government of Guam's efforts to plan to meet infrastructure challenges caused by the buildup of military forces and facilities are in the initial stages, and existing uncertainties associated with the military buildup contribute to the difficulties Guam officials face in developing precise plans. These challenges are somewhat analogous to challenges communities around continental U.S. growth bases face. Government of Guam officials recognize that the island's infrastructure is inadequate to meet the projected demand; however, funding sources are uncertain. These same officials are uncertain as to whether and to what extent the government of Guam will be able to obtain financial assistance for projected infrastructure demands due to the military buildup. In September 2007, GAO reported that most communities experiencing civilian and military population growth at Army installations in the continental United States will likely incur costs to provide adequate schools, transportation, and other infrastructure improvements, and many of these communities are also seeking federal and state assistance.

Mr. Chairman and Members of the Committee:

I appreciate the opportunity to be here today to discuss the planning effort for the buildup of U.S. forces and facilities in Guam and to describe the associated challenges for the Department of Defense (DOD) and the local community in accommodating the expansion of DOD's military presence on Guam. To reduce the burden of the U.S. military presence on Japanese communities while maintaining a continuing presence of U.S. forces in the region, the U.S.-Japan Defense Policy Review Initiative<sup>1</sup> established a framework for the future of U.S. force structure in Japan, including the relocation of American military units in Japan to other areas, including Guam. As a part of this initiative, DOD plans to move 8,000 Marines and their estimated 9,000 dependents from Okinawa, Japan, to Guam by the 2014 goal. At the same time, the other military services are also planning to expand their operations and military presence on Guam. For example, the Navy plans to enhance its infrastructure, logistic capabilities, and waterfront facilities; the Air Force plans to develop a global intelligence, surveillance, and reconnaissance strike hub at Andersen Air Force Base; and the Army plans to place a ballistic missile defense task force on Guam. As a result of these plans and the Marine Corps realignment, the total military buildup on Guam is estimated to cost over \$13 billion and increase Guam's current population of 171,000 by an estimated 25,000 active duty military personnel and dependents (or 14.6 percent) to 196,000. The government of Japan is expected to contribute about \$6.1 billion toward the costs of the Marine Corps

<sup>1</sup>DOD officials refer to the process through which the United States and Japan negotiated the initiatives that realign U.S. forces in Japan as the Defense Policy Review Initiative. The realignment initiatives were the result of Security Consultative Committee meetings in 2005 and 2006 between U.S. and Japan officials. The Security Consultative Committee is made up of the U.S. Secretaries of State and Defense and Japan's Minister of Foreign Affairs and Minister of State for Defense. The committee sets overall bilateral policy regarding the security relationship between the United States and Japan. The results of these meetings established a framework for the future U.S. force structure in Japan, including the Marine Corps move from Okinawa, Japan, to Guam.

move, although a portion of these funds could be repaid over time by the U.S. government.

We have issued several reports on DOD's integrated global presence and basing strategy<sup>2</sup> and its overseas master plans for changing U.S. military infrastructure overseas as required by the fiscal year 2004 Senate military construction appropriation bill report.<sup>3</sup> Most recently, in September 2007, we reported on DOD's overseas master plans for changing its infrastructure overseas and on the status of DOD's planning effort and the challenges associated with the buildup of military forces and facilities on Guam.<sup>4</sup> In that report, we found that DOD's planning effort for the military buildup on Guam was in its initial stages, with many key decisions and challenges yet to be addressed. Additionally, we found that the potential effects of the increase in military forces on Guam's infrastructure—in terms of population and military facilities—had not been fully addressed. Also, in September 2007, we reported how communities in the continental United States are planning and funding for infrastructure to support significant personnel growth in response to implementing base realignment and closure, overseas force rebasing, and force modularity actions.<sup>5</sup>

As requested, my testimony today will focus on three principal objectives. First, I will address DOD's planning process for the military buildup on Guam. Second, I will point out potential challenges for DOD and the government of Guam associated with the military buildup. Third, I will describe the status of planning efforts by the government of Guam to address infrastructure challenges to the local community caused by the buildup of military forces and facilities.

My testimony is based largely on findings of our September 2007 report on DOD's overseas master plans and information from a prior report on issues related to reducing the effects of the U.S. military presence in Okinawa.<sup>6</sup> My testimony is also based, in part, on preliminary observations from our ongoing review of DOD's overseas master plans and its planning effort to address the challenges associated with the military buildup on Guam and on two separate reports of the effects of DOD-related growth on surrounding communities in the continental United States.<sup>7</sup> As part of our ongoing work, we met with officials from the Office of the Secretary of Defense, U.S. Pacific Command, Marine Forces Pacific, Third Marine Expeditionary Force, and the Navy's Joint Guam Program Office (JGPO)—the office established to plan and execute the military buildup on Guam—to discuss the planning process for DOD's military realignments on Guam and to identify challenges associated with the buildup of military forces and infrastructure on Guam. We also met with the Governor of Guam and his staff, members of the Guam legislature, staff from the office of the Guam Delegate to the House of Representatives, and various Guam community groups to discuss their planning efforts and any challenges they may face related to the military buildup. We expect to report the results of our ongoing review to congressional defense committees later this year. We conducted this performance audit and our prior reports in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

<sup>2</sup>GAO, *Defense Management: Comprehensive Strategy and Annual Reporting Are Needed to Measure Progress and Costs of DOD's Global Posture Restructuring*, GAO-06-852 (Washington, D.C.: Sept. 13, 2006).

<sup>3</sup>GAO, *DOD's Overseas Infrastructure Master Plans Continue to Evolve*, GAO-06-913R (Washington, D.C.: Aug. 22, 2006); *Opportunities Exist to Improve Comprehensive Master Plans for Changing U.S. Defense Infrastructure Overseas*, GAO-05-680R (Washington, D.C.: June 27, 2005); and *Defense Infrastructure: Factors Affecting U.S. Infrastructure Costs Overseas and the Development of Comprehensive Master Plans*, GAO-04-609 (Washington, D.C.: July 15, 2004).

<sup>4</sup>GAO, *Defense Infrastructure: Overseas Master Plans Are Improving, but DOD Needs to Provide Congress Additional Information about the Military Buildup on Guam*, GAO-07-1015 (Washington, D.C.: Sept. 12, 2007).

<sup>5</sup>GAO, *Defense Infrastructure: Challenges Increase Risks for Providing Timely Infrastructure Support for Army Installations Expecting Substantial Growth*, GAO-07-1007 (Washington, D.C.: Sept. 13, 2007).

<sup>6</sup>GAO, *Overseas Presence: Issues Involved in Reducing the Impact of the U.S. Military Presence on Okinawa*, GAO/NSIAD-98-66 (Washington, D.C.: Mar. 2, 1998).

<sup>7</sup>GAO, *Defense Infrastructure: DOD Funding for Infrastructure and Road Improvements Surrounding Growth Installations*, GAO-08-602R (Washington, D.C.: Apr. 1, 2008), and GAO-07-1007.

## SUMMARY

DOD has established a framework for the military buildup on Guam; yet, many key decisions must still be made, such as the final size of the military population, which units will be stationed there, and what military facilities will be required. The U.S.-Japan Defense Policy Review Initiative established a framework for the future of U.S. force structure in Japan and the Marine Corps realignment to Guam. The U.S. Pacific Command then developed the Guam Integrated Military Development Plan<sup>8</sup> to provide an overview of the projected military population and infrastructure requirements. However, the exact size and makeup of the forces to move to Guam and the housing, operational, quality of life, and service support infrastructure required are not yet fully known. This part of the planning process is ongoing, along with the development of a required environmental impact statement. Before JGPO can finalize its master plan for the military buildup on Guam, it needs to complete the required environmental impact statement, currently expected to be issued in 2010. Prior to that date, DOD will submit its fiscal year 2010 budget request to Congress for the first phase of military construction projects on Guam. Thus, DOD may be asking Congress to fund the military construction projects without the benefit of a completed environmental impact statement or a final decision on the full extent of its facility and funding requirements. DOD officials said that the department often requests funding during the same period environmental impact statements are being developed for large projects, including major base realignments and closures. JGPO officials told us that immediately after the environmental impact statement is completed, DOD will commence construction of facilities in efforts to meet the 2014 goal identified in the Defense Policy Review Initiative. However, other DOD and government of Guam officials believe that this is an ambitious and optimistic schedule considering the possibility that the environmental impact statement could be delayed, the complexities of moving thousands of Marines and their dependents from Okinawa to Guam, and the need to obtain sufficient funding from the governments of United States and Japan to support the Marine Corps move.

DOD and the government of Guam face several significant challenges associated with the proposed military buildup on Guam. DOD's challenges include obtaining adequate funding and meeting operational needs, such as mobility support and training capabilities. There are also challenges in addressing the effects of military and civilian growth on Guam's community and infrastructure. For example, according to DOD and government of Guam officials, Guam's highways may be unable to bear the increase in traffic associated with the military buildup, its electrical system may not be adequate to deliver the additional energy needed, its water and wastewater treatment systems are already near capacity, and its solid waste facilities face capacity and environmental challenges even without the additional burden associated with relocation of U.S. forces and their dependents.

The government of Guam's efforts to plan to meet infrastructure challenges caused by the buildup of military forces and facilities on Guam are in the initial stages, and existing uncertainties associated with the military buildup further contribute to the difficulties Guam officials face in developing precise plans. These challenges are somewhat analogous to the challenges communities around continental United States growth bases face. Furthermore, government of Guam officials stated that Guam will likely require significant funding to address the island's inadequate infrastructure capacity; however, funding sources are uncertain. These same officials are uncertain as to whether and to what extent the government of Guam will be able to obtain financial assistance for projected infrastructure demands due to the military buildup. In September 2007, we reported that most U.S. communities surrounding growing Army bases have unique infrastructure improvement needs, such as schools, transportation, and other infrastructure improvements, and many of these communities are also seeking state and federal assistance.<sup>9</sup>

## BACKGROUND

Since the end of World War II, the U.S. military has based forces in Okinawa and other locations in Japan. The U.S. military occupation of Japan ended in 1952, but the United States administered the Ryukyu Islands, including Okinawa, until 1972. Efforts to address the Japanese population's concerns regarding U.S. military presence in Okinawa began more than a decade ago. One chief complaint is that the Okinawa prefecture hosts over half of the U.S. forces in Japan and that more than

<sup>8</sup>U.S. Pacific Command, Guam Integrated Military Development Plan (Camp H.M. Smith, Hawaii: July 11, 2006).

<sup>9</sup>See GAO-07-1007.

70 percent of the land U.S. forces utilize in Japan is on Okinawa. Many citizens of Okinawa believe the U.S. presence has hampered economic development. The public outcry in Okinawa following the September 1995 abduction and rape of an Okinawan schoolgirl by three U.S. servicemembers brought to the forefront long-standing concerns among the Okinawan people about the effects of the U.S. military presence on the island. According to the Office of the Secretary of Defense, at that time, the continued ability of the United States to remain in Japan was at risk, and it was important to reduce the effects of the U.S. military presence on the Okinawan people. To address these concerns, bilateral negotiations between the United States and Japan began, and the Security Consultative Committee established the Special Action Committee on Okinawa in November 1995. The committee developed recommendations on ways to limit the effects of the U.S. military presence on Okinawa by closing Marine Corps Air Station Futenma and relocating forces from that base to another base on Okinawa, and recommended numerous other operational changes. On December 2, 1996, the U.S. Secretary of Defense, U.S. Ambassador to Japan, Japan Ministers of Foreign Affairs and State, and the Director General of the Japan Defense Agency issued the committee's final report.

In 1998, we reviewed the Special Action Committee's Final Report.<sup>10</sup> At that time, among other things, we reported that the forward deployment on Okinawa significantly shortens transit times, thereby promoting early arrival in potential regional trouble spots such as the Korean peninsula and the Taiwan straits. For example, it takes 2 hours to fly to the Korean peninsula from Okinawa, as compared with about 5 hours from Guam, 11 hours from Hawaii, and 16 hours from the continental United States. Similarly, it takes about 1-1/2 days to make the trip from Okinawa by ship to South Korea, as compared with about 5 days from Guam, 12 days from Hawaii, and 17 days from the continental United States. Also, the cost of this presence is shared by the government of Japan, which provides land and other infrastructure on Okinawa rent free and pays part of the annual cost of Okinawa-based Marine Corps forces, such as a portion of the costs for utilities and local Japanese labor. Most initiatives of the Special Action Committee on Okinawa involving training operations, changes to the status of forces agreement procedures, and noise reduction were successfully implemented. In contrast, initiatives involving land returns have not been as successful, with the majority still ongoing. For example, the closure of Marine Corps Air Station Futenma was never completed and the air station remains open and operational. According to U.S. Forces Japan officials, these initiatives may involve multiple construction projects to satisfy the requirements of the initiatives as well as detailed coordination between the government of Japan and the local communities to gain consensus for these projects.

In 2004, the United States and Japan began a series of sustained security consultations aimed at strengthening the U.S.-Japan security alliance to better address today's rapidly changing global security environment. DOD's Defense Policy Review Initiative established a framework for the future of U.S. force structure in Japan designed to create the conditions to reduce the burden on Japanese communities and create a continuing presence for U.S. forces in the Pacific theater by relocating units to other areas, including Guam (app. I shows the location of Guam).<sup>\*</sup> This initiative also includes a significant reduction and reorganization of the Marine Corps presence on Okinawa to include relocating 8,000 Marines and their estimated 9,000 dependents to Guam. More than 10,000 Marines and their dependents will remain stationed in Okinawa after this relocation. Another initiative includes the closure and replacement of Marine Corps Air Station Futenma at a less densely populated location on Okinawa by the 2014 goal as a result of local concerns involving safety and noise. DOD officials view the success of the Futenma replacement facility as a key objective of the initiative that will need to be completed in order for other realignment actions to take place. Previously, the United States and Japan were unsuccessful in closing and replacing the Marine Corps Air Station Futenma as a part of the Special Action Committee effort on Okinawa.

#### *Other Global Realignments*

In recent years, DOD has been undergoing a transformation that has been described as the most comprehensive restructuring of U.S. military forces overseas since the end of the Korean War. The initiative is intended to close bases no longer needed to meet Cold War threats as well as bring home U.S. forces while stationing more flexible, deployable capabilities in strategic locations around the world. As part of its transformation, DOD has been reexamining overseas basing requirements to

<sup>10</sup> See GAO/NSIAD-98-66.

<sup>\*</sup> Appendixes I-III have been retained in committee files.

allow for greater U.S. military flexibility to combat conventional and asymmetric threats worldwide.

The Marine Corps realignment from Okinawa to Guam is just one of several initiatives to move military forces and equipment and construct supporting military facilities on Guam. In addition to the Marine Corps' move to Guam, the Navy plans to enhance its infrastructure, logistic capabilities, and waterfront facilities to support transient nuclear aircraft carrier berthing, combat logistics force ships, submarines, surface combatants, and high-speed transport ships at Naval Base Guam. The Air Force plans to develop a global intelligence, surveillance, and reconnaissance strike hub at Andersen Air Force Base by hosting various types of aircraft, such as fighters, bombers, and tankers, and the Global Hawk system, which is a high-altitude, long-endurance unmanned aerial reconnaissance system, on both permanent and rotational bases. The Army also plans to place a ballistic missile defense task force on Guam with approximately 630 soldiers and 950 dependents. As a result of these plans and the Marine Corps realignment, the active duty military personnel and dependent population of more than 14,000 on Guam is expected to increase approximately 176 percent to more than 39,000 (app. II shows current U.S. military bases on Guam).

#### *Master Planning Requirements for the Military Buildup on Guam*

As initiatives for expanding the U.S. military presence on Guam began to emerge, the Senate Appropriations Committee noted the ambitiousness of the military construction program and the need for a well-developed master plan to efficiently use the available land and infrastructure. In July 2006, the committee recommended deferral of two military construction projects at Andersen Air Force Base that were included in the President's budget request until such time as they can be incorporated into a master plan for Guam and viewed in that context. Further, the committee directed the Secretary of Defense to submit to the appropriation committees a master plan for Guam by December 29, 2006, and a report accounting for the United States' share of this construction program to project-level detail and the year in which each project is expected to be funded.<sup>11</sup> The Senate report also directed GAO to review DOD's master planning effort for Guam as part of its annual review of DOD's overseas master plans.<sup>12</sup> As discussed in our 2007 report, DOD has not issued a Guam master plan for several reasons. First, the required environmental impact statement, which will take at least 3 years to complete according to DOD documents and officials, was initiated on March 7, 2007.<sup>13</sup> According to DOD officials, the results of that environmental impact statement will influence many of the key decisions on the exact location, size, and makeup of the military infrastructure development on Guam. Second, exact size and makeup of the forces to be moved to Guam are not yet identified. Third, DOD officials said that additional time is needed to fully address the challenges related to funding uncertainties, operational requirements, and Guam's economic and infrastructure requirements.

#### *Organizations and Responsibilities*

The U.S. Pacific Command was responsible for the initial planning for the movement of Marine Corps forces to Guam. In August 2006, the Office of the Secretary of Defense directed the Navy to establish JGPO to facilitate, manage, and execute requirements associated with the rebasing of Marine Corps assets from Okinawa to Guam, including the planning for all the other remaining military realignments on Guam. Specifically, JGPO was tasked to lead the coordinated planning efforts among all the DOD components and other stakeholders to consolidate, optimize, and integrate the existing DOD infrastructure on Guam. The office's responsibilities include integration of operational support requirements, development, and program and budget synchronization; oversight of the construction; and coordination of government and business activities. JGPO is expected to work closely with the local Guam government, the government of Japan, other federal agencies, and Congress in order to manage this comprehensive effort and to develop a master plan.

<sup>11</sup> S. Rep. No. 109-286, at 15 (2006).

<sup>12</sup> See GAO-07-1015.

<sup>13</sup> The primary purpose of an environmental impact statement is to serve as an action-forcing device to ensure that the policies and goals defined in the National Environmental Policy Act are infused into the ongoing programs and actions of the federal government. Further, regulations for implementing the act established by the Council on Environmental Quality specify that to the fullest extent possible, agencies shall prepare draft environmental impact statements concurrently with and integrated with other environmental impact analyses and related surveys and studies required by the Fish and Wildlife Coordination Act, the National Historic Preservation Act of 1966, the Endangered Species Act of 1973, and other environmental review laws and executive orders. See 40 C.F.R. §1502.25.

The Secretary of the Interior has administrative responsibility over the insular areas for all matters that do not fall within the program responsibility of other federal departments or agencies. Also, the Interior Secretary presides over the Interagency Group on Insular Areas and may make recommendations to the President or heads of agencies regarding policy or policy implementation actions of the federal government affecting insular areas. The Secretary, as the presiding officer of this interagency group, established a Working Group on Guam Military Expansion to address issues related to the military buildup. The working group includes representatives of the Departments of State, Agriculture, Health and Human Services, Labor, Justice, Transportation, Housing and Urban Development, Education, and Veterans Affairs as well as the Navy, the Small Business Administration, the Office of Management and Budget, and others. Five ongoing subgroups were established to discuss policy and resource requirements relating to (1) labor and workforce issues, (2) Guam civilian infrastructure needs, (3) health and human services requirements, (4) the environment, and (5) socioeconomic issues.

DOD HAS ESTABLISHED A FRAMEWORK FOR MILITARY BUILDUP ON GUAM, BUT THE PLANNING PROCESS IS ONGOING

The U.S.-Japan Defense Policy Review Initiative has established the framework for the future of the U.S. force structure in Japan, including the realignments on Okinawa and Guam. However, no final decision on the exact size and makeup of the forces to move to Guam, including their operational, housing, and installation support facilities, has been made. The environmental impact statement expected in 2010 may affect many key planning decisions.

*Framework for the Military Realignment and Buildup*

DOD has established various planning and implementation documents that serve as a framework to guide the military realignment and buildup on Guam. Originally, the Marine Corps realignment was discussed in the U.S.-Japan Defense Policy Review Initiative, which established the framework for the future of U.S. force structure in Japan designed to create the conditions to reduce the burden of American military presence on local Japanese communities and to create a continuing presence for U.S. forces by relocating units to other areas, including Guam. In its Defense of Japan 2006 publication, the Japan Ministry of Defense reported that more than 70 percent of U.S. facilities and areas are concentrated in Okinawa and regional development has been greatly affected by the concentration.<sup>14</sup> That publication recommended that the relocation of the U.S. Marine Corps forces from Okinawa to Guam should occur as soon as possible. It further noted that based on bilateral meetings in 2005 and 2006, the government of Japan had decided to support the United States in its development of necessary facilities and infrastructure, including headquarters buildings, barracks, and family housing, to hasten the process of moving Marine Corps forces from Okinawa to Guam.

Subsequently, in July 2006, the U.S. Pacific Command developed the Guam Integrated Military Development Plan<sup>15</sup> to provide an overview of the projected military population and infrastructure requirements; however, it provides limited information on the expected effects of the military buildup on the local community and off base infrastructure. The plan is based upon a notional force structure that was used to generate land and facility requirements for basing, operations, logistics, training, and quality of life involving the Marine Corps, Army, Navy, Air Force, and Special Operations Forces in Guam. Also, JGPO has completed its first phase of the Guam master planning process and developed basic facility requirements with general cost estimates and mapping concepts. The second phase of the master planning is in progress and will include more detailed infrastructure requirements, facility layouts, and cost estimates for fiscal years 2010 and 2011. JGPO is developing a planning-level Guam joint military master plan that will be submitted to congressional staff by September 15, 2008. However, that plan is not considered a final master plan since DOD is awaiting the results of the environmental impact statement and record of decision, which are due in 2010.

*Size and Makeup of Forces and Other Variables Are Not Yet Known*

The exact size and makeup of the forces to move to Guam and the operational, housing, and installation support facilities required are not yet fully known. While the U.S.-Japan Defense Policy Review Initiative identified Marine Corps units for relocation from Okinawa, assessments are still under way within DOD to determine

<sup>14</sup> Japan Ministry of Defense, Defense of Japan 2006 (Japan: October 2006).

<sup>15</sup> U.S. Pacific Command, Guam Integrated Military Development Plan.

the optimal mix of units to move to Guam, which may also include Marines from other locations, such as Hawaii and the continental United States.

Approximately 8,000 Marines and their estimated 9,000 dependents of the Third Marine Expeditionary Forces Command Element, Third Marine Division Headquarters, Third Marine Logistics Group Headquarters, 1st Marine Air Wing Headquarters, and 12th Marine Regiment Headquarters are expected to be included in the move to Guam. The Marine Corps forces remaining on Okinawa will consist of approximately 10,000 Marines plus their dependents of the Marine Air-Ground Task Force. While these broad estimates provide a baseline, according to DOD officials we spoke with, the Marine Corps is still determining the specific mix of units and capabilities needed to meet mission requirements on Guam. In addition, Marine Corps officials said that the department was reviewing the mix of units moving to Guam in light of the department's plan to increase the number of Marines to 202,000 from 180,000.<sup>16</sup>

The number and mix of units is significant because, according to Marine Corps officials, the operational, housing, and installation support facilities on Guam will depend on the type, size, and number of units that will make the move. That determination will define the training and facility requirements, such as the number and size of family housing units, barracks, and schools and the capacity of the installation support facilities needed to support the military population and operations. In response to the ongoing assessment by the Marine Corps, JGPO officials said that they were initiating a master plan that will reflect the building of "flexible" infrastructure that could accommodate any mix of military units that may move to Guam. However, the lack of information on the number and mix of forces makes it difficult to provide an accurate assessment of specific facility and funding requirements at this time.

*Results of the Required Environmental Impact Statement May Affect Several Key Decisions*

Before JGPO can finalize its Guam master plan, it will need to complete the required environmental impact statement. According to DOD officials, the results of the environmental statement, currently expected to be issued in 2010, can affect many of the key decisions on the exact location, size, and makeup of the military infrastructure development.

On March 7, 2007, the Navy issued a public notice of intent to prepare an environmental impact statement pursuant to the requirements of the National Environmental Policy Act of 1969 (NEPA),<sup>17</sup> as implemented by the Council on Environmental Quality Regulations,<sup>18</sup> and Executive Order 12114. The notice of intent in the Federal Register<sup>19</sup> states that the environmental impact statement will:

- Examine the potential environmental effects associated with relocating Marine Corps command, air, ground, and logistics units (which comprise approximately 8,000 Marines and their estimated 9,000 dependents) from Okinawa to Guam. The environmental impact statement will examine potential effects from activities associated with Marine Corps units' relocation to include operations, training, and infrastructure changes.
- Examine the Navy's plan to enhance the infrastructure, logistic capabilities, and pier/waterfront facilities to support transient nuclear aircraft carrier berthing at Naval Base Guam. The environmental impact statement will examine potential effects of the waterfront improvements associated with the proposed transient berthing.
- Evaluate placing a ballistic missile defense task force (approximately 630 soldiers and their estimated 950 dependents) in Guam. The environmental impact statement will examine potential effects from activities associated with the task force, including operations, training, and infrastructure changes.

JGPO officials recognize that the results of this environmental assessment process may affect the development and timing of JGPO's master plan for Guam. Under NEPA and the regulations established by the Council on Environmental Quality, an environmental impact statement must include a purpose and need statement, a description of all reasonable project alternatives and their environmental effects (including a "no action" alternative), a description of the environment of the area to be affected or created by the alternatives being considered, and an analysis of the

<sup>16</sup>The planned increase in the Army's and Marine Corps' forces collectively is commonly referred to as Grow the Force.

<sup>17</sup>National Environmental Policy Act of 1969, codified as amended at 42 U.S.C. §4321-4347.

<sup>18</sup>40 C.F.R. pts. 1500-1508.

<sup>19</sup>72 Fed. Reg. 10186-7 (Mar. 7, 2007).

environmental impacts of the proposed action and each alternative.<sup>20</sup> Further, accurate scientific analysis, expert agency comments, and public scrutiny are essential to implementing NEPA. For example, federal agencies such as DOD are required to ensure the professional integrity, including scientific integrity, of the discussions and analyses contained in the environmental impact statement. Additionally, after preparing a draft environmental impact statement, federal agencies such as DOD are required to obtain the comments of any federal agency that has jurisdiction by law or certain special expertise and request the comments of appropriate state and local agencies, Native American tribes, and any agency that has requested that it receive such statements. Until an agency issues a final environmental impact statement and record of decision, it generally may not take any action concerning the proposal that would either have adverse environmental effects or limit the choice of reasonable alternatives.

DOD officials stated that performing these alternative site analyses and cumulative effects analyses may delay the completion of Guam master plan and thus affect the construction schedule of military facilities needed to accommodate thousands of Marines and dependents by the 2014 goal identified in the Defense Policy Review Initiative. DOD will submit its fiscal year 2010 budget request to Congress for the first phase of military construction projects prior to the completion of the environmental impact statement. Thus, DOD may be asking Congress to fund the military construction projects without the benefit of a completed environmental impact statement or a final decision on the full extent of its facility and funding requirements. DOD officials said that this practice of requesting funding during the development of environmental impact statements is common within the department for large projects, such as major base realignments and closures. JGPO officials told us that immediately after the environmental impact statement and record of decision are completed, the department will commence construction of facilities in efforts to meet the 2014 goal. However, other DOD and government of Guam officials believe that this is an ambitious and optimistic schedule considering the possibility that the environmental impact statement could be delayed, the complexities of moving thousands of Marines and dependents from Okinawa to Guam, and the need to obtain funding from the United States and Japan to support military construction projects.

#### SEVERAL DOD AND GOVERNMENT OF GUAM CHALLENGES HAVE YET TO BE ADDRESSED

DOD and the government of Guam face several significant challenges associated with the military buildup, including addressing funding and operational challenges and community and infrastructure impacts, which could affect the development and implementation of their planning efforts. First, DOD has not identified all funding requirements and may encounter difficulties in obtaining funding given competing priorities within the department. Second, DOD officials need to address the operational and training limitations on Guam, such as for sea and airlift capabilities, and training requirements for thousands of Marines. Third, the increase in military personnel and their dependents on Guam and the large number of the construction workers needed to build military facilities will create challenges for Guam's community and civilian infrastructure.

#### *DOD Faces Funding Challenges*

The military services' realignments on Guam are estimated to cost over \$13 billion. Included in this \$13 billion cost estimate, the Marine Corps buildup is estimated to cost \$10.3 billion. However, these estimates do not include the estimated costs of all other defense organizations that will be needed to support the additional military personnel and dependents on Guam. For example, the Defense Logistics Agency, which will help support the services' influx of personnel, missions, and equipment to Guam, will likely incur additional costs that are not included in the current estimate. Also, the costs to move and accommodate Marine Corps units from locations other than Okinawa to Guam are not included in the estimate. In addition, the costs associated with the development of training ranges<sup>21</sup> and facilities on nearby islands are not included in the current estimate for the military buildup. According to JGPO officials, the total costs for the military buildup will eventually be identified and integrated into JGPO's master plan for Guam.

Of the \$10.3 billion estimate for the Marine Corps buildup, the government of Japan is expected to contribute up to \$2.8 billion in funds without reimbursement for the construction of facilities, such as barracks and office buildings. The govern-

<sup>20</sup> 40 C.F.R. §1502.13-1502.16.

<sup>21</sup> Adequate training ranges are critical to maintaining military readiness.

ment of Japan is also expected to provide another \$3.3 billion in loans and equity investments for installation support infrastructure, such as on base power and water systems, and military family housing. Most of this \$3.3 billion is expected over time to be recouped by Japan in the form of service charges paid by the U.S. government and in rents paid by American servicemembers with their overseas housing allowance provided by DOD.

In addition, according to DOD officials, there are several conditions that must be met before the government of Japan contributes to the cost of the Marine Corps move. First, the government of Japan has stipulated that its funds will not be made available until it has reviewed and agreed to specific infrastructure plans for Guam. Second, failure or delay of any initiative outlined in the Defense Policy Review Initiative may affect the other initiatives, because various planning variables need to fall into place in order for the initiatives to move forward. For example, DOD officials expect that if the Futenma replacement facility in Okinawa (estimated to cost from \$4 billion to \$5 billion) is not built, the Marine Corps relocation to Guam may be canceled or delayed. Previously, the United States and Japan were unsuccessful in closing and replacing Marine Corps Air Station Futenma as a part of the Special Action Committee on Okinawa process in 1996.<sup>22</sup> DOD officials view the success of the Futenma replacement facility as a key objective of the initiative that will need to be completed in order for other realignment actions to take place, including the move to Guam. Finally, the government of Japan may encounter challenges in funding its share of the Marine Corps move considering Japan's other national priorities and its commitments associated with funding several other major realignments of U.S. forces in Japan under the Defense Policy Review Initiative.

#### *DOD Faces Operational Challenges*

Operational challenges, such as providing appropriate mobility support and training capabilities to meet Marine Corps requirements, have not been fully addressed. According to Marine Forces Pacific officials, the Marine Corps in Guam will depend on strategic military sealift and airlift to reach destinations in Asia that may be farther away than was the case when the units were based in Okinawa. For example, in a contingency operation that requires sealift, the ships may have to deploy from Sasebo, Japan, or other locations to collect the Marines and their equipment on Guam and then go to the area where the contingency is taking place, potentially risking a delayed arrival at certain potential trouble spots. According to Marine Corps officials, amphibious shipping capability and airlift capacity are needed in Guam, which may include expanding existing staging facilities and systems support for both sealift and airlift. The Marine Corps estimated additional costs for strategic lift operating from Guam to be nearly \$88 million annually.

Existing training ranges and facilities on Guam are not sufficient to meet the training requirements of the projected Marine Corps force. A DOD analysis of training opportunities in Guam concluded that no ranges on Guam are suitable for the needs of the projected Marine Corps force because of inadequacy in size or lack of availability. U.S. Pacific Command is also in the process of conducting a training study that covers both Guam and the Commonwealth of the Northern Mariana Islands to see what options are available for training in the region. Marine Forces Pacific officials stated that live-fire artillery training, amphibious landings, and tracked vehicle operations will be challenging because of the combination of factors associated with the limited size of training areas available and the environmental concerns on the Northern Mariana Islands.

#### *Increase in Military Presence Is Likely to Cause Local Community and Infrastructure Challenges*

The increase in military presence is expected to have significant effects on Guam's community and infrastructure, and these challenges have not been fully addressed. This undertaking is estimated to increase the current Guam population of approximately 171,000 by an estimated 25,000 active duty military personnel and dependents (or 14.6 percent) to 196,000. The Guam population could also swell further because DOD's personnel estimates do not include defense civilians and contractors who are also likely to move to Guam to support DOD operations.

DOD and government of Guam officials recognize that the military buildup will have significant effects on the local community. For example:

- As a result of the military buildup on Guam, construction demands will exceed local capacity and the availability of workers, though the extent to which the local workers can meet this increase has yet to be determined. For example, on

<sup>22</sup>The United States and Japan are continuing their effort to close and replace Marine Corps Air Station Futenma as a part of the Defense Policy Review Initiative.

the basis of trend data, government of Guam officials estimate the current construction capacity to be approximately \$800 million per year, as compared with the estimated construction capacity of more than \$3 billion per year needed by DOD to meet the planned 2014 completion date. In addition, Guam currently faces a shortage of skilled construction workers. Preliminary analysis indicates that 15,000 to 20,000 construction workers will be required to support the projected development on Guam. One estimate is that Guam may be able to meet only 10 to 15 percent of the labor requirement locally, a concern to federal, military, and local officials. Nearby countries may have workers willing to come to Guam to take jobs to construct needed facilities, but these workers will have to temporarily enter the United States on temporary nonagricultural workers visas, currently capped at 66,000 per year. JGPO officials said that legislation recently passed by both the Senate and the House of Representatives that will increase the cap in the short term is a first step toward addressing many of their concerns with temporary nonagricultural workers visas.

- The government of Guam has expressed several concerns about the potential effects of an influx of foreign workers on Guam's community. The Civilian Military Task Force recommended that Guam needs to establish a department that would focus on processing foreign workers. Further, a government of Guam report stated that the influx of foreign workers would put a strain on existing emergency care services, medical facilities, and public utilities.

In addition, DOD and government of Guam officials recognize that the island's infrastructure is inadequate to meet the increased demand due to the military buildup. For example:

- Guam's commercial port has capacity constraints with pier berthing space, crane operations, and container storage locations. The military buildup requires a port with double the current capacity, and military cargo is expected to increase sixfold during construction of facilities required for the buildup.
- Guam's two major highways are in poor condition and, when ordnance (ammunition and explosives) is unloaded from ships for Andersen Air Force Base now and for the Marine Corps in the future, the ordnance must be transported on one of these major roads that run through highly populated areas. The current highway system also experiences slippery surfaces, potholes, and occasional flooding. Traffic between military installations and commercial, business, and residential areas is anticipated to increase significantly with the military buildup.
- Guam's electrical system—the sole power provider on the island—is not reliable and has transmission problems resulting in brownouts and voltage and frequency fluctuations. The system may not be adequate to deliver the additional energy requirements associated with the military buildup.
- Guam's water and wastewater treatment systems are near capacity and have a history of failure due to aged and deteriorated distribution lines. The military buildup may increase demand by at least 25 percent.
- Guam's solid waste facilities face capacity and environmental challenges as they have reached the end of their useful life. Currently, the solid waste landfills in Guam have a number of unresolved issues related to discharge of pollutants and are near capacity.

#### GOVERNMENT OF GUAM'S PLANNING EFFORTS ARE IN THEIR INITIAL STAGES

The government of Guam's planning efforts to address infrastructure challenges associated with the buildup of military forces are in the initial stages, and several uncertainties further contribute to the difficulties the government of Guam faces in developing precise plans to address the effects of the military buildup on the local community and infrastructure. In addition, funding sources to address infrastructure challenges are uncertain. As we have found with some communities experiencing civilian and military population growth surrounding Army installations in the continental United States, the government of Guam will likely ask for assistance to provide civilian infrastructure improvements.

Two recent studies that examine the various effects of the military buildup on the local infrastructure and community were developed by the government of Guam and KPMG. First, the Governor of Guam commissioned the Civilian Military Task Force to develop a plan that would both accommodate the military personnel expansion and provide opportunities for the Guam community. The task force issued its report in November 2007, which provided a synopsis of the various funding and resource

needs.<sup>23</sup> Second, the government of Guam contracted KPMG to examine the needs and challenges Guam faces in regard to the military buildup. The October 2007 report made preliminary assessments on the effects of the military buildup on Guam's infrastructure, economy, and social services.<sup>24</sup> One study estimated that more than \$3 billion will be required for civilian infrastructure and government services to address the military buildup.<sup>25</sup>

The uncertainties associated with exact size, makeup, and timing of the forces to be moved to Guam make it difficult for the government of Guam to develop comprehensive plans to address the effects of the proposed military buildup. Guam officials said that without accurate information it is difficult to develop an infrastructure program that identifies civilian construction projects and financing to support the military buildup and to form an administrative structure to oversee and coordinate project scheduling and implementation. In our September 2007 report on communities experiencing civilian and military population growth at continental U.S. Army installations, we found that without knowing whether Army headquarters-level offices or the local base plans have accurate information about the expected growth, communities are not well positioned to plan for and provide adequate schools, housing, transportation, and other infrastructure.

As discussed previously, government of Guam officials recognize that the island's infrastructure is inadequate to meet the projected demand and will likely require significant funding to address this challenge. However, the extent to which the government of Guam will be able to obtain financial assistance for projected infrastructure demands from the federal government is unclear. Government of Guam officials we met with were uncertain as to whether and to what extent federal grant programs will be available to address Guam's public infrastructure to support the military realignments. On the basis of its initial review, KPMG reported that the data it collected from the government of Guam suggested that it is likely there will be a significant funding gap between the availability of funds and requirements for Guam's infrastructure program.<sup>26</sup> KPMG further reported that \$282 million in federal funding was provided to Guam in 2006. Without additional federal assistance, government of Guam officials believe that local infrastructure improvements to accommodate the military buildup would take decades to complete. In our September 2007 report on U.S. communities experiencing civilian and military population growth at Army installations, we found that communities will likely incur costs to provide adequate schools, transportation, and other infrastructure improvements.<sup>27</sup> Because of limited local funding, some of these communities are seeking federal and state assistance.

Mr. Chairman, this concludes my statement. I would be pleased to answer any questions you or any members of the committee may have at this time.

The CHAIRMAN. Thank you very much.

Thank you all for your excellent testimony. Let me just ask a few questions.

Congresswoman Bordallo, let me ask you—first of all, you spoke about your proposal to have memoranda of understanding between Guam and the Federal Government concluded. Have you spoken to the administration about this recommendation? Have you gotten any reaction from them? What reaction has that been?

Ms. BORDALLO. Mr. Chairman, I did bring this up at the last IGIA meeting, which was chaired by Mr. Kempthorne. So, he's aware of it. The request came from our own local agencies, because it seems that, when they come to Washington to talk about this buildup, that—each time, they're faced with another representative from the Federal Government. In other words—or from the Federal

<sup>23</sup> Guam Civilian Military Task Force, *Planning for Military Growth: November 2007 Needs Assessment* (Hagatna, Guam: Nov. 2007).

<sup>24</sup> PMG, *Conduct Studies Associated with Military Growth and Integration Initiatives for the Island of Guam* (Oct. 31, 2007).

<sup>25</sup> According to KPMG, the cost estimates and figures presented in the study are incomplete and were not verified or validated by government of Guam or KPMG officials. Moreover, KPMG officials concluded that more work in terms of testing and analysis needed to be conducted on financial data presented in the report.

<sup>26</sup> See footnote 24.

<sup>27</sup> See GAO-07-1007.

agency—they're not meeting with the same people all the time, and they have to go through the whole explanation of the buildup. So, they wanted some kind of a commitment, you know, in writing, a memorandum of understanding.

I think it's important, because, you know, we will have a change of administration, and there be—may be a chance that the new Cabinet member may not—you know, he'll say, "Well, it wasn't under my watch," so—"I don't know anything about it"—so, we would like to have this. I think it would give it more of a feeling of permanency. I—everyone is aware of it, Senator.

The CHAIRMAN. OK.

Let me ask Mr. Pula or General Bice if you have thoughts about whether this makes sense, to try to get memoranda of understanding, or is that really not practicable, to get something like that done at this stage, toward the end of an Administration.

General BICE. Mr. Chairman, let me speak just for the Department of Defense aspects there.

We see nothing wrong with memorandums of understanding. In fact, we've been working with the Guam Port Authority, the Government of Guam, and the Maritime Administration, through the—through our Office of Economic Adjustment, and forming a MOU over MARAD's assistance to the port. We see these partnership agreements as a good model so that we can have a sense of understanding what each roles will be played there, and what the potential outcomes can be.

As you know, of course, the—you know, none of the Departments can commit future funding; only Congress can do that. So, you know, the limitation, in terms of the funding aspect, is always there, but it, in fact, as far as a MOU, a partnership agreement, we think that's the right way—approach to go.

The CHAIRMAN. Mr. Pula, did you have a comment?

Mr. PULA. Yes. I think the Congresswoman did bring it up in IGIA. I think all—everybody in the meeting heard about it.

Let me just preface it by saying, we don't have any problems with MOUs. The only concern that I have would be, every time—and I'm sure everybody appreciates this—in budget process, you've got to have certain requirements. Before you lay out a budget—and when the requirements aren't there, it's difficult to—you know, to go to—at the process in the Department and go to OMB and say, "Hey, you know, we need this," when the requirements are not really there. And I think that's one of the problems the IGIA sister agencies have been having, looking at DOD, JGPO, as well as GovGuam, about getting the requirements down so they could have some numbers to work with. And it would be much easier when we get that. But, until we get that, it's very difficult to make some sort of commitment to it. And that's my—

The CHAIRMAN. Governor Camacho, did you have a comment?

Mr. CAMACHO. Yes. I understand the intent of an MOU, as proposed by the Congresswoman, and it primarily would be to allow for continuity as you would have a transition from one administration to the next, an agreement, at least from—and a commitment from the Federal Government on how to proceed with the buildup. But, I think we need something more substantial, and that would

be a commitment in the way of an appropriation measure that would commit funding, at least for the civilian side.

We do understand that the buildup is reflective of what is needed for the military buildup within the fenceline and for military facilities on Guam. But, as mentioned, the impact that will occur outside the fenceline with the civilian community is one that cannot be borne by the people of Guam alone.

When you think of the severe impact the magnitude of—which will occur, and the fact that we have, currently, only 170,000 people on the island, with existing debt and existing commitments already for projects that have occurred over the last several decades, to add additional—an additional debt burden on the people of Guam to fund the infrastructure by way of partnerships, by way of partnering with the private sector and bringing other developers in, would still be a cost that has to be borne by the people. I don't think any community of that size can have the financial capability of shouldering that burden, which is why we come and are hoping that there is a realization that it is a Federal commitment that also must be matched on the financial end.

As I mentioned, the delta between what we have planned for on—in the way of normal growth, and now the impact which will occur in the compressed timeline because of the buildup, is—it's a wide gap. I tell you, honestly and sincerely, chairman, that the people of Guam cannot bear that burden. It would break our backs financially. So, we are asking for a Federal commitment, above and beyond an MOU.

The CHAIRMAN. OK. Let me ask, Governor, one other question. I believe Mr. Pula has an estimate, in his written testimony, there will be an increase in the GDP of Guam by 22 percent, and that tax revenues are expected to double as a result of the buildup. Does your government have any independent estimate on those items? Do you have an estimate as to how much of an increase you will see in gross domestic product or in tax revenues available to the government?

Mr. CAMACHO. Certainly one of the grant requests that we're putting forward to the Office of Economic Adjustment under DOD is certainly that, would be conduct a financial feasibility study by economists to clearly point out whatever revenues are expected. But, the promises of tomorrow, and revenues that will be generated, such as a 22-percent increase in GDP and the doubling of revenues, are simply that, they are promises to come. What we need now are finances and moneys for now, for today, so that we can adequately prepare for the buildup.

As mentioned, we need a firm, solid foundation upon which to build, and it must be concurrent and run parallel on the same timelines with that which we expect in the military community. If we fall short on that, then there's just no way that we can couple up and support the military, as necessary.

We want to ensure that this is mutually beneficial. It's a once-in-a-lifetime opportunity, Mr. Chairman, to get it right. We've got one shot. But, we certainly need help in this regard.

The CHAIRMAN. General Bice, let me ask you—on this agreement we've got with Japan now, on funding, where they pick up a portion of the funding, as I understand it, that's limited to on-base

projects. There are a lot of systems, including power and water and solid waste and all, that are really communitywide, that would not be eligible to participate in any of the funding from Japan. Is that right, or not?

General BICE. Mr. Chairman, the way the financial arrangements from the Government of Japan is that they will provide \$2.8 billion in direct cash for United States military facilities on base; that's barracks, headquarters buildings, and the like. They will also provide \$2.5 billion for—in forms of a—financial instruments through a public/private partnership, they call a “special-purpose entity,” for housing. That is, they will build the housing, and the military members will rent those homes through the overseas housing allowance that the Department of Defense provides to the membership there. That's how those are paid back.

Similarly, for the—for utilities, the Government of Japan has agreed to upgrade utilities on Guam in support of the Marine relocation, up to \$740 million; again, through a public/private partnership. With the special-purpose entity—unlike a strict military construction project, which would be on-base only, with the public/private partnership, we can, in fact, extend that capability off-base. Currently, we are in discussions and in studies with the Government of Japan on utilities.

I'll just give an example. One of the options for power generation is to build a power plant on base, and then they would build transmission lines that would connect to all the Marine facilities all around the island. That may not necessarily be the most cost-beneficial, cost-effective way of doing it. Another option is to build a power plant off base and plug that power plant into the Guam grid. Then, the Marines and other Department of Defense would draw—again, draw upon the Guam grid. We're currently going through a business-case analysis for all the options, all the ranges there; that includes off-base analysis there.

My Government of Japan colleagues have encouraged us to put all options on the table, and we'll use the business-case analysis to determine which options fits them. We're hopeful that, through these options, we can, in fact, have a positive benefit to the people of Guam by improving their infrastructure, as well.

The CHAIRMAN. OK, that's helpful information. I appreciate that.

Mr. Pula, could you briefly describe the Guam Task Force's role in the budget process, as you understand it? I mean, to what extent is it coordinated with requests within the White House? How do you ensure that the desires and conclusions of the Guam Task Force are taken into account?

Mr. PULA. Thank you, Mr. Chairman.

Let me say, the interagency group is chaired by the Secretary of the Interior. It does not have any binding authority, in terms of a budget process, with other agencies. It is a forum where other Federal agencies of the Administration will come and listen to other concerns that are brought up by the insular areas.

More specifically to your question of how we've been doing—working on the Guam buildup lately is, we've had this task force with the Joint Guam Program Office, JGPO, and OIA. We've been working together very closely, on a daily/weekly basis, phone calls, trying to get the other sister agencies to bring to bear what they

feel their requirements are, based on information coming from GovGuam and DOD.

I would be remiss if I don't mention that there's a lot of frustration, because, you know, as time is pressing, like everybody is mentioning up, we need to get some numbers. We're talking about 2010, and the budget cycle is coming; you know, we need information today. So, we've been trying to push this issue.

The Secretary of the Interior, Kempthorne, personally got on the phone last year and called Secretary Gates when the Governor of Guam and the Lieutenant Governor asked him for help. As a result, we have Assistant Secretary B.J. Penn, who came and went out with the Secretary. So, there's a close relationship there.

But, like I mentioned earlier, in order for us to get budget numbers to go through the departments, and, therefore, get some sort of approval for 2010, we really need the solid requirement, so that we can base this—

The CHAIRMAN. You're talking about the solid requirements that you're hoping to get from the Department of Defense, or from the Government of Guam, or both, or what?

Mr. PULA. Both.

The CHAIRMAN. OK. I—

General BICE. If I could say, Senator—

The CHAIRMAN. General Bice, sure.

General BICE [continuing]. Mr. Chairman, we are working closely with the Government of Guam and all the chairs of the working groups, the five working groups established, to identify the requirements. What we want to do is come up with a prioritized listing of all of those requirements, and work that through this Interagency Task Force to identify the funding requirements for—especially for fiscal year 2010. Hopefully we can bring together some senior leadership among the Federal departments and have a meeting, later on this spring, to talk about the FY-10 funding profiles that are going to be developed within the various Federal agencies and departments, because we see that, as the Governor mentioned, you know, the time is pressing, time is now, and we've got to get started.

The CHAIRMAN. I would think, with this 2010 budget cycle coming on very quickly here, or already started, probably the most immediate thing would be to be sure that the Administration is asking the Congress for adequate funds in all these different areas when that budget is submitted to us early next year. Of course, that will be prepared by this Administration before it leaves office, not by the new Administration, as I understand it.

Governor.

Mr. CAMACHO. Mr. Chairman, it is true that we have been working and trying to provide the numbers necessary to make a good case. What's alarming is that it was only recently, in the past few months, when we brought the matter to the attention of Federal agencies, that there was any awareness of this military buildup on Guam. Recognizing the lack of information provided to the rest of the agencies necessary, it is reflected in the fact that fiscal year 2008, fiscal year 2009 budgets have been missed. OMB pointedly mentioned to us that we have missed the opportunity, that the

train had left the station, that the only opportunity we had to submit for any budget request would be for 2010.

Recognizing that there was a lack of awareness, we had gone to the—Region 9, and they have a Working Regional Council. The reason I went there was that they have specific knowledge with oversight of programs in Guam, and we had to inform them about the buildup and the fact that there would be an impact, and that they had to be aware of what would come in a few short years. Working—and I have to commend the Department of the Interior and Secretary Kempthorne, because we then took it to the national level. I figured, if we can get advocates at the regional level, they can help us make our case in the national level. So, it is here and now that we are making our case.

When we heard of the buildup that would occur, that's when we formed this Interagency Task Force, or Civilian-Military Task Force on Guam, to pull in all sectors to—and we did a needs assessment. Along those lines, as information was brought, then the utilities began to plan. When we understood the full breadth and scope and impact of the buildup, it's then that we realized, "My gosh, there's got to be a tremendous amount of work put into this."

So, yes, time is running out, and we want to make sure we catch the train before it leaves the station for fiscal year 2010. But, perhaps there are opportunities we're looking for in the supplemental budgets, if those occur whatsoever, for fiscal year 2008 or 2009, where we can get on it.

If I may, the priority is recognizing that goods will have to come in, construction will begin in a year and a half, by 2010, should all plans fall into place. That means we would need a sixfold increase in the capacity of our seaport to handle the goods coming through. Once they come through the ports, we then need to make sure that our roads would be able to handle the traffic and the goods that would flow to the construction sites. So, transportation is absolutely essential. Then, when you couple the fact that there are going to be 15,000 additional construction workers on Guam that are coming in, with the additional families, by 2012, or starting then, on to 2014, our health care system and the ability for our hospital to handle that workload, again, is going to be tremendous.

So, I think you can begin to see the picture of where we're heading.

So, the sense of urgency and the short timeline that we are faced with, and the limited capacity of an island community to fund and comply with the buildup on our side, is going to be very, very challenging, sir.

The CHAIRMAN. Yes, Congresswoman Bordallo.

Ms. BORDALLO. Thank you. Thank you, Mr. Chairman.

I bring up the point of the MOU. That's why it's so important. The point of the MOU is to identify what will be in the administration's request for 2010, 2011, 2012, 2013, 2014. How else can Guam plan for projects if we don't have some kind of an idea? It could be a generic MOU. Of course, the Governor spoke about the funding being included. Whatever the case. But, I think there is a very, very crucial need for the MOUs.

Now, when it comes to priorities—we spoke about priorities, Mr. Chairman. In my opinion, the greatest infrastructure challenge at

this time is the improvement of our port. Both the Department of Defense and the Port Authority of Guam have identified the port as a potential choke point as the buildup moves forward. The containers are going through the port, they're expected to nearly double, maybe triple, during the bulk of construction activities. So, if we can't get materials into the island with the buildup, it'll be slowed down, prices could increase. So, I feel that the top priority in funding right now—top challenge would be the enhancement, the expansion of the port.

Also, I support public/private—somebody spoke about the public/private ventures. I support that. We have one that we're pursuing right now to bring an additional three cranes to Guam. Currently, there is only one, Mr. Chairman. Certainly we need help in that area.

Then, I think, for your information, Mr. Chairman, I have already seen and gone through the tentative military—the DOD master plan for this buildup. I just spoke to the Governor, and the GovGuam Master Plan is still pending—not ready, as yet. So, we're working on it, but I think this has to be in place, as well, so we can make plans for the future.

The CHAIRMAN. OK. Let me thank everybody, here.

Let me just mention, Mr. Lepore, we'll continue to call on GAO to monitor this for us and keep us informed as to what the needs are, and how well they're being met, and the timing.

Mr. LEPORE. We look forward to being of assistance to you, Mr. Chairman.

The CHAIRMAN. Very good.

Let me also indicate, I'm particularly interested in following up with this general idea of an MOU to identify the specific funding requirements. I think doing it as a President's Memo would help to engage the White House and the Office of Management and Budget in a more direct way in coordinating and prioritizing the budget requirements for the 2010 budget, and that's obviously of top priority. So, I hope we can follow up with you and work with you to see that that happens.

I think this has been useful testimony, and obviously there are a lot of major challenges, for both the United States Government and the Government of Guam, coming up very quickly. So, thank you all for being here.

That'll conclude our hearing.

[Whereupon, at 3:17 p.m., the hearing was adjourned.]



## APPENDIXES

### APPENDIX I

#### Responses to Additional Questions

##### RESPONSES OF GENERAL DAVID BICE TO QUESTIONS FROM SENATOR BINGAMAN

*Question 1.* What are the estimated funding requirements for Federal agencies to complete the EIS for the build-up, and are those funds available? If not, what steps are being taken to secure them?

Answer. FY08 funding requirements for Federal and local agencies that are supporting the EIS for the Guam relocation effort total \$5.5 million. The Department of the Navy is evaluating options for obtaining the funds. Because of the scope, complexity, and the short time suspense, Federal agencies are not in a position to re-source the EIS adequately without additional funding.

##### PORT OF GUAM CAPACITY

*Question 2.* I understand that the Port of Guam lacks the capacity to meet the expected surge in shipping. Please briefly describe the situation and how you expect it to be resolved?

Answer. The port is vital to Guam's economic health and serves as a critical link in the supply chain for all of Guam and the Department of Defense. The goods and material flowing through the port sustain the quality of life for all residents. Concurrently, the Port Authority of Guam (PAG) has just completed the PAG's Master Plan Update and Governor Camacho has approved the Master Plan Update and forwarded it to the Guam Legislature for their approval.

The Port of Guam requires significant improvement and upgrading. The port has not been modernized since it was constructed in the 1960's. Typically, most ports are modernized every twenty years. The port is long overdue for modernization initiative, however, the demand for greater handling capacity to adequately handle the flow of construction materials and supplies during the military construction phase and the expected increase in capacity post the construction phase serves as a catalyst for the port's modernization.

The principal areas of improvement of the highest priority:

- Replacement of cranes
- Modernization of the container cargo handling and tracking system
- Expansion of the container yard
- Training of workforce to support expanded port and cargo handling operations

The Department of Navy is pleased to see the partnership being developed by the Department of Transportation's Maritime Administration (MARAD) and the Guam Port Authority. Recent legislation introduced in the House would allow MARAD to support a public private partnership with the Port of Guam. Such partnerships have been successful around the country, and we are confident MARAD can offer technical and financial solutions for the Port Authority. Moreover, we are pleased to see the Port Authority has produced a draft master plan that provides direction for the port expansion and modernization.

##### UTILITIES INFRASTRUCTURE

*Question 3.* Does the military intend to establish its own water, power, waste water systems, and landfill, or become a customer of the local civilian systems? If DOD plans to be a customer of the civilian systems, does DOD plan to provide assistance, including financial assistance, to the local government to expand and improve those systems?

Answer. The US-Japan agreement for relocating Marines from Okinawa to Guam provides for upgrades to utility systems to support the strategic realignment. The Government of Japan has agreed to provide up to \$740 million for the utility upgrades. These upgrades are to be funded by a Japanese public-private-partnership arrangement. This arrangement allows options to be considered that include improvements to the utility systems outside military facilities. The Navy has completed its technical studies as to the requirements in each of the four areas of utilities to determine the current and projected demand for usage. Business case studies are ongoing to determine the preferred options to meet the growth in the demand for utilities services associated with the Guam military relocation effort. These options include possible private-public partnerships with local utilities and the Government of Guam to meet this demand. The business case studies will identify preferred alternatives which will allow us to better determine the options including improvements to the civilian infrastructure.

#### OEA GRANTS TO GUAM

*Question 4.* I understand that OEA (DOD's Office of Economic Adjustment) has given Guam approximately \$1.7m for 2 grants. Is there an estimate of Guam's planning costs and does OEA plan on providing Guam with the additional planning funds that will be needed? Does OEA provide other types of assistance such as professional staff?

Answer. The Office of Economic Adjustment (OEA) is providing both technical and financial assistance to the Government of Guam, working directly through the governor's office. The OEA has awarded two grants to date.

The Phase I grant focused on the following: 1) establishment of a responsible organization, under Guam legislation, to oversee the Military Integration and Growth (MIG) that would transcend changes in the executive and legislative branches; 2) preliminary baselining of the challenges or issues; 3) logical follow on course of actions; 4) logistical support to the governor's office (travel funding); 5) establishment of video teleconferencing (VTC) capability within the governor's office; and 6) preliminary community outreach.

The Phase II grant include the following: 1) Port of Guam Financial Feasibility Study; 2) Port Community Outreach and Consensus Building; 3) funding for additional staff within the governor's office dedicated to the MIG Initiative; and 4) logistical support to the governor's office.

In concert with the two grants the OEA has and continues to provide technical assistance to the governor's office. The OEA proactively facilitated several instrumental meetings: 1) Federal Regional Council (FRC) Region IX, a consortium of 18 Federal agencies and Departments that oversee approximately 30 major programs in Region IX, which includes the Territory of Guam; (The FRC developed a FRC Action Plan specifically for Guam that includes quarterly meetings with the Governor of Guam and assignment of FRC point of contacts to work with the Government of Guam Departments.) 2) Outer Pacific Committee (OPC) is a sub-committee to the FRC, with responsibility for the Western Pacific Islands; (The OPC oversees annual grants totaling approximately \$690 million to the Western Pacific Islands, which includes approximately \$280 million to Territory of Guam) and 3) Maritime Administration meetings, which led to a partnership agreement and an MOU.

The OEA is working with the governor's office on several other initiatives including, but not limited to the following: 1) Port of Guam Implementation Plan—specific action plan to oversee the Guam Port Modernization Initiative; 2) Guam Compatibility Sustainability Study (CSS)—land use planning initiative that fosters sound decision making, which balances economic development while ensuring military operational sustainability; and 3) Fiscal Impact Analysis (FIA)—the FIA will tier off the Navy's Socioeconomic Impact Assessment; a component of the Navy EIS.

#### PLANS AND POLICIES TO MITIGATE OFF-BASE ENVIRONMENTAL IMPACT

*Question 5.* What are the military's plans and policies for mitigating environmental impacts off-base? For example, have mitigation funds been identified?

Answer. Mitigation of environmental impacts off-base will be identified in the National Environmental Policy Act (NEPA) process and negotiated as required by applicable resource laws and existing DOD policies. The ongoing identification process and future mitigation negotiations are underway with appropriate federal and local departments and agencies during environmental partnering sessions. We anticipate that the outcome of these partnering sessions will result in an environmental impact mitigation strategy and resource plan, signed by all partners, prior to the late 2009 Final Environmental Impact Statement (FEIS). DOD's share of the mitigation costs would come from each Service's MILCON budgets.

## DOD PLANS TO ADDRESS BROWN TREE SNAKE ISSUES

*Question 6.* The brown tree snake is a substantial invasive species problem in Guam and threatens other Pacific Islands. What measures does DOD have planned to prevent further movement of this and other invasive species during the construction phase of the build-up?

*Answer.* As a member of the Micronesia Regional Invasive Species Council (RISC), the Joint Guam Program Office, along with the National Invasive Species Council, is working with the member states such as Palau, Yap, Guam, and CNMI, to develop early detection and rapid response procedures for invasive species, such as the Brown Tree Snake, to be utilized throughout the region. These procedures will be incorporated into a DOD invasive species management and control plan that will be followed during the construction phase. Micronesia RISC has also been included in the participants of DOD / regulatory agency partnering sessions conducted to ensure environmental considerations associated with the relocation and construction effort are addressed. Additionally, engineering controls such as snake proof barriers will be incorporated into designs on a risk based analysis. Further, this is an opportunity to enhance inspection and quarantine facilities and personnel capacity by subject matter experts at all Guam ports of entry and exit, to including government and commercial facilities.

## DOD PUBLIC SAFETY AND LAW ENFORCEMENT SUPPORT TO LOCAL COMMUNITY

*Question 7.* Please describe plans to assist the local community with public safety/law enforcement during the construction phase, particularly with respect to foreign workers?

*Answer.* The public safety/law enforcement issues associated with population increases are inherently Inter-Agency in nature. Therefore, the Joint Guam Program Office, in partnership with the Department of Interior, is involving the appropriate Federal and local law enforcement agencies to address the impacts associated with a large foreign workforce. In addition to regular Inter-Agency Task Force meetings that address a broad range of socio-economic issues, the Joint Guam Program Office will host a Public Safety Forum in Guam later this year with key stakeholders from federal and local law enforcement agencies to further develop plans and policies on the subject.

## WORKFORCE HOUSING

*Question 8.* Please describe plans for workforce housing. For example, will temporary workers be housed on DOD land, GovGuam land, or on land leased from private owners? Do you expect there to be plans for turnover of temporary labor housing for other uses after the construction period ends?

*Answer.* In August 2007 and March 2008, Naval Facilities and Engineering Command (NAVFAC) and the Joint Guam Program Office (JGPO) sponsored Industry Forums on Guam to educate business leaders and investors on the requirements and opportunities related to the Guam military construction phase. Temporary worker housing was one of the key items discussed. The general consensus that has developed through our interaction with industry and the community is that workforce housing should be developed by our industry partners and that DOD (NAVFAC specifically) should develop regulations and enforceable contract provisions for workforce housing to ensure health care, adequate living standards, pay, etc. As no construction contracts have been awarded yet, the location and future use of the worker housing has yet to be determined. Guidelines for how workforce housing will be utilized after the construction period is complete will be included in the development of the regulations and contract provisions governing the workforce housing.

## PLANS AND FUNDING SOURCES FOR TRAINING OF LOCAL RESIDENTS

*Question 9.* Please describe plans, including funding sources, to train local permanent residents for jobs that will be created by the build-up?

*Answer.* Through the Inter-Agency Task Force meetings, the Joint Guam Program Office (JGPO), Department of Interior (DOI) and Department of Labor (DOL) are working towards a \$1 million initiative to build infrastructure for an apprenticeship program on Guam. The Guam Department of Labor received \$15,000 in funding from DOI to hire a consultant to assist the pursuit of a \$250,000 regional innovation (or "planning") grant from DOL to address issues of data collection, needs assessment, and regional workforce leadership outreach. Inter-agency efforts have also resulted in several initiatives at the Guam Community College (GCC) where a diesel mechanical class and construction boot camp have been added to their Construction

Trades Program. In addition, the Government of Guam is preparing a Request for Proposals on their Allied Health building construction project to support health care worker training. Other entities, including the Guam Contractor's Association Trades Academy, in cooperation with the GCC and University of Guam (UoG), are increasing capacity in a four-year apprenticeship program. This includes classes in the heavy equipment, safety, carpentry, heating/ventilation/air conditioning, and electrical trades. They are also exploring ways to expand their programs into neighboring islands.

FINANCIAL ASSISTANCE FOR LOCAL HEALTH AND EDUCATION

*Question 10.* Does DOD plan to provide financial assistance to the local community to expand and improve its health and education capacity and facilities?

Answer. Transitional programs resulting from population increases associated with the Guam military relocation effort are inherently Inter-Agency in nature. The Joint Guam Program Office (JGPO), in conjunction with the Department of Interior (DOI), is involving the appropriate Federal agencies to identify requirements and the budget necessary to meet the anticipated increased demand for social services, including health and education. These agencies will request from Congress the funding necessary to assist Guam with the challenges of expanding its health and education capability and capacity.

RESPONSES OF GENERAL DAVID BICE TO QUESTIONS FROM SENATOR AKAKA

ON INCLUSION OF VA IN DOD PLANS FOR EXPANDED PRESENCE IN GUAM

*Question 11.* The Joint Guam Program Office is working with a number of agencies in preparing for an expanded military presence on Guam. Although veterans on Guam receive in-patient and certain out-patient services from the Naval Hospital on Guam, the Department of Veterans Affairs is not included in the planning. Why has the VA not been involved in the planning deliberations?

Answer. The interagency task force formed under the auspices of the Department of Interior led Interagency Group on Insular Affairs (IGIA) developed five working groups. The Health and Human Service working group, led by the Department of Health and Human Services with the Department of the Navy's Bureau of Medicine (BUMED) as a working group participant, has recently identified veterans' care on Guam as a concern and is reaching out to the VA to address the issues.

SERVICES FOR VETERANS AT GUAM NAVAL HOSPITAL

*Question 12.* Currently the Naval Hospital serves an estimated 1,500 veterans. Services provided to veterans and the reimbursements paid by VA to the Naval Hospital are not considered in the hospital's budget or in the planning for a new hospital. Veterans requiring specialty care may be denied services by the Naval Hospital due to lack of providers, such as dermatologists. Private providers do not exist for many specialties. What actions can be taken to assure that services to veterans will not be further degraded as additional servicemembers and their families are added to the treatment population?

Answer. USNH Guam is resourced to provide healthcare for active duty and TRICARE Prime enrollees. The VA clinic, which manages the primary care for 1500 beneficiaries, and USNH Guam have an agreement for USNH Guam to provide available inpatient and outpatient services for referred veterans on a space available, reimbursable basis.

Prior to implementing any options, a detailed healthcare requirement analysis for the veterans must be performed. It is recommended that this include analysis of requirements for federal employees and contract workers (eligible to receive healthcare at the MTF) required for support of military build-up and the forecasted number of active duty Guard and Tricare Reserve Select (TRS) personnel.

Options for consideration include:

1. VA increase necessary healthcare resources locally to provide needed services for veteran population based on current and forecasted disease management.
2. VA examines the possibility of agreements with accredited facilities in the region, Philippines and Thailand, to provide specialist and sub-specialist healthcare not available at USNH Guam or in the local community.
3. Modification of USNH Guam's mission to include provision of services to veterans and other personnel noted in option 1 on a non-space available basis, with allocation of additional resources devoted to facilities, staffing and equipment.

## 4. Combining options 1 and 3 in a joint venture.

## ON ADDING A PSYCHIATRIST TO GUAM NAVAL HOSPITAL STAFF

*Question 13.* As of last year, the Naval Hospital had no psychiatrist on staff and no plans to add a psychiatrist to the staff. Many servicemembers are reported to have incurred mental health conditions as the result of their combat service. Have any plans been developed to add psychiatric and other mental health professionals to serve the expected increase in servicemembers and families relocating to Guam.

*Answer.* Naval Hospital Guam is manned with two psychiatrists (one of which has been deployed over the last two years) and one clinical psychologist. Other mental health assets include a contracted social worker who can provide psychotherapy, four psychiatric technicians who can assist with intake surveys of mental health patients, and three substance abuse counselors.

This level of staffing meets the current demand and needs of the active duty and dependent community. The projected increase in beneficiaries from all military services will likely result in an increased demand signal for mental health providers, ancillary staff, and social services. Health Care Requirements Analysis (HCRA) will drive resourcing the future mental health care needs.

## FUNDING NEEDED TO PROVIDE HEALTH CARE TO IMMIGRANT CONSTRUCTION WORKERS AND FAMILIES

*Question 14.* It is anticipated that a large number of foreign construction workers, possibly with families will be relocating to Guam to assist in developing the infrastructure to accommodate the relocating servicemembers and their families. Some of these may need health care. The community clinics on Guam are already feeling the influx of immigrants with no alternative source of health care. What assistance is needed to provide the resources necessary to address the health care needs of these workers and their families.

*Answer.* While it is not anticipated the foreign construction workers will bring family members to Guam, health care for those workers supporting the Guam military construction program is a concern. We are currently working with private industry partners that provide logistical support for workforces in remote locations around the world to find solutions for health care and other issues associated with bringing a large number of foreign construction workers to Guam.

## RESPONSE OF GENERAL DAVID BICE TO QUESTION FROM SENATOR MURKOWSKI

## SUITABILITY OF VISA WAIVER IN THE 2008 CONSOLIDATED NATURAL RESOURCES ACT

*Question 15.* On April 29, 2008, the House passed the Consolidated Natural Resources Act, which included, among other things, a waiver of the H-2B visa caps for temporary workers in Guam and the Mariana Islands. General, you mentioned in your testimony that large amounts of temporary workers will be needed for the military and civilian construction projects between now and 2014 and that the Guam workforce can not supply sufficient labor. Will the enactment of this visa waiver provision sufficiently address the military's workforce needs over the next six years? Is anything further needed in terms of legislation to ensure that you have the skilled labor that you need for this buildup?

*Answer.* The Consolidated Natural Resources Act of 2008, Pub. L. 110-229, contains provisions changing the immigration laws of the Commonwealth of the Northern Marianas Islands (CNMI). Among the changes, the Act provides for a waiver of 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 May 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. This provision will address concerns associated with securing qualified skilled construction workers through the transition period.

## RESPONSE OF BRIAN J. LEPORE TO QUESTION FROM SENATOR BINGAMAN

It was a pleasure to appear before the Committee on May 1, 2008, to discuss civilian impacts from the proposed military buildup on Guam.<sup>1</sup> This letter responds to your request that I provide answers to questions for the record for the hearing. The questions and my answers follow.

*Question 1a.* Mr. Lepore, on page 19 of your testimony you note that the initial estimate for the cost of civilian infrastructure and services to address the buildup was \$3 billion, but that these cost estimates and figures are incomplete, and not verified or validated. You also stated that GAO will be reporting to Congress on its ongoing review of the buildup. Will GAO's ongoing review include: validation of the cost estimates for civilian infrastructure; an assessment of Guam's planning and management capacity; and an evaluation of Guam's capacity to finance projects?

*Question 1b.* Do you believe this information would be useful?

Answer. Our ongoing review of the Department of Defense's (DOD) overseas infrastructure master plans and master planning efforts for Guam will not include a validation of the cost estimates for civilian infrastructure, an assessment of Guam's planning and management capacity, or an evaluation of Guam's capacity to finance projects because these areas fall outside of the scope of our current review mandated by the Senate reports accompanying the military construction appropriation bills for fiscal years 2004 and 2007.<sup>2</sup> In response to the mandate, we are determining (1) the extent DOD's fiscal year 2009 master plans reflect recent changes in U.S. overseas basing strategies and address the challenges DOD faces in implementing its plans; (2) the status of DOD's planning effort for the buildup of military forces and infrastructure on Guam; and (3) the extent DOD has identified and addressed its infrastructure and funding requirements, training needs, and other challenges associated with the proposed military buildup on Guam. We believe that information on the validity of the civilian infrastructure cost estimates, Guam's planning and management capacity, and Guam's capacity to finance projects would be useful to the Congress in carrying out its oversight responsibilities and to DOD, other federal departments and agencies, and the government of Guam to plan for and address the civilian infrastructure challenges and associated financial challenges from the proposed military buildup.

## RESPONSE OF BRIAN J. LEPORE TO QUESTION FROM SENATOR MURKOWSKI

*Question 2.* On April 29, 2008, the House passed the Consolidated Natural Resources Act, which included, among other things, a waiver of the H-2B visa caps for temporary workers in Guam and the Mariana Islands. You mentioned in your testimony that large amounts of temporary workers will be needed for the military and civilian construction projects between now and 2014 and that the Guam workforce cannot supply sufficient labor. Will the enactment of this visa waiver provision sufficiently address the military's workforce needs over the next six years? Is anything further needed in terms of legislation to ensure that DOD has the skilled labor needed for this buildup?

Answer. Section 1184(g)(1)(B) of Title 8, U.S. Code, provides that no more than 66,000 H-2B visas may be issued to qualified foreign workers each fiscal year.<sup>3</sup> However, under the Consolidated Natural Resources Act of 2008, during an initial period that begins approximately 1 year after enactment but which may be delayed 180 days and that ends December 31, 2014, qualified nonimmigrant workers may be admitted to Guam or the Commonwealth of the Northern Mariana Islands (CNMI) under the H-2B visa process established pursuant to the Immigration and Nationality Act<sup>4</sup> without counting against the numerical limitation referenced above.<sup>5</sup> After

<sup>1</sup>GAO, DEFENSE INFRASTRUCTURE: Planning Efforts for the Proposed Military Buildup on Guam Are in Their Initial Stages, With Many Challenges Yet To Be Addressed, GAO-08-722T (Washington, D.C.: May 1, 2008).

<sup>2</sup>S. Rep. No. 108-82, at 13-14 (2003) and S. Rep. No. 109-286, at 15 (2006).

<sup>3</sup>The H-2B category applies to residents of foreign countries who are coming to the United States temporarily to perform nonagricultural temporary labor or service if unemployed persons capable of performing such labor or service are unable to be found in the United States (8 U.S.C. § 1101(a)(15)(H)(ii)(B)). For additional regulations pertinent to the issuance of H-2B visas, see also 8 C.F.R. § 214.2(h).

<sup>4</sup>8 U.S.C. § 1101 et. seq.

<sup>5</sup>The Consolidated Natural Resources Act of 2008 also provides for a temporary exemption from the overall numerical limitations on various kinds of H-1B visas under 8 U.S.C. § 1184(g)(1)(A).

the initial period ends on December 31, 2014, this temporary exemption from the overall numerical limitation expires.<sup>6</sup>

According to officials from DOD's Joint Guam Program Office—the office established to plan and execute the military buildup on Guam—this temporary exemption from the overall numerical limitation on H-2B visas addresses the department's concerns associated with securing construction workers needed during the next 6 years. According to these officials, a further statutory change may be needed if construction extends beyond this period.

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[Responses to the following questions were not received at the time the hearing went to press:]

QUESTIONS FOR NIKOLAO I. PULA FROM SENATOR BINGAMAN

*Question 1.* I understand that non-defense federal agencies may not have the funding needed to participate in the NEPA process and keep this timeline on schedule. Please briefly describe the efforts of the Environment Working Group to address this problem, and what the solution appears to be?

*Question 2.* On page five of your testimony you identify port facilities, key roads, and worker barracks as projects of critical concern—they must be completed before construction can begin. Has planning reached the point that fund for these critical projects has been identified?

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<sup>6</sup>See GAO, COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS: Pending Legislation Would Apply U.S. Immigration Law to the CNMI with a Transition Period, GAO-08-466 (Washington, D.C.: Mar. 28, 2008).



## APPENDIX II

### Additional Material Submitted for the Record

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U.S. COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS,  
*Washington, DC, May 15, 2008.*

Hon. JEFF BINGAMAN,  
*Chairman, Committee on Energy and Natural Resources, 304 Dirksen Senate Office Building, Washington, DC.*

DEAR CHAIRMAN BINGAMAN: I apologize for being unable to attend the Senate Energy Committee's May 1, 2008 hearing on the military build-up on Guam, and the impact on the civilian community, planning, and response. I was fulfilling my duty as required by CNMI law and informing the CNMI Legislature of my activities in Washington during the previous year.

Please accept this statement which I have compiled with comments and suggestions from the members of the Tinian Legislative Delegation, for the record.

Sincerely,

PEDRO A. TENORIO,  
*Resident, Representative.*

#### STATEMENT OF PEDRO A. TENORIO, RESIDENT REPRESENTATIVE, COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Thank you for allowing me to submit this statement on the military buildup on Guam, as a result of the upcoming transfer of the 3rd Marine Expeditionary Forces from Okinawa.

The world is rapidly changing and countries that were once inconsequential to our national consciousness are now major players in the global economy. The nations comprising the Asian continent represent both partners and threats to our economy and to national security.

The transfer of the 3rd Marine Expeditionary Forces from Okinawa to Guam is a relatively short move of about 1400 miles. However, this transfer should be seen as an opportunity for our entire nation to adjust its perceptions and assumptions. Guam and the Commonwealth of the Northern Mariana Islands have for some time been viewed as insignificant insular possessions in the backwaters of the Pacific. This is an opportunity for these islands to be seen as America's face to Asia.

Right now that face, as far as the CNMI is concerned, is not an image this great nation wants the world to see, and I look forward to having many discussions with this committee on how things can be improved. For today I would like to focus on direct impacts of this upcoming transfer.

When the Marianas Political Status Commission was negotiating the Covenant, we agreed to 100 year leases for 17,800 acres of land on Tinian and the island of Farallon de Medinilla for \$983 and \$100 per acre, respectively. We agreed to these bargain basement prices on these long term leases because of the anticipation of a permanent military presence that would provide consistent economic activity that would form the basis of our economy. Unfortunately we were negotiating in a post-Vietnam era and military expansion turned out not to be a politically viable option. In other words, the proposed military project never became a reality and this valuable land on Tinian has never delivered the economic promise that we expected.

The U.S. still holds the lease, and I urge the Department of Defense to find a more constructive and permanent use of this land. I have strongly urged DOD to establish a permanent training facility on Tinian, and the CNMI would be open to other types of permanent installations. This request is nothing new. My predecessor, the Honorable CNMI Resident Representative Juan N. Babauta, made several requests to Congress and DOD to establish a continuous presence in Tinian in hopes of spurring economic activity (please see letter to Secretary Rumsfeld). The Tinian leadership has also made numerous similar appeals over the years. Yet, at the date

of today's hearing, more than twenty-five years after the land acquisition agreement, practically nothing has been done leaving a full two-thirds of the island of Tinian to remain fallow. I believe that if DOD does not develop concrete plans for the use of their land on Tinian, Congress should declare these lands as "surplus property" and be returned to the CNMI.

It is encouraging hearing that studies for the entire region are being conducted and the feasibility of a "warm base" in Tinian is being proposed which would require the construction of temporary structures and ensuring some sort of military presence. However, the people of the CNMI deserve more concrete plans rather than mere concepts in order to properly plan and prepare. Also, while a recurring temporary presence by the military in Tinian would be helpful, a permanent presence would ensure sustained economic activity and validate the long-term lease agreement.

Prior to the actual relocation of Marines to Guam, the CNMI stands ready and willing to assist as the U.S. military carries out this immense relocation process. The CNMI has many resources that may be used to support construction, transportation and lodging during the relocation infrastructure improvement phase. One possibility could include using our construction companies to prefabricate concrete panels to be used for military buildings and houses then having them shipped to Guam. This practice was applied years ago when concrete panels were prepared in Guam before being shipped to Saipan to build the Naval Administration's offices and homes.

Other factors that I urge this committee to consider and assist the good people of the Commonwealth on are:

1. Increased monitoring of the volcanoes on the northern islands of the Marianas Archipelago. They present a threat to commercial and military air traffic, potential military exercises, and the public health as ash and sulfur dioxide gas are frequently carried by winds to the populated islands of Saipan, Tinian, Rota and Guam. The lack of a monitoring system also inhibits economic development and any prospective resettlement to these islands. (please see attached letter to Senator Feinstein)

2. Amending the authorizing legislation for the Office of Economic Adjustment to include the CNMI so that we can pursue funding in anticipation of the impact of the buildup. (please see draft amendment)

3. Funding for the rehabilitation, repair and improvements to the Tinian harbor, a joint use facility as agreed to in the Covenant. The Army Corps of Engineers estimates the repairs at \$25.5 million.

4. In addition, the leadership of the island of Tinian has several concerns regarding the use of the military retention area. These include the location of solid waste and waste water treatment facilities on military land, designation of grazing and agricultural areas nears the retention areas, and reimbursement of the water studies cost. The Tinian municipality owes \$1.3 million to the U.S. Geological Survey for exploratory water wells drilled throughout the 1990s, many of which were drilled within the retention area. Since the military plans to use the northern half of Tinian for training purposes, we are requesting payment to the USES be shared between the Municipality of Tinian and the U.S. military.

I look forward to further dialogue with the U.S. military and this committee.  
Thank you.

COMMONWEALTH OF THE NORTHERN MARIAN ISLANDS,  
OFFICE OF THE RESIDENT REPRESENTATIVE TO THE UNITED STATES,  
*Washington, DC, February 28, 2001.*

Hon. DONALD H. RUMSFELD,  
*1000 Defense, The Pentagon Washington, DC.*

DEAR MR. SECRETARY: The Northern Mariana Islands, which I represent here in Washington, have an important role in the US defense posture in the western Pacific. One of our islands, Farallon de Mendenilla, serves for air and naval target practice. Another, Tinian, is leased in large part to the US military and is used for amphibious assault exercises. Offshore our island of Saipan, US prepositioned ships stand ready for deployment in the event of emergency in the Asian region.

The Northern Marianas are proud of our role in national defense and are willing to do more, which is my immediate reason for writing.

Press reports this week indicate that pressures continue to build within the Japanese government for a reduction of US military presence on Okinawa.

Governor Keiichi Inamine raised the issue in a public forum for the first time and additionally suggested that US military activities could be shifted to Guam.

I would like to bring to your attention the lands controlled by the US military on the island of Tinian and their availability as another site to which some activities currently undertaken in Okinawa could potentially be moved.

While it is the case that there has been discussion of the Tinian tease being voided in order to make room for economic development on the island, a substantial US military presence there would equally address the desire of Tinian's residents for increased economic activity.

Long term decisions about the place of Okinawa in US defense strategy are, I'm sure, highly complex. I wanted, however, to be sure that alternatives in addition to Guam, such as those provided by locations in the Northern Marianas, are fully considered.

Thank you for your consideration of this matter. I look forward to hearing from you.

Sincerely,

JUAN N. BABAUTA,  
*Resident Representative.*

U.S. COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
OFFICE OF THE RESIDENT REPRESENTATIVE,  
*Washington DC, April 4, 2008.*

Hon. DIANNE FEINSTEIN,  
*Chairwoman, Appropriations Subcommittee for Interior, Environment, and Related Agencies, Washington, DC.*

DEAR CHAIRWOMAN FEINSTEIN: The Commonwealth of the Northern Mariana Islands is an archipelago of 14 islands in the Western Pacific. While only three islands, Saipan, Rota and Tinian, are permanently inhabited, two of the others, Anatahan and Pagan are no longer inhabited because of their active volcanoes which additionally pose various threats to the region. The Anatahan Volcano is in a state of continuous gas and ash emission after a dramatic explosive awakening in 2003 and Pagan was evacuated during a major eruption in 1981 and has not been resettled.

During the winter months northerly winds become laden with sulfur dioxide gas (SO<sub>2</sub>) and ash particulates from Anatahan causing a public health concern to people with respiratory problems on Saipan and Guam to the south. Eruptions dispel volcanic ash into the air which pose a considerable threat to some 10,000 airline passengers who transit the region each day (ingestion of volcanic ash has caused in-flight engine failures over Indonesia and Alaska), and could interfere with planned military exercises in the region arising from the Department of Defense military buildup on Guam. Potential volcanic activity prevents the resettlement and the development of the economic potential for geothermal energy and ecotourism on Pagan.

After the 2003 eruption, the USGS Volcano Hazards Program (VHP) installed 3 seismic stations on Anatahan to monitor its activity. Unfortunately one of these stations has since been buried in ash and the remaining two provide only enough data to detect the onset of eruptions but not enough to forecast eruptive activity. Seismic data from these stations are telemetered to CNMI's Emergency Management Office (EMO) in Saipan, where the USGS also maintains an SO<sub>2</sub> monitoring system, in partnership with EMO. Pagan is currently not monitored. Because of heavy commitments to ongoing eruptions in Alaska, Hawaii, and Washington, the USGS has not been able to expand its monitoring by installing or replacing equipment in the Marianas.

Nothing can be safely done on the island of Pagan or around the island of Anatahan and the health and safety of tens of thousands of others in the regions are at risk until these two volcanoes are properly monitored to provide data for an early warning system. This gives urgency to the establishment of a Northern Mariana Islands Volcano Observatory (NMIVO).

I respectfully request your committee to provide an additional \$1M every year in the USGS budget to fund the installation and maintenance of adequate seismic monitoring networks on Anatahan and Pagan volcanoes. These networks, together with the ongoing satellite remote sensing and geological analyses by USGS scientists, would provide to the CNMI (as well as FAA, NWS, and DOD): (1) forecasts and warnings of volcanic eruptions; (2) reports of current activity status; (3) hazard assessments for use in guiding development of the islands; (4) a web site that makes much of the data available to the public in real time; (5) close cooperation with CNMI officials, providing objective scientific advice on volcano hazard issues; and (6) opportunities for science education outreach and for science field experiences for local college students.

Thank you for your assistance.  
Sincerely,

PEDRO A. TENORIO,  
*Resident Representative.*

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MEMBERS OF UNITED STATES CONGRESS

We the citizens for peace and justice on Guam voice our concern over the scheduled transfer of 8000 U.S. Marines and the increased military buildup on Guam and the Asia/Pacific region post-September 11, 2001.

We believe that increased militarization will put our families, friends, and relatives who are living on Guam in harm's way rather than provide safety and stability. We voice our concern about the recent US policy and actions that would make our island home more of a target. These actions include the following: the planned expansion of runways on Guam, the presence of B-2 bombers, joint military exercises taking place on aircraft carriers near Guam, and the greater naval presence including the planned expansion of naval military facilities with more nuclear submarines and aircraft carriers.

We the citizens for peace and justice acknowledge that the US military policy is related to U.S. economic policy, in which the valuation of the Chinese currency not being tied to the U.S. dollar, the huge trade imbalance that the US has with China, and the Chinese owning a significant portion of the US debt through purchase of US treasury bonds in order to support the US insatiable appetite for Chinese products, has put the US economically vulnerable.

We the citizens for peace and justice on Guam know first hand the impacts of war on our families, and we believe that conflicts should, first and foremost, be resolved peacefully.

We acknowledge that the US, as the administering power, has both the moral and legal responsibility to protect the human rights to self-determination of the Chamorros, the indigenous people of Guam. As determined by the UN, increased militarization and lack of consent by the Chamorro people, infringes upon the right to self-determination.

We call upon the support of local, national, and international communities to urge our leaders to:

- stop the export and import of weapons, warfare technology, and to discontinue military exercises
- promote peaceful resolution of differences
- ensure informed consent and the human rights of the Chamorro people
- put on hold indefinitely the military buildup on Guam and in the Asia/Pacific region

Sincerely,

Malia Abulencia, Guam; Charissa Aguon, Guam; Heaven Aguon, Guam; Julian Aguon, Guam; Roque N. Aguon, Guam; Bernie Aguon-Hernandez, Guam; Timothy Jay Alcon, Guam; Maya Alons, Guam; Angella Alvarez-Forbes, Guam; Frank Arceo, Guam; Kacy Arceo-Muna, Guam; Antonio Artero Sablan, Guam; Brandon Babao Cruz, Guam; Leo Babauta, Guam; Lisa Baza, Guam; Antoinette F. Blas, Guam; Christie Blas Sellers, Guam; Carlo J.N. Branch, Guam; Keith L. Camacho, Guam; Michael Camacho, Guam; Leonard Casambros Leynes, Guam; Fanai Castro, Guam; Robert N. Celestial, Guam; Hoi Yin Chan, Guam; Norita K. Charfauros, Guam; Karen N. Charfauros, Guam; Anelle Cristobal, Guam; Erisa Cristobal, Guam; Hope Cristobal, Guam; Jesse Cruz, Guam; Lawrence J. Cunningham, Guam; Art De Oro, Guam; Macylyn S. Duenas, Guam; Devin-Shane Duenas, Guam; Asherdee Duenas, Guam; Sirena Duenas, Guam; Flora Duenas, Guam; David Enoch Gee II, Guam; Alana Fejerang, Guam; Jan Furukawa, Guam; Barbara Guerrero Cepeda, Guam; Jessie Gumabon, Guam; Gary Heathcote, Guam; Marianna Hernandez, Guam; William Hernandez, Guam; Josphine C. Jackson, Guam; Victoria M. Leon Guerrero, Guam; Michael Liberatore, Guam; Lily Llaneta, Guam; Dave Lotz, Guam; Jeremy Lujan Bevacqua, Guam; Lillian Manglona, Guam; Mark Manglona, Guam; Yvonne Manglona, Guam; Marcus Allen Manglona, Guam; Mason Allan Manglona, Guam; Anita Manibusan, Guam; Eric Manibusan, Guam; Tanya Manibusan, Guam; Danielle Marie, Guam; Frank Martinez, Guam; Shannon Murphy, Guam; Lisa Linda Natividad, Guam; Barbara F.

Nauta, Guam; James Oelke, Guam; Peter R. Onedera, Guam; Ebony Paulino, Guam; Filamore Palomo Alcon, Guam; Jacob M. Perez, Guam; Madonna Perez, Guam; Robert Perez, Guam; Dominic Perez, Guam; Anne Perez Hattori, Guam; Ed Pocaigue, Guam; Debbie Quinata, Guam; Allan Quinata, Guam; Frank B. Rabon, Guam; Arlene Rivera Cura, Guam; Christine Roberto, Guam; Patrick Sablan, Guam; Patrick J. Sablan, Guam; Patria Sablan, Guam; Alma Salalila, Guam; Marilyn C. Salas, Guam; Sean R. Sanchez, Guam; Jamela A. Santos, Guam; Brian Santos, Guam; Angela Santos, Guam; Brandon-Scott Santos, Guam; Tatiana Santos Guam; Kie Susuico Guam; John Susuico, Guam; Rita S. Susuico, Guam; Mana Tafuga Tainatongo, Guam; Barbara Tainatongo, Guam; Michael Taitague Mesa, Guam; AbuRose Taitingfong, Guam; Trini Torres, Guam; Anthony A. Vigil, Jr., Guam; Robyn J. Wells, Guam; Ellen M.T. Wells, Guam; Robert J. Wells, Guam; Louise Benally, Arizona; Aaron Naputi Smith, Arizona; Manuel Pino, Arizona; Anthony M. Anderson, California; AngelaBau, California; Harvey A. Baum, California; Erica Benton, California; Jon Blas, California; William E. Boatman, Jr., California; Vivian Bryan, California; Charleen Caabay, California; Michael S. Campos, California; Shauna Castro, California; Frank Castro, California; Trinita Cataluna-Saldana, California; Martha Cavazos, California; Joannie Chang, California; Mijoung Chang, California; Marilyn Cornwell, California; Robert Cortez, California; Hope Antoinette Cristobal, California; Mike Cruz, California; Tina Cruz California; Adrian Cruz, California; Gwen D'Arcangelis, California; Norma I. Del Rio, California; Davin Diaz, California; Vicente P. Diaz, Jr., California; Martha Duenas, California; Kalikia Dugger, California; Khoan Duong California; James Eilers, California; Fred Fermin, California; Roslynn Flores, California; Ross Frank, California; Jose Fuste California; Jeanette Gandionco Lazam, California; Patti Garcia California; Teri Gonzales, California; Donald S. Havis, California; Alex Heeger, California; Liza Ibanez, California; Brian John Ignacio, California; CJ Jiang, California; Keith Kamasugi, California; Boyoung Kim, California; Amie Kim, California; Yvette Koch, California; Emalyn Lopus, California; Janet Lau, California; Christina Leano, California; Sun H. Lee, California; Christine Lipat, California; Michael Lujan Bevacqua, California; Jack Lujan Bevacqua, California; Rita Lujan Butler, California; Josette Marie Lujan Quinata, California; Kristan M. Lynch, California; Trisha Manibusan, California; Martha Matsuoka, California; Tita Mesa-Smith, California; Wayne Miller, California; Jesse Mills, California; June Miyamoto, California; Nobuko Mizoguchi, California; Roy Molina, California; Marie Morohoshi, California; Markley Morris, California; Joi Morton-Wiley, California; Lesli Mosley, California; Dason Murakami, California; Leiana Naholowaa, California; Kerri Ann Naputi Borja, California; Tiffany-Rose Naputi Lacsado, California; Michael Novick, California; Jacqueline Orpilla, California; Susan Ozawa, California; Alison Paskal, California; Alfred Peredo Flores, Jr., California; Sabina Perez, California; Peter J. Perez, California; Dr. Michael P. Perez, California; Thomas Phelan, California; Jo Ann Quenga Ignacio, California; Ana Richards, California; Nick Richards, California; Stefanie Ritoper, California; Amy Elizabeth Robinson, California; Natasha Saelua, California; Jovana Santos, California; Rita Setpaul, California; Alma Soongi Beck, California; Destiny Tedtaotao, California; Desiree Thompson, California; Jesse Torres, California; Thu-ha Tran, California; Michael Tuncap, California; Joyce Umamoto, California; Amy Vanderwaker, California; Karen Villanueva, California; Tammy Vo, California; Teresa Vo California; Thomas Vo, California; Sottolin Weng, California; Sharon Yamanaka, California; J. Kehualani Kauanui, Ph.D., Connecticut; Yi-Chun Tricia Lin, Connecticut; September Hopkins, Georgia; Alexis Kargl, Georgia; Nancy Aleck, Hawaii; Johanna F. Almiron, Hawaii; Robert F. Bevacqua, Ph.D., Hawaii; Norman Brindo-Vas, Hawaii; Kate Bryant-Greenwood, Hawaii; Laura Edmunds, Hawaii; Ronald Fujiyoshi, Hawaii; Kari Gerardo, Hawaii; Virginia Hench, Hawaii; Kawika Huihui Ka'ai, Hawaii; Kari Kaloi, Hawaii; Terrilee Keko'olani Ku'e Ho'omau, Hawaii; Jasmine King, Hawaii; Liula Kotaki Hawaii; Patricia, Malia Kekoolani-Tully, Hawaii; Julia Matsui

Estrella, Hawaii; Doris Oshiro, Hawaii; Brandon Segal, Hawaii; Susan Serran Hawaii; Pete Shimazaki Doktor, Hawaii; Maria Smith, Hawaii; Tessie Vo, Hawaii; Melvin Won Pat-Borja, Hawaii; Minda Yamaga, Hawaii; Nicole Carroccio, Illinois; K. Chan, Illinois; Maria Cruz, Illinois; RoseAna Laguana, Illinois; Mary Ellen, Rosemeyer, Illinois; Gina Warwick, Illinois; Angela Smith, Indiana; Willard Warwick, Indiana; Peggy Warwick, Indiana; Elizabeth Crowe, Kentucky; Daniel Domaguin, Kentucky; Bruce Gagnon, Maine; Ellen E. Barfield, Maryland; Jane Sarah MacFarlane, Massachusetts; Jonathan J.P. Cabrera, Massachusetts; Roxana Llerana-Quinn, Massachusetts; David W. Trimble, Ph.D., Massachusetts; Adewisa L. Agas Weiler, Michigan; Ana Bautista, Michigan; Kealani Cook, Michigan; Vince Diaz, Michigan; Cara Flores Mays, Michigan; Monica Kim, Michigan; Ijun Lai, Michigan; Cynthia Marasigan, Michigan; Nadine Naber, Michigan; Dean Saranillio, Michigan; Sarita See, Michigan; Christine Taitano DeLisle, Michigan; Lani Teves, Michigan; Ahimsa Timoteo Bodhran, Michigan; Floyd Sands, Nevada; Roderick Ventura, New Mexico; Karen Balogh, New York; Tressa P. Diaz, New York; Kelly Dietz, New York; Melissa Francisco, New York; Adrianna, Garriga Lopez, New York; Amanda Gima, New York; Donna Hofsess, New York; Ron Hofsess, New York; Elaine Kim, New York; Thea Tagle, New York; Daniel Tam-Claiborne, New York; Amelia Toledo, New York; Kim Strong, North Carolina; Rebecca, Weaver-Hightower, North Dakota; Yoshiko Ikuta, Ohio; Kim Meinert, Ohio; Laurel Monnig, Ohio; C. Tolentino, Ohio; Jerry Ledesma, Oregon; Jaye Sablan, Oregon; Tammy Vo, Oregon; Ismael Guadalupe Ortiz, Puerto Rico; Robert Rabin Siegal, Puerto Rico; Catherine Lutz, Rhode Island; Dan Taulapapa McMullin, Samoa; Lara Cushing, Texas; Bryan Gumabon, Texas; Jill Johnston, Texas; Eduardo Longoria, Texas; Helen Dolores S. Onedera, Texas; Charles P.S. Onedera, Texas; Genaro Rendon, Texas; Ruben Solis, Texas; Dr. Jeffrey Geiger, United Kingdom; Trinisha B. Paxton, Virginia; Ursula Herrera, Washington; Marie Hyatt, Washington; Maria Eugenia Leon, Guerrero, Washington; Marian Macapinlac, Washington; Vince Bernard Queja Manibusan, Washington; Juan Quintanilla, Washington; Doreen Grace San Nicolas, Washington; Annette Brownlie, Australia; Denis Doherty, Australia; Dr. Zohl de Ishtar, Australia; Vikki John, Australia; Andrew Johnson, Australia; Tracey Makamae, Australia; Diane Williamson, Australia; Vanessa Ingle Warheit, Canada; Anna Phillips, Canada; Gus Kaipat, CNMI; Peter Emberson, Fiji; Marie-Pierre Hazera, Fiji; Rex Rumakiek, Fiji; Ema Tagicakibau, Fiji; Luse Tamani, Fiji; Tupou Vere, Fiji; Axel Bietz, Germany; Dr. D. Roy Laifungbam, India; Masahiko Aoki, Japan; Yasukatsu Matsushima, Japan; Tadashi Okanouchi, Japan; Yoshikazu Makishi Okinawa, Japan; Rin Shimabukuro, Okinawa Japan; Sunao Tobaru, OkinawaJapan; Hideki Yoshikwa, Okinawa Japan; Shoko Oshiro, Okinawa Japan; Myrla B. Baldonado, Philippines; Mary Ann Manahan, Philippines; Bobby Montemayor, Philippines; Corazon Valdez-Fabros, Philippines; O'lola Ann Zamora Olib, Philippines; David Cano, Spain; Mia Eriksson, Sweden; Hillary, Acfalle; Arianna, Agustin; James Agustin; Ann Ames; Krystle Arceo; Robert Arizala; Robert F. Armstrong; Karl Bandemer; Ellen Bepp; Alejandra Bergemann; Ramon Calhoun; Sean Casey; Antoinette Charfauros; McDaniel Jullyn Chargualaf; Brian Chen; Will Chiapella; C.S. Corona; Jenna Crisostomo; Maria G. Cruz; JacobCruz; Cathy Dang; Lisa De Mello; Adam Paul Diego; Michelle Dimeo; Herbert Docena; Joseph A. Galura; RicahGuzman; A.M. Hart; Jason Hofsess; David W. Holtzen; Joanne Hsu; Mark Kelker; Francis Kintz; Krissi Koch; Emily Leach; Rashne Limki; Rebekah Logan; Jesse Lokahi Heiwa; Maria Manglona; Claire Manglona; Shawn Manglona; Joseph Manglona; Lourdes Manglona; Marisol Mangual; Karlene Mantanona; Frank Martinez; Lauren Mazur; Gwendolyn Mendiola; Nicholas E. Merz; Brad Millhouse; Kimi Mojica; Angela Morrill; Sherlina Nageer; Susan Najita; Sr. Chau Ngeim; Nate Nill; Mo Nishida; Norine Nishimura; Edward O'Connor; Barbara O'Malley; Stacey Parsons; J. Podis; Mary Prophet; Joann Ptaszynski; Hope Punsalan; Susan Riva Enteen; Elizabeth Rodrigues; Janet Rosen; Kiri Sailata; Arlene Salas; Roberta Sharples; Jessica Smith; Mari

Rose Taruc; Laurie Tochiki; Xavier Turner; Ilana Turoff; Christopher Unchangco; Marlana Vergara; Thomas R. Wasson; Sally Webber; Michael Whang; Abbey Wolfe; Huei-Chen Yan; David Zebker.

TO: MEMBERS OF THE UNITED STATES CONGRESS

We, the undersigned, oppose the fact that the people of Guam have not been included in the deliberations of the U.S. government and its elite partners regarding the scheduled transfer of 8,000 U.S. Marines from Okinawa to Guam as part of a major expansion of the U.S. military personnel population on Guam, now set at 35,000. This buildup will have enormous environmental, social, cultural, long-term economic and political consequences in our community. Currently, a host of issues i.e. radioactive contaminations that cause record-high rates of cancers and dementia-related illness that have yet to be addressed by the same military now expanding its presence in Guam. The way in which the current military buildup is happening calls attention to a harmful power imbalance between the U.S. federal government and Guam, which must be addressed.

Sincerely,

Blaine Afaisen, Guam; Josita B. Aguon, Guam; Julian Aguon, Guam; Annette Aguon, Guam; Paul Aguon, Guam; Antonio Artero Sablan, Guam; Lisa Baza, Guam; Carmen Borja, Guam; Mar-Vic Cagurangan, Guam; Patrick Camacho, Guam; Julius Cena, Guam; Hoi Yin Jessica Chan, Guam; Norita K. Charfauros, Guam; Elle Craigq, Guam; Adrian Cruz, Guam; Lourdes B. Cruz, Guam; Lawrence J. Cunningham, Guam; Vivian Dames, Guam; Brida Davis, Guam; Moneka De Oro, Guam; Macylyn Duenas, Guam; Sirena Duenas, Guam; Eileen Escalera, Guam; Timothy Fedenko, Guam; Monaeka Flores, Guam; Cathy SN Flores, Guam; Angel Garces, Guam; Anthony C. Garces, Guam; Angela Garcia Lorenzo, Guam; Gary Heathcote, Guam; Christine Hecita, Guam; William Hernandez, Guam; Lourdes B. Hongyee, Guam; Omar O. Jarquin, Guam; Shirley Lee, Guam; Mildred Lujan, Guam; Joseph V. Lujan, Guam; Jonathan Daniel McIntyre Toves, Guam; April Manibusan, Guam; Charissa Manibusan Aguon, Guam; Lee Martinez, Guam; Kenneth J. Mesa, Guam; Jennifer Muna Aguon, Guam; Antonette Muna-Santos, Guam; Chelsea D. Muna-Brecht, Guam; Shannon Murphy, Guam; Jessica Nangauta, Guam; James Nangauta, Guam; LisaLinda Natividad, Guam; Dominic Perez, Guam; Celeste Perez Mercado, Guam; James Perez Viernes, Guam; Debbie Quinata, Guam; Allan Quinata, Guam; Cheryl Ann Quintanilla, Guam; Kaitlin Reed, Guam; Leslie Reynolds, Guam; Daniel L. Robertson, Guam; Gene Rojas, Guam; Angela Sablan, Guam; Peter-Joseph San Nicolas, Guam; Susanna Schlub, Guam; Lucas A. Storts, Guam; Salome Taijeron, Guam; Christina Thai Serencio, Guam; William Topasna, Guam; Trini Torres, Guam; Ana Maria Won Pat-Borja, Guam; Melvin Won Pat-Borja, Guam; Melanie Aguon Chaney, California; Bernadette Balauro, California; Erica Benton, California; Deena Benton, California; Keith L. Camacho, California; Barbara Cepeda-Adams, California; Annabelle L. Cruz, California; Amanda D'Ambrosio-Akau, California; Martha Duenas Baum, California; Lisa Fu, California; Jordan Gonzalez, California; Migetu Gumataotao Tuncap, California; Alex Heeger, California; Suzanne Joi, California; Miho Kim, California; Dr. Christopher Knaus, California; Brandon Lee, California; Sun H. Lee, California; John Lindsay-Poland, California; Michael Lujan Bevacqua, California; Josette Marie Lujan, Quinata California; Nobuko Mizoguchi, California; Mo Nishida, California; Marina L. Ortega, California; David Palaita, California; Aaron Pedroni, California; Alfred Peredo Flores, Jr., California; Sabina Perez, California; Peter J. Perez, California; Lyle Prijoles, California; Tagi Qolouvaki, California; Kristen Sajonas, California; Jamela Santos, California; Masano Seo, California; Nu'u Tafisi, California; William Ta'ufu'ou, California; Trangdai Tranguyen, California; Wesley Ueunten, California; Robert A. Viernes, California; Anna Vining, California; Sharon Yamanaka, California; Monica Spain, Florida; Robert Akamine, Hawaii; Elsha Bohnert, Hawaii; Elma Coleman, Hawaii; Donna Davis Hackley, Hawaii; Stephen Dinion, Hawaii; Dr. Keola G.A. Downing, Ph.D., Hawaii; Ronald Fujiyoshi, Hawaii; Yvonne L. Geesey, Hawaii;

Brian Gotanda, Hawaii; Kyle Kajihira, Hawaii; Rita K. Kanui, Hawaii; Malina Koani-Guzman, Hawaii; Brenda Kwon, Hawaii; Viviane Lerner, Hawaii; Patricia Malia Keko'olani, Hawaii; Julia Matsui Estrella, Hawaii; Rev. Brian J. McCreanor, Hawaii; Asami Miyazawa, Hawaii; A. Leimaile Quiteivis, Hawaii; Ann Otteman, Hawaii; Andre Perez, Hawaii; Barbara Grace Ripple, M.Div., Hawaii; Adam K. Robinson, Hawaii; Darlene Rodrigues, Hawaii; Richard M. Rodrigues, Jr., Hawaii; Puanani Rogers, Hawaii; Brandon Segal, Hawaii; Pete Shimazaki Doktor, Hawaii; Evan Silberstein, Hawaii; Sean Smith, Hawaii; Kihei Soli Niheu, Hawaii; Michael E. Smith, Hawaii; Ka'ano'I Walk, Hawaii; Gabrielle Welford, Hawaii; John Witeck, Hawaii; Maureen Shank, Indiana; Willard J. Warwick, Indiana; Ellen E. Barfield, Maryland; Lily Chan, Massachusetts; Dr. Joseph Gerson, Massachusetts; Ahimsa Timoteo Bodhran, Michigan; Joyce Nangauta, New Mexico; Annmaria Shimabuku, New York; Billie Anne Walker, North Carolina; Douglas Wingeier, North Carolina; Yoshiko Ikuta, Ohio; Chelsea W. Steed, Oregon; Catherine Lutz, Rhode Island; Jill Johnston, Texas; Ann Santos, Texas; Elisabeth Hebert, Vermont; Tommy Benavente, Washington; Professor Rick Bonus, Washington; David Gumataotao Tuncap, Washington; Marie E. Hyatt, Washington; Ann Kittredge, Washington; Chaz Pangelinan, Washington; Carmen Ramento, Washington; Davey Tuncap, Washington; Robert Wilmette, Washington; Terese Tuncap, Washington; Jim Winkler, Washington, D.C.; Carol L. Reuther, West Virginia; Jeff Seager, West Virginia; Heather Bond, Australia; Barb Crossing, Australia; Julie Edwards, Australia; Eveline Goy, Australia; Rosemary House, Australia; Glenn House, Australia; Morgan King, Australia; Laura Kittel, Australia; Betty McLellan, Australia; Lynda Moylan, Australia; Liz Olle, Australia; Angela Piluris, Australia; Mary Robertson, Australia; Madge Scerha, Australia; Helen Sheehy, Australia; Glenn Manglona, CNMI; Mosmi Bhim, Fiji; Michele McConnell-Wilson, Fiji; Thomi Tsolme, Indonesia; Ahmad Abdollahzadeh, Iran; Jun Chisaka, Japan; Seiko Echigo, Japan; Filo Hirota, Japan; Kim Hyemija, Japan; Yoshiko Ikuta, Japan; Fumie Kakita, Japan; Eunja Lee, Japan; Takenobu Niioka, Japan; Mari Sasabe, Japan; Daisy Alik-Momotaro Marshall, Islands; Paul De Rungs, New Zealand; Bonnie Flaws, New Zealand; Lalita Heymanns, New Zealand; Edwina Hughes, New Zealand; Maire Leadbeater, New Zealand; Claire Lefevre, New Zealand; Hamish Low, New Zealand; Jennifer Margaret, New Zealand; Ian Ritchie, New Zealand; Tanja Schwalm, New Zealand; Nicola Simmonds, New Zealand; Elena Young, New Zealand; Valtimore Borjel Fenis, Philippines; Ching Borres, Philippines; Mariam H. Camaso, Philippines; Greg Fabros, Philippines; Aleli Marcelino, Philippines; Sister Arnold Noel, Philippines; Jesus B. Tardo, Jr., Philippines; Corazon Valdez-Fabros, Philippines; O'lola Ann Zamora Olib, Philippines; Cheryl Adam; A. Farouk Alfakhrany; Carlton Baker; Kate Baltazar Aguon; Malia Bell; Ann Borja; Monica Brindle; Dianne Burnham; Nick Calo; Edoardo Carlo Montemayor; Cheryl Cash; Shannan Chan; Violeta Clet Mendoza; Moira Coleman; Sarah Cruz; Ernestina Cruz; Sasha Davis; Herbert Docena; Katharine Dominguez; Adrienne Earp; Daniel Enskat; Patricia Fifita; Vanessa Gesto; Peter Guerrero; Barbara Guerrero Cepeda-Adams; Anthony Haile Sellassie; Junazon L. Hautea; Ruth Heeger; Jennifer Hollingshead; QB Keju; Jasmine King; Marzban P. Limki; Pheroza Limki; Betty Loumoli; Bong Maglaqui; Amenta Matthew; Kate McDermott; Jen Mitchell; Harvey M. Nakamoto, Jr.; Lucien M. Noe; Madonna Perez; Janie Poe; Hope Punsalan; Clara Rabauliman; Amy Elizabeth Robinson; Sharon Rose Dadang; Christina Sablan; Christopher Santos; Rebecca Serrano; Tanie L. Suano; Sam Suen; Misipouena Tagalao; Jason Taitano; Sophie Taptiklis; Jasmin Thana; Kozue Uehara; Filifotu Vaai; Margaret Warwick; Kevin Wehman; William Whitman; Ahtoy Won Pat-Borja; JoAnn Yoon Fukumoto.