



Opening Statement
Legislative Hearing on S. 2182 (Bikini) and S. 2325 (CNMI)
Chairman Lisa Murkowski
February 6, 2018

Good morning. The committee will come to order. I want to welcome all of you to the Energy and Natural Resources Committee as we examine two pieces of legislation related to U.S.-affiliated islands – S. 2182, the Bikini Resettlement and Relocation Act, and S. 2325, the Northern Mariana Islands U.S. Workforce Act.

To address the legacy of U.S. nuclear testing in the Marshall Islands, Congress has provided \$110 million to the people of Bikini for the rehabilitation and resettlement of Bikini Atoll via appropriations, and an additional \$75 million through the Compact of Free Association with the Marshall Islands. The Trust Fund for the Resettlement of the People of Bikini reached a high of \$129 million in 2000, but today its market value is approximately \$57 million.

I introduced S. 2182 in response to the Department of the Interior’s recent determination that it does not have statutory authority to conduct financial oversight of the Trust Fund.

While annual drawdowns from the Trust Fund have historically ranged from \$5 to \$10 million, over \$15.7 million has already been withdrawn in fiscal year 2018. Press reports detailed an immediate \$11 million drawdown from the Trust Fund – nearly 20 percent of its value at the time – by the KBE Local Government Council after the Department’s announcement, then in November. We’ve heard reports of large sums being spent on things such as an airplane, two landing craft, an elaborate function in Hawaii, and cash payments to households on Ejit (e-jit) and Kili (keel-e) in the name of disaster relief, but without any damage assessment being conducted.

S. 2182 provides the Secretary of the Interior with statutory authority to disapprove of Trust Fund withdrawals until a resettlement plan for Bikini has been submitted to Congress. It also caps the amount that can be withdrawn on an annual basis at five percent of the Trust Fund’s market value until the resettlement plan has been submitted.

I need you all to know that I am very sensitive to the notion that Washington, D.C. should not dictate local government decisions. Alaskans have dealt with that mentality since we were a territory I have always found it more useful to hear from the duly elected local representatives on community needs.

But, I am also mindful that the Trust Fund was established for the people of Bikini, with its statutory purpose being the “rehabilitation and resettlement of Bikini Atoll.” As a result of the United States’ nuclear testing, our government has a responsibility to the Bikini people. Establishing the Trust Fund with U.S. taxpayer dollars was part of that responsibility. Ensuring

that the Trust Fund is utilized for the people of Bikini in a manner that is consistent with its intent and statutory purpose is our responsibility, also our responsibility.

With this hearing, I hope to gain a better understanding from our witnesses as to the rationale and legal analysis behind the Department's reinterpretation of its role. I also want to learn how the money that has been withdrawn from the Trust Fund is being utilized, per Congress' intent.

Our second piece of legislation this morning, S. 2325, seeks to address the Northern Mariana Islands' foreign labor concerns as we reach the end of the transition period established by Congress.

This bill was developed by a bipartisan, bicameral working group that I formed last year. That group includes two of our witnesses today, Congressman Sablan, we thank you and Governor Torres, as well as staff from our committee, the House Natural Resources Committee, and the House and Senate Judiciary Committees. So we appreciate the good work that many have put in to getting us to where we are today.

S. 2325 extends the transition period to 2029. It further sets a numerical cap of 13,000 CW permits starting in fiscal year 2019, with annual decreases of 500 permits for the remainder of the transition period.

Our goal is to ensure that U.S. workers in the CNMI are not at a competitive disadvantage compared to foreign labor. To that end, our legislation requires a U.S. Department of Labor certification on foreign worker needs and requires that the employer pay a CW worker the highest prevailing wage.

The bill also creates a new CW-3 permit category for long-term foreign workers who have been working in the CNMI under a CW permit since 2014. And it gives the Secretary of Homeland Security the authority to revoke an issued permit if it is not being used, or if the employer has violated federal labor laws.

The timing of this legislation is significant as we are only a few weeks away from submissions for the next round of CW permit applications. Notably, the Department of Homeland Security has announced a significant reduction in the number of CW permits available in fiscal year 2019, which is expected to result in the denial of thousands of applications.

While I do believe we have a good product in front of us, I welcome suggestions on how to improve it. I do want to emphasize, however, that while I am willing to support extending the transition period, I remain committed to the intent of the transition, which is to increase the number of U.S. workers in the CNMI economy while reducing the dependence on foreign labor.

I look forward to hearing from our witnesses on these two bills, I thank many of you for coming a long, long distance today. I turn to Senator Cantwell for her remarks.

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