

Dear Mr. Chairman,

Thank you for the opportunity to present Guam's views on federal-territorial policy particularly as it relates to my community. In previous meetings, you have heard both previous Governors of Guam and myself provide testimony on a range of concerns for which we are seeking federal action and support. These include Compact Impact reimbursement, relief from federal regulations including the Jones Act, lifting of the Medicaid caps, inclusion in the SSI program as well as support to build a new hospital and to address the increasing challenge of climate change.

In my testimony today, I will go into further detail about these issues, and others, which are at the forefront of my island's concerns. At the outset, I did want to speak to one aspect of my community's circumstances, which I believe not only places our concerns in different contexts, but adds urgency to actually addressing them.

I am referring to the growing concerns about the military threat from China and all that it portends for the future of my people. Since its acquisition by the US, as a consequence of the Spanish-American war, Guam has always been a host for US military bases at varying levels of activity. Of course, these bases have benefited our economy, however, these benefits have come at risks, as was starkly demonstrated in 1941 when our island was invaded and suffered 3 years of brutal foreign occupation before our liberation by American forces in 1944. Although peace has been maintained in the post war years, the risks to our community continued through the Cold War and the onset of North Korean missile launches targeting our region. Our people have long known that such risks are the price we pay for our freedom as Americans and, indeed, we take pride in the contribution of our island in the US National Security strategy and as a forward projection of power in the region.

We are also aware that we have entered into a new period of heightened risk with the increased prospect of war with China over Taiwan in the coming years. It is, of course, broadly recognized that should conflict occur, American military bases on Guam will be a main target by China. While behind the fence line, the military bases which dot our island from north to south are very much part of our larger community, and any scenario involving the targeting of these bases will have serious implications for our civilian health care facilities, infrastructure, and resilience. One needs to look no further than the current war in Ukraine, for example, of how a military conflict can impact civilian infrastructure and facilities. As a matter of fact, the US military bases are a customer of the local Guam Power Authority, and it has not escaped us that these power generation facilities would be impacted as they are in Ukraine. There is a naval hospital on Guam sited in its own base behind the fence line. But if that is damaged, the task of aiding casualties would naturally fall on the island's civilian hospital facilities, thus underscoring the need for federal support for a new civilian hospital. Guam requests \$700 million in federal grants for funding for the new hospital, which will serve veterans and as a secondary facility for military personnel. The island's main naval base is sited on one side of Apra Harbor and our civilian commercial port, which handles a high volume of military cargo, sits on the other side. Indeed, but for the limitation of time, I could present further examples of how our community's facilities, and services factor into the resilience and effectiveness of our island if it is called upon to play a frontline role in any conflict with China.

I raise the possibility of a future conflict with China, not to be alarmist, but to emphasize that any federal investment or support of Guam's health care facilities, infrastructure, and resilience also serves the national interest, especially with respect to national security.

One way in which our community can be supported is addressing some of the adverse impacts of existing federal policy. This brings to a subject which I am sure you are well familiar with which is the impact of the Compacts of Free Association (COFA). In 2023 and 2024, certain financial provisions in the COFA treaties with the Freely Associated States (FAS) are expiring. While Guam remains supportive of a US-FAS relationship, it is important to recognize and mitigate the adverse effects that the current stipulations of the COFA agreements continue to have on Guam's infrastructure and social services. The current appropriation to offset the costs associated with the Compact is \$30 million, which is allocated to affected areas, including Guam, the CNMI, Hawaii, and American Samoa. This appropriation is then distributed based on a ratio allocation using the most recent enumeration. While the costs of unmitigated migration have increased, this appropriation has not. The annual impact to the Government of Guam alone is estimated to be \$148 million, but Guam only receives an annual reimbursement of \$14 million from the federal government.

As Guam's governor, I ask that the congressional committees to which the treaties are referred to include the following provisions in the amended agreements:

1. Full reimbursement for future Compact Impact expenses with a sufficient and dedicated funding source. The University of Guam is currently conducting a methodological analysis for validating past and future Compact Impact costs through a grant awarded to the Guam Bureau of Statistics and Plans by the Department of Interior (DOI).
2. Debt relief of past unreimbursed, validated, compact impact expenses and annual matching funds, to offset debt the federal government owes to the government of Guam. To include annual government of Guam debt service to the Dept. of Housing and Urban Development (HUD) for loans to build a regional medical complex. Guam Dept. of Education's (GDOE) most defensible figures of compact impact date from 2004 and in 2022 total \$955 million of unreimbursed impact to Guam's public school system. Preliminary screenings of FAS citizens before arrival in Guam will ensure the purposes of migration are in adherence with conditions indicated in the compact agreement.
3. Extending Medicaid coverage to all FAS citizens in their home nations to strengthen FAS health systems and reduce the need for FAS residents to migrate to Guam, the CNMI, Hawaii, and other affected states.
4. Expansion of Low-Income Housing Tax Credits (LIHTC) to developers on Guam, as an incentive for the construction of affordable housing, to stabilize critical housing shortages for more than 4,000 individuals currently on the waiting list.

These proposed solutions would help stabilize Guam's economy and social infrastructure. While this list is not conclusive, I request that the respective congressional committees consider adding such amendments to the treaties.

Another area in which we seek relief is with respect to the restrictions on the importation of skilled labor. We appreciate the efforts of members of Congress who supported our efforts to find a resolution to the skilled worker shortages, which are largely mitigated by the H-2B program. However, more work must be done as the NDAA H-2B exemption only helps the construction sector of Guam's economy. As my administration works on economic diversification, we anticipate the need to import skilled workers in non-construction industries as the island develops needed expertise and skill sets for these new business ventures. We make

this request as we do all we can to reskill our workforce, reduce barriers to workforce participation, support impacted businesses, and create a diverse economic environment.

We ask for Congress for the following solutions:

- **Short Term Relief:** The Guam NDAA H-2B exemption expires in 2024, and estimates for ongoing military construction extend to 2029. Therefore, we ask that the exemption be extended to 2029 to accommodate that need and align with the current H-2B visa cap exemption, which is already in statute until 2029. Failure to pass an extension would harm the current military build-up program and Guam's economy.
- **Long Term Resolution:** Establish a Guam Only temporary need criteria within the H-2B program which would include "other qualified need" to be determined by the Governor of Guam. In this proposal, USCIS would still adjudicate an H-2B petition but would examine a temporary need based on criteria that fit the unique needs of Guam. We have already drafted legislation introduced in a previous Congress, which we believe may work. As you may know, Guam was given special designations with regards to visas in the past, with the Guam Only Visitors Visa that was issued for Korea and Taiwan to facilitate tourism.

I wish to also raise an issue which I believe is a shared concern of many members of this Committee --- namely the proposed expansion of the Radiation Exposure Compensation Act (RECA) to include downwind communities in New Mexico, Arizona, Colorado, Montana, Nevada, Utah, and Guam. In the previous Congress, this legislation received bi-partisan support, and I am hopeful and certainly urge action by Congress on this measure. It is my understanding that Senator Ben Ray Lujan will be re-introducing this legislation in the next few weeks, and a companion bill is expected to also be shortly introduced in the House of Representatives.

This has long been a major concern of our community spearheaded for more than two decades by grassroots organizations, such as the Pacific Association of Radiation Survivors (PARS). Guam's Governors, Legislatures, and Delegates to the House of Representatives, have consistently advocated for action over these many years to address this concern. This matter is now more urgent than ever as the existing Radiation Exposure Compensation Act is set to expire next year.

In 2005, the National Research Council released a report, stating that "Guam did receive measurable fallout from atmospheric testing of nuclear weapons in the Pacific." It is clear, that although not technically included in the original statute, those Guam residents who suffered radiation exposure from nuclear tests, certainly meet the standards and spirit of the existing statute. As is the case with so many other issues that remained unresolved, action to address this need will strengthen our resilience as a community.

One concern we have is with respect to broadband funding as provided for in the Bipartisan Infrastructure Law. Funding allocations from the Broadband Equity Access and Deployment Grant will be driven by the FCC-produced Broadband maps for the states and territories. The initial map for Guam left out 70% of served locations, and we have filed a challenge with FCC in this regard. It is unclear to us though whether we will have the opportunity to challenge the final map for Guam before it is used to determine our broadband funding in June.

Central to our community's progress and to support Guam's military mission is an upgraded road network system. We are therefore seeking an increase in funding amount for the Territorial Highway Program (THP) and authorization for the redistribution of lapsed funds back into the THP. Furthermore, there are a number of road projects that we believe meet the criteria of the Defense Access Program (DAR). It is our hope to have them included in the next National Defense Authorization Act (NDAA).

The DAR program provides a means by which the federal government may pay its fair share of the cost of highway improvements needed for service to defense and defense-related installations; new highways to replace those which must be closed to permit establishment or expansion of defense installations; repair damage to highways caused by major military maneuvers and missile routes to ensure continued ability to support missile transporter vehicles. The final environmental impact statement associated with the Guam and Commonwealth of the Northern Mariana Islands (CNMI) Military relocation identified the following roads in Guam, which were proposed for improvements:

|          |          |               |
|----------|----------|---------------|
| Route 1  | Route 9  | Route 25      |
| Route 2A | Route 10 | Route 26      |
| Route 3  | Route 11 | Route 27      |
| Route 5  | Route 12 | Route 28      |
| Route 8  | Route 15 | Chalan Lujuna |
| Route 8A | Route 16 |               |

Based on official updates to the government of Guam, not all roads identified were funded. It is our hope that Congress will concur on the merit of these road projects and provide the necessary authorization to fund additional DAR projects in the next NDAA.

A perennial issue you may also be familiar with is that unlike the states, for which federal Medicaid spending is open ended, Guam and other territories can only access federal dollars up to an annual ceiling, often referred to as the "Medicaid cap". Guam requests that Congress provide parity to the territories in this regard and remove the annual ceiling or cap for Medicaid.

I appreciate your attention to my requests and look forward to working with the committee on solutions to these matters.