

FEDERAL REGIONAL COUNCIL

September 4, 2007

I am overwhelmed by the level of participation at this Special Session of the Federal Regional Council. Prior to coming, I reviewed the attendee list and this morning I had the opportunity to catch up with some old acquaintances and to meet some of you personally and I appreciate you making the accommodation in your demanding and hectic schedules, to be in attendance on such short notice.

I want to acknowledge Mr. Tom Lorentzen, the Federal Regional Council Chair and Mr. Peter Staminson, the Vice Chair for their endorsement and scheduling of this Special Session.

I would be remiss if I did not personally acknowledge Mr. Emory Lee, the Federal Regional Council Secretariat, since I am aware Mr. Lee personally oversaw all the logistics on the scheduling and notifications, which ensured such an impressive turn out. The Government of Guam, the citizens of Guam, and I are grateful for your gracious consideration and level of interest.

I am here to discuss "shaping the future"

- shaping the future of our nation's national security;
- shaping the future of the character and quality of the island of Guam for future generations; and
- shaping the future of our long standing relationship.

Ever since Spain ceded Guam to the United States in 1898, at the end of the Spanish-American War, the island has served as a key strategic base for American military operations. The island is strategically located at the boundary between the Pacific Ocean and Philippine Sea, within easy reach of the most important areas in Asia.

Today, the Department of Defense is planning an expansion of unprecedented proportions, even for DOD. The focus of DOD is strategic geo-politically and tactical operationally. Guam's forward operating location ensures the United States a presence close to areas of interest or "flash points," but outside of most regional threats. As a U.S. Territory, Guam is American soil, thus allowing the United States "freedom of action." Bottom line is that Guam's strategic value to the Nation cannot be replicated.

Unlike other states and communities, across the nation, we did not actively solicit, recruit, or put pressure on DOD to relocate units or new missions to Guam. Instead, the United States entered into bi-lateral negotiations with the Government of Japan, which proposed to shift significant security assets to the island of Guam, with little or no consideration of, or consultation with the Territory of Guam. The Nation's and DOD's interest took precedence, forgoing any consideration of the citizens of Guam and this underlying attitude has permeated the relationship between DOD and the Government of Guam, to date.

Critical milestones negotiated and agreed upon, between the Government of Japan and the United States, and embedded in the bi-lateral agreements, have created an externally driven sense of urgency for the Territory of Guam and for the Federal Departments and Agencies, which support the Outer Pacific Islands. This external sense of urgency, at times contributes to the lack of consideration of the rights of the people affected, and at times contributes to the lack of consultation and coordination with the appropriate external organizations, including some in attendance here today.

The proposed military expansion on our island, presents unprecedented challenges to the citizens of Guam, which can

potentially impact our culture, environment, livelihoods, quality of life, and the future of our island. However, the majority of the citizens of Guam are willing to collaborate with DOD on their initiative. The American citizens of Guam have always been supportive of the military, as hosts and as members of the armed forces serving and sacrificing in proportions above most other states and territories.

I am always impressed with my citizen's patriotism and their dedication to the nation. Especially, since as a fledgling U.S. Territory, Guam is facing education, infrastructure, social and health care, environmental, and financial challenges, as you are well aware, as it exercises its right to self governance, only recently obtained in the 1970's. Guam's numerous challenges and fragile systems (physical, social, and cultural) are significant and would have made most other jurisdictions not collaborate on an initiative that only further taxes the existing systems.

Because of the DOD initiative, it can be said that Guam is at the confluence of challenges. But as the Governor of Guam, I see these challenges as catalysts for change – substantive change that can improve the character and the quality of the island of Guam for future generations. DOD's initiative can serve as basis for some fundamental shifts in paradigms and institutional frameworks.

It is in the mutual interests of the Nation, of the DOD, and of the citizens of Guam that the military expansion be implemented so the outcomes achieved are sustainable, both physically and socially.

As a society we have come to recognize that the world resources are finite and our actions have long term consequences. Even

though the DOD has title to approximately thirty percent of the land on the island, DOD's actions and presence will forever impact the sustainability of the entire island and quality of life of the citizens of Guam. I am and the citizens of Guam are aware of the island's resource limitations and sensitive to the fragile ecosystems of the island and for those reasons we are committed to work, with the DOD and the Federal Agencies and Departments, to achieve a world class sustainable outcome. I recognize we have strong advocates and allies in attendance here today, such as U.S. Environmental Protection Agency and the Department of Interior.

I also believe it is imperative that an integrated holistic approach that considers the citizens of Guam, our rights, our health and well being, and our future, as well as the military value of the island, is crucial. One only needs to reflect on how social and political movements on Puerto Rico, on the Philippines, and on Okinawa, all ultimately culminated in adverse outcomes to the DOD. DOD's operational sustainability now and into the future depends on winning the "hearts and minds" of Americans who reside on Guam. DOD needs to embrace a holistic approach, one that takes into account that its unprecedented initiative is being undertaken on a semi-remote island. An approach that integrates both the island and the military requirements should not be significantly more expensive than a unitary or "inside the fence" approach. However, the returns from an integrated approach, for all stakeholders, will be much greater. A holistic approach also creates opportunities for other Federal Agencies and Departments to leverage limited resources to address existing challenges. I am willing to explore and develop fiscally sound alternatives for all challenges and I am willing to work with the appropriate Federal Departments and Agencies soliciting their assistance where appropriate, since I personally believe now is the time for the Territory of Guam to demonstrate to the Nation its viability as a credible and relevant governing jurisdiction.

As Governor I believe Guam is at a crossroads and some fundamental institutional changes are necessary to allow us to leverage the DOD initiative for the benefit of the citizens of Guam not only today but for future generations.

The Government of Guam and the Outer Pacific Islands are indebted to Captain John Walmsley and the Outer Pacific Committee for encouraging the Office of Insular Affairs to hold the Federal Grants and Financial Management Conference in San Francisco, this past May. I am the first to acknowledge that Guam and the Outer Pacific Islands are challenging Grantees, but the conference surfaced some noticeable improvements and some promising practices.

As an example the U.S. Department of Labor working with the Guam Department of Labor has shifted from a training paradigm to a mentoring paradigm. Instead, of just relying on policies and training, U.S. Department of Labor has leveraged hands on mentoring – providing mentoring to Guam Department of Labor and in turn Guam Department of Labor mentoring some of the Outer Pacific Island Grantees.

Ms. Gail Fujita with the Economic Development Administration, who made the trip from Hawaii to be in attendance here today, provides hands on management and oversight, constantly holding my departments accountable.

As the CEO for Government of Guam one does not like to hear when one of your departments is non-compliant, but at the same time I am indebted to those who bring it to my attention in a timely manner and are willing to work constructively with me and my staff.

At the Office of Insular Affairs Inter-Agency Meeting held in Washington, DC this past August, the Federal Highway Administration representative had the insight and courage to note that the Government of Guam has limited capacity to address the current and coming surface traffic challenges. To ensure the programs successful outcome, this individual was recommending the establishment of a Federal Highway Administration field office, during the peak of the activity.

I recognize that for the Government of Guam to become a model grantee and to earn your confidence requires internal actions by us, but also your endorsements of initiatives such as mentoring, additional hands on management, or on-island presence.

I am here to initiate a dialogue with the Federal Regional Council and the Outer Pacific Committee since I acknowledge and appreciate the long standing relationship between us. I also recognize that for any program to be successful in the Outer Pacific Island Region it must be initiated by the region, by the people who possess the experience, expertise, and knowledge and the people who will ultimately oversee its implementation.

I will continue hold meetings in Washington, DC, but I assure all you it is my goal to work closely with the region. I am committed to having my departments work closely with their Federal regional counterparts on exploring and developing fiscally feasible alternatives. And if requested, I will take forward and advocate on your behalf in Washington, DC sound regional proposals.

The people and Government of Guam and the Federal Agencies and Departments are critical stakeholders, and will influence how successful the DOD initiative will be. The program can be one of great opportunity with positive outcomes for all entities, or a disaster, the choice rests with all of us.