

C/MTF Meeting with U.S. Government Accountability Office (GAO)
THURSDAY, January 31, 2008, 10:15 a.m. - 12:15 p.m.
Gov's Cabinet Conference Room, Adelup

MEETING SUMMARY

BACKGROUND: The U.S. Government Accountability Office (GAO) conducted a series of meetings to study Guam's military expansion. This is a follow-up to their last visit in 2006 in which their report findings are published on a September 2007 GAO report. *(See Tab A: GAO Report, September 2007)*. Copies of GAO report were sent via e-mail to all invitees.

GAO is mandated by congress to study overseas master planning and the military expansion of Guam. They met with various military officials on January 30th and with other groups on January 31st. The Bureau of Statistics and Plans assisted GAO in the coordination of meetings held on Thursday, January 31, 2008.

Additionally, GAO forwarded a list of questions for all Guam Community groups, which were disseminated to group representatives accordingly. *(See Tab B: GAO Questionnaire)*

This particular Meeting Summary compiled is specific to meeting with the Civilian / Military Task Force & its sub-committee chairpersons.

Invitations were e-mailed to all Members, Sub-committee chairs & support staff on Wednesday, January 16, 2008. RSVP calls were made to ensure members received invitations, as well as reminder notices sent via e-mail. RSVPs were slow in receiving as late as two days prior to the meeting. *(See Tab C: Invitation)*

A total of 23 people registered at the meeting, which included Task Force members, sub-committee chairs, sub-committee members, & support staff. However, there are an estimated 15 people who probably did not sign-in. *(See Tab D: Copies of Sign-In Sheets)*

GAO representatives present were: (1) Mark Little, (2) Jamilah Moon, and (3) Nelsie Alaceser.

Meeting began with Lt. Governor providing Opening Remarks. Lt. Governor's opening remarks summarized the following:

- This is a Guam Buildup, not just a military buildup.
- This buildup is to occur in a much abbreviated timeframe, which significantly accelerates Government of Guam's original improvement plans for a normal growth of the island.

Key congress concern: What are the challenges to Guam community & to update reports released in 2007 (unclassified report released in fall).

Tony Lamorena provided overview of CMTF. Based on our assumptions:

- Of where facilities will be built based on what we know about the land ownership.
- Have done 2 needs assessment & we are moving to a Master Plan phase
- Anticipating 30,000 more personal & commercial vehicles on Guam's roads
- Will provide a paper on issues & concerns

The following concerns/comments were raised by Chairs and Task Force members:

- LABOR – Chair Maria Connelley
 - Introduces Co-Chair Mary Okada (President of GCC)
 - IGIA & FRC: received positive from OIA, Labor, INS (looking at foreign workers training, includes Guam and Insular areas)
 - 5 year strategic workforce plan for insular areas.
 - Workforce development & planning - \$15 million
 - 1 FTE for vets. OSHA in town meeting with Governor, Navy & Contractors. Working with State department & OIA on how to train Fiji & other Pacific nations who want to work here & how to meet U.S. standards.
- EDUCATION – Chair David Okada
 - How to project post construction workforce needs
 - Until we know types of jobs & number to train workforce,
 - We do not have DoD civilian population.
 - Until we know types of jobs & number to train workforce, we cannot start aligning the right training programs. Some programs are expensive to set up and needs clarity before resources are prudently spent.
 - Have to fix current problems. Need 6 to 9 more schools, but we have an overcrowding issue
 - School teachers – UOG did a fast track program certification program changes to resolve teacher certification problem.
 - Anticipate 20% of teachers will migrate to DoDEA (50 to 60 teachers)
 - There is a teachers' salary parity between GovGuam (GPSS) & DoDEA. DoDEA teachers have other responsibilities which attribute to higher pay.
 - George Bamba (COS): DoDEA schools will have a negative impact on our teacher pool. We don't want DoDEA to take the best of our teachers.
 - Met with U.S. Dept. of Education & will be a topic of discussion....There will be an erosion to DoD jobs. Tony Lamorena comments that this issue is across the board in all areas, such as environmental regulators, etc.
- PORTS & CUSTOMS – Interim Chair Carlos Salas
 - Magnitude is large
 - Currently Port brings in 12,500 containers – will move to 76 containers
 - Master Plan
 - Hightened security & Infrastructure
 - Upgrade information & technology
 - Gantry crane replacement
 - Dredging – need to increase from 30 to 35
 - Wharf extension (900 feet) & wharf expansion (7 additional)
 - Approximately \$76 to \$78 infrastructure unfunded costs. No grants or money – unfunded improvements
 - once construction done – down to 50
 - how does Guam recover debt after peak.
- ECONOMIC DEVELOPMENT – Representative Mike Cruz (GEDCA) on behalf of Chair Tony Blaz
 - How do we give local businesses edge?
 - Taxes
 - Main concern: quantification of economic impact – cost of living, jobs, etc.
 - See how to ensure local businesses participate to maximum level DoD only wants to bring in large contractors.

- 3,000 small businesses. 18k business license issued. Large scope of works can't be handled. Guam will never be prime contractor.
- Need set-asides for Guam's small businesses.
- George Bamba (COS): military projects tax lost is close to \$40 k in tax revenue from US companies. DoD needs to require they obtain Guam business license & pay taxes. Don't want to see this happen.
- HEALTH & SOCIAL SERVICES – Chair Pete Roberto
 - Military may have health services.
 - 4 major challenges:
 - ✓ shortage of health care workers & social workers. Very little information from military – doing best guess.
 - ✓ Communication with JGPO in DC. Asked for information & we received no response. Doesn't seem important (i.e. ER, mental health, substance abuse, Okinawa social injustices, etc.) Also, Health submitted 13 questions....will forward to GAO via BSP.
 - ✓ Need to raise Medicaid cap & block grant formulary cap.
 - ✓ Policy: immunization & transient population – We see diseases moving. Public health defense begins here – pandemic scare & food borne terrorism. 15,000 H-2 workers – health issues. How will tourism industry....
- ENVIRONMENTAL – Chair Lorilee Crisostomo
 - Military & civilian buildup
 - For regulatory agencies, funding will remain same, but permit workload increases.
 - JGPO – have given quarterly partnering forums to address EIS
 - GWA came & talked to them twice
- NATURAL RESOURCES – Representative Vangie Lujan (GCMP, BSP) on behalf of Chair Tony Lamorena
 - Invasive species (\$7m) for brown tree snakes – no money for Guam – this is for Hawaii
 - Aggressive GIS schedule – capacity appropriate & adequately EIS, federal consistency 150 federal consistency with 3 people (other states 20 a year)
 - Want to meet DoD's aggressive timeline, but can't sacrifice.
 - Quarterly JGPO meetings – lack of detail; it's very general & so sanitized that it's useless. To be a partner, need to be able to talk in planning stage.
 - DoD has to fund mitigation. Guam doesn't get mitigation DoD says they don't have to monitoring not factored in circumvent. Cultural resources in way of bulldozer, not being considered by DoD.
 - We only get specific projects piecemeal & not commulative & secondary impacts can't be assessed. Done purposely to hide full impact.
- SOCIAL & CULTURAL – Co-Chair Patrick Bamba
 - How to ensure our preservation of culture to protect our quality of life.
 - Ancient artifacts found on DoD bases. Any found, we are not notified.
 - Quality of life sustained.
 - Are foreign investors buying land on Guam for investment purposes (happening)
- Congresswoman Bordallo:
 - It is critical that GAO gets honest answers not overly critical or overly rosey.
 - Congresswoman is pushing for consistent IGIA representatives.
 - Statistics, Guam is always lacking. When people meet with federal people they don't know about issue. People always being changed & not informed about military increase.
 - General Presnell – Marines that are coming are career officers & their families.

- We are responsible for our own culture. Mayors have done a very good job with sister village relationships.
- In the 1980s, we had more DoD.
- Regarding workforce, local preference is first, rather than H2 workers.
- Congresswoman will begin airing shows that will be aired. “BJ Penn said it will be a community partnership.”
- “Foreign workers taking jobs – 1st preference will be local. She is watching.”
- “Instead of passing rumors, come to leaders for straight answers.”
- INFRASTRUCTURE – Chair Larry Perez
 - Still in same place – can reprint last GAO report
 - They are cordial – still pre-decisional; will not give no information.
 - Missing congressional appropriation timeline
 - We need pre-buildup assistance. They have money for EIS, etc. We don’t budget for their build-up. GovGuam does not have Guam Buildup budget, particularly for studies.
 - Utilities have 15-20 year plan that has been shot to heck, especially in the shortened time frame. We don’t have the money sitting around.
 - How do you plan in a short compressed timeframe?
 - 7 to 10 preferred options doesn’t work.
 - Guam will not upgrade any roads from installations because we don’t know DoD requirements
 - Can’t build for you because we don’t know what to build.
 - IGIA next steps; have never met to discuss infrastructure requirements since 1st meeting. (Energy, Transportation, etc.)
 - Behind the scenes, federal agencies having a problem getting information from DoD.
 - Missed FY09 budget, but we will still submit
 - We have consultant helping to obtain information. We are missing opportunities. Not saying DoD should pay for everything, but to say we want more, in compressed time, but you pay for it.
- Simon Sanchez, Task Force member (Chair, CCU)
 - Power to DoD, some have lease & DoD water
 - We have islandwide. 2012 agreement expires, lack of information. They are making assumption on civilian community. What are they....
 - Numerous polite meetings, not enough
 - Can’t use Japanese money to pay for civilian side. Payback is very high to pay. 21 cents Japan repayment, while we charge 12 cents)
 - 20% power increase to Guam’s civilian
 - No infrastructure report given to Guam while DoD has it. Who will pay for funding gap. This kind of infrastructure has long lead time. Guam will all this tax revenue in 2015 (to 40m?), but we don’t have it.
 - What is history of Congressional appropriations to help communities for base expansion?
 - How can DoD go to Congress for 2010 money & all are in no position because we have no information.
 - What about grants? You can’t grant your way through the major impacts. We need front money. We need creative funding.
 - In Japan negotiations (can’t touch civilian), it is insufficient to have 2 power, 2 water, 2 wastewater money to be repaid by to Japan by U.S. federal government
 - Don’t know about new President.
 - Quarterly IGIA meeting are not meaningful. No one is advocating for Guam.
 - They all give the right platitudes.

- Congress asked, ‘who is driving it on Executive?’ We don’t know.
- Master Planning – OEA nickel & diming us on Master Planning efforts
- We need a better funding mechanism. We need real support & real money.
- HOUSING – Chair Ron de Guzman
 - There will be an acute housing shortage.
 - \$180 - \$209 medium house price speculative.
 - Low to moderate income housing will be great by impacted.
 - HUD & USDA looking for housing money
 - Study will look at other communities.
 - Information from DoD is key. Private development at standstill. DoD hasn’t decided if it will use international or national policy for housing allowance. Don’t know what kind of homes to build.
- PUBLIC SAFETY – Chair Chris Duenas
 - Need crime statistics.
- Capt. Bill Marhoffer, Task Force member (CMDR, U.S. Coast Guard)
 - Applicability of by American Act
 - Will U.S. carriers coming from Japan or U.S.
 - Foreign want to reflag from foreign to U.S. – the Cargo preference Carrier Act - Maritime
 - 1st Guam Industry Forum asks – U.S. shippers, foreign shippers & construction companies need to know & no one can answer
- MG Donald Goldhorn, Task Force member (Adjutant General, Guam Army Nat’l Guard)
 - Competing for property because they need to expand. Navy has been cooperative.
 - Have MilCon projects. They will be competing against DoD construction costs will increase want to shift & want Nat’l Guard’s projects shifted 1st before Marines (Air Force may say the same – have no comment
- Lt.Col Shrewberry, representative of CMDR, AAFB
 - JGPO – Air Force left out
- Clifford Guzman, Task Force member (Keep Guam Working, Guam Chamber of Commerce, & DoD contractor)
 - Private sector expand govt. instead of keep it tight
 - ✓ GovGuam has lack of support it needs
 - ✓ The private sector is the same
 - Speculating is going nowhere.
 - ✓ How will local & federal government help the private sector.
 - There will be a larger disparity of haves & have not
 - Speculation needs to stop – information is needed a limited range is better than the current situation.
- Lt. Governor (CLOSING)
 - Lack of information
 - Lack of clarity of information
 - Lack of money
 - This is a national policy & should include national commitment. This buildup will affect both outside fence line & inside the fence line.

Copies of CDs were given to GAO representatives that were present. CDs included the following information:

- C/MTF Executive Order, signed in April 2006
- Gov’s Infrastructure Forecast Report (April 2006)

- CMTF Purpose & Organizational Structure PowerPoint presentation (July 11, 2006)
- C/MTF Scoping Comments (May 2007)
- CMTF Sub-committee Chairs Contact List (As of: July 27, 2007)
- C/MTF Quarterly Needs Assessment Reports (July 2007 & November 2007)
- GAO Report on Guam's Military Buildup (September 2007)
- KPMG Report (November 2007)
- The Joint Guam Program Office's (JGPO) Scoping Meeting Summary

Recommendations:

- Sub-committees shall forward supplemental documents to BSP for inclusion into GovGuam's submittal for GAO questionnaire.