

Rotary Speech

16 September 2010

Thank you President Vicki. Assistant District Governor Rotarian Joe Rios, President Craig Wade, President Bobbie Leon Guerrero, Vice President Mark Tokito, and Rotaract of the Marianas President Ariana Villaverde; It's great to be here to talk about an exciting time for the people of Guam. On September 20th, next week in Washington, Assistant Secretary of the Navy Jacklyne Pfannenstiel will be signing the Record of Decision for the relocation of approximately 8600 Marines and their families from Okinawa, Japan to Guam; the establishment of a pier in Apra Harbor to support a transienting aircraft carrier; and the positioning of an Army Missile Defense Task Force in Guam. So, here in Guam, we should be seeing the signed ROD sometime on the 21st.

For the past few weeks, my staff in Washington has been providing detailed briefs to Secretary Pfannenstiel on all the issues surrounding the FEIS and the proposed ROD. The decisions in the ROD will reflect a balance and consideration of comments received throughout the EIS process. As many of you know, early planning assumptions made in Washington, Hawaii, or even here in Guam didn't stand up to facts on the ground. For example, Guam's infrastructure is very limited and needs serious upgrading before an extensive level of construction activity is to occur. Moreover, the pace and sequencing of construction activities and the flow of forces and their families from Okinawa to Guam need to be carefully managed so as not to overwhelm Guam's limited capacities to absorb the workforce and the Marines and their families. Many of you will recall the initial proposal to locate the firing ranges at NCTS Finegayan with the safety zones extending out over the double reef met will considerable comments from the public

during public scoping sessions in the spring of 2007 as to their impacts to recreational water activities, tourism, and sport fishing. Accordingly, working with Guam's leaders and planners we started to make adjustments to those plans. Nearly a year ago, we issued a draft EIS and later held public hearings throughout the island. The Governor, Congresswoman Bordallo, and the Legislator also sought public input on the draft EIS, which generated over 10,000 public comments on the document. Under the leadership of the White House Council on Environmental Quality and working closely with Guam leaders we begin to work through those issues and produced a final EIS in July. Since the release of the final EIS, we have received comments from Guam leaders and the public, all which are being reviewed and considered by Secretary Pfannenstille. For the past four years, numerous key Congressional Delegations, led by Congresswoman Bordallo have visited Guam to see the impacts and hear the concerns of the people of Guam. Numerous Administration officials, from the Secretary of Interior to the Secretary of Defense have also visited Guam and have heard your concerns. I am personally aware that the FEIS did not address all of Guam's concerns, particularly some long-standing policy and federal funding issues. Although all of these issues have yet to be settled, I can tell you, that from my vantage point, your concerns are being heard. Washington is now talking about a "one Guam" approach—that term doesn't require definition it may have a few months ago. Thanks to good people like Senator Guthertz, Washington is using terms like "win-win" when it comes to addressing the Marine relocation and Guam's needs. DoD has taken a leadership role in finding funding to upgrade and improve Guam's critical infrastructure. Nearly \$1B--\$955M to be exact—will be invested early on in infrastructure

outside the military bases. Last week, DSD Lynn notified Congress that he was transferring \$50M to USDOT (MARAD) for modernizing and improving the commercial port. That enables USDA to kick in another \$54M for a total of \$104M. Using GOJ's \$740 financing for upgrades to utilities in support of the Marine relocation, in coordination with CCU, GWA, and GPA, we are going to upgrade the ND and Hagatna WWTP's, overhaul 3 combustion turbines and upgrade transmission and distribution power lines, and drill 22 new water wells on DoD property while interconnecting them with GWA water lines in the north. By the way, we are working with our Japanese friends to fund those needs without looking to the Guam civilian rate payers to pay back any of that capital investment. Additionally, in the coming weeks, DoD will be transferring \$110M to Federal Highways to upgrade Guam's roads to support the construction effort.

The Federal Government has formed an Economic Adjustment Committee to address many of the funding issues that extend beyond the Guam's infrastructure requirements. Issues such as medical care facilities, mental health, schools, police, and fire are being actively pursued by the EAC. For the first time in over 3 years in working with the interagency in addressing the concerns of Guam, I am seeing movement in federal agencies taking responsibility for finding solutions to these long-standing issues. Although it has not translated into Federal funding initiatives as of yet, I believe we will see progress in upcoming budget submissions by the respective agencies. We will continue beyond the ROD to have further discussions and collaboration between the military and the Guam community on program execution. The ROD will include a draft charter for a Civil-Military Coordination Council, comprised of GovGuam, federal agency and military

representatives, which will be responsible for implementing Adaptive Program Management that will control the pace and sequencing of construction and the flow of Marines and their families to ensure we stay within Guam's capabilities to absorb the impacts of the construction effort and the relocation of the Marines and families. Training ranges will not be in use for some time, providing time and opportunity for the community and the military, including the Marines, National Guard, and others to find ways to protect access to the ancient and historic village of Pagat and to preserve the site while meeting the training needs of the men and women stationed in Guam who protect us. If I may, I'd like to say a few words about the military training. I'll leave it to the Marines, the Guam National Guard, and others to address their training requirements; but, from my perspective of 38 years of active service as a Marine, compromises to training results in battlefield casualties. No family wants to even think about, let alone being told their loved one perished on some battlefield because of a training failure. We ask a lot from our men and women in uniform; the very least we can insist upon is they have the right equipment and the training needed to do the job.

This build-up is a catalyst for Guam and will bring unprecedented opportunities for the community. You may have read yesterday that the US and GOJ have signed diplomatic notes that transfers \$498M from Japan to the US for military projects. Combined with other Japanese funds and US MILCON appropriated funding from Congress, we have well over \$1B "in the bank" to begin awarding contracts. Next week, we will be meeting here in Guam with our GOJ colleagues to talk about funding for next year's projects. Guam based firms have been very competitive in winning build-up contracts, including 8a, HUBZone, large MACC, small business MACC.

We want to see Guam workers get first choice and will work with contractors to ensure they too look to Guam first for their workforce. The build-up also provides opportunities for the regional economy and CNMI business/workers will also benefit. I might also point out the build-up will bring needed revenues to Guam's treasury, which will allow the community to address some funding issues. At a time when other communities across our nation see little or no hope for economic growth, Guam's future is shining bright with potential.

Lastly, we are committed to executing the build-up in a way that does not overwhelm Guam's infrastructure and minimizes impacts to the community. Although you can expect to see some contracts awarded soon after release of the ROD, actual construction will ramp up slowly. Constructional activities will be curtailed until we have a solid commitment and funding plan from the GOJ for funding for the utilities upgrades. Also, the Civil-Military Coordination Council must be in place prior to the start of construction to help us implement Adaptive Program Management.

Ladies and gentlemen, we have come a long ways over these past nearly four years. But, we still have a ways to go before we can all say we are satisfied. I know many of my friends in Guam still have worries as to what this build-up will mean for them and their families. We want to see the Marines and their families to settle in softly, and to be welcomed to you beautiful island and fantastic way of life. Guam will become their home. Guam has a rich culture and heritage. We, like all of you want to see it protected and preserved for future generations. Guam is not only where America's day begins, it's also where tomorrow begins for Asia. From this island, you and others who call Guam home, including our men and women in uniform, will help to shape and influence Asia for

the 21st Century. Thank you again for inviting me out to speak and I look forward to answering any questions you might have.