

**STATEMENT
OF
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**BEFORE THE
HOUSE NATURAL RESOURCES COMMITTEE
SUBCOMMITTEE ON INSULAR AFFAIRS**

**REGARDING
U.S. MILITARY BUILDUP ON GUAM AND CHALLENGES FACING THE COMMUNITY
AUGUST 13, 2007**

Madam Chairperson and members of the Subcommittee, thank you for the opportunity to testify on U.S. Military Buildup on Guam and challenges facing the community. As the Executive Director for the Joint Guam Program Office, I am responsible for the planning and integration of the Department of Defense infrastructure capabilities, master plan development, program and budget synchronization, construction oversight, government and business coordination, and strategic communications for the realignment of military forces to Guam.

BACKGROUND

The proposed military buildup on Guam is a key component of the United States Pacific Command's initiative known as the Integrated Global Presence and Basing Strategy (IGPBS). IGPBS transforms U.S. global posture by increasing the flexibility to contend with uncertainty; strengthen allied roles; build new partnerships; create the capacity to act both within and across the Pacific region; develop rapidly deployable capabilities, and focus on effective military capabilities. Principle elements of the IGPBS initiative include the relocation of U.S. Marine Corps ground and air assets to Guam from various locations; creation of a U.S. forward based operating port for modern littoral warfare ships, combat logistics force ships, submarines, surface combatants, and high-speed transport vessels; continued efforts to develop a U.S. Air Force Global Intelligence, Surveillance, and Reconnaissance and Strike hub; and to develop and maintain a robust Western Pacific logistics hub sufficient to support United States Pacific Command's requirements.

Guam's strategic location as the U.S. most western territory in the Pacific will enhance military force flexibility, freedom of action, prompt global reaction, regional engagement, and crisis response. Forces to be located on Guam will be readily employable and positioned forward with strategic and operational maneuver space. Operationally,

Guam's location in the Pacific enhances power projection and flexibility for expeditionary missions.

On May 1, 2006, the U.S.-Japan Security Consultative Committee (SCC), consisting of the Secretaries of Defense and State and their Government of Japan counterparts, released a "U.S.-Japan Roadmap for Realignment Implementation" document. The SCC document outlines the schedules and timelines for implementation of the realignment initiatives in the October 29, 2005 SCC document, "U.S.-Japan Alliance: Transformation and Realignment for the Future". One of the several initiatives concerns the move of approximately 8,000 III Marine Expeditionary Force (MEF) personnel and their approximately 9,000 dependents from Okinawa to Guam. The desired completion date for the relocation is by 2014, a date requiring substantial U.S. and Government of Japan financial support and commitment. The estimated total development cost of the relocation of Marine units to Guam is \$10.27 billion. The Government of Japan will provide up to a total of \$6.09 billion, including \$2.8 billion in cash for facilities and infrastructure and \$3.29 billion in equity investments and loans to special purpose entities that will provide housing and utilities to support the Marines. The remaining \$4.18 billion, and any additional cost growth, will be provided by the U.S. government.

PLANNING

A Guam Joint Military Master Plan is currently being developed. Land use alternatives are expected to be developed by November 2007, with the planning-level master plan to be completed by July 2008. Our preference is to remain on land owned by the federal government, but at this stage we have not determined whether our requirements will fit on existing DoD lands. Our master planning and environmental planning process will determine the appropriate course of action regarding land use.

An Environmental Impact Statement (EIS) is also in development. The Notice of Intent was published in March 2007, and public scoping meetings held on Guam, Tinian, and Saipan in April 2007. As a result of the scoping meetings we received 990 comments from private citizens, elected officials, and numerous organizations and agencies. Some examples of concern expressed by the Public centered on social-economics, utilities, land use planning, public health and social services, and traffic. Consideration of the comments will be ongoing throughout the development of the Environmental Impact Statement. At the request of the Chief of Naval Operations, the EIS will also examine alternatives to support a transient CVN for a period of 21 days several times per year. The Final Environmental Impact Statement is scheduled for completion in October 2009, with the Record of Decision expected to be signed by the Assistant Secretary of the Navy, Installations and Environment by January 2010.

Once the Environmental Impact Statement is complete and the Record of Decision is signed, actual construction may begin. In order to complete the relocation by 2014, it is estimated that the island's construction capacity must exceed \$3.0 billion per year, more than three times the highest level of construction activity ever conducted on Guam. We are developing an acquisition strategy and working with the construction industry to find

ways to achieve the necessary supply of materials, skilled labor, and management oversight on Guam to support the necessary level of construction activity.

The Department of Defense's Office of Economic Adjustment, which normally assists BRAC-affected communities, is playing a critical role in helping the Government of Guam to plan and prepare for the military build-up. The Office of Economic Adjustment will, in coordination with other Federal Departments and Agencies, provide technical and financial assistance to Guam. Their engagement with the Government of Guam will continue over the long run and will focus on developing a sound, comprehensive and effective assistance strategy and action plan to assist the Government of Guam and its agencies in adjusting to support the construction phase and the eventual arrival of military members and their families.

BENEFITS TO THE AFFECTED COMMUNITIES

Guam and the surrounding island's economies will be impacted though the multi-billion dollar construction projects and improvements to the islands' utility services that support the military forces. The addition of approximately 20,000 U.S. service members and their families will add considerably to the islands' economies and tax base through increased demand for retail goods and services, airline transportation, housing, entertainment, and consumer spending. The build-up will attract a wide range of individuals from the private sector who are engaged in professional services, such as medical, education, legal, engineering, human services, and others, which will improve the overall quality of life to the island residents. The arrival of men and women who routinely volunteer and support churches, schools, youth sports, philanthropic organizations, and community events will add to the social fabric of the communities. The increase in population is expected to spur entrepreneurship; people will invest in island projects and take increased risks that demand greater capital because of the assurance that a population-base exists that will create the demand for new goods or services.

Allied and regional military forces will frequently visit Guam and the surrounding islands for training and military exchanges. The region will benefit by the near-by presence of highly trained and capable forces ready to respond to crises, natural disasters, and events requiring humanitarian assistance. The increased military presence will serve to maintain commercial access to the Pacific Region.

CHALLENGES FACING THE COMMUNITY

We expect the DoD population on Guam will expand from approximately 14,190 to nearly 38,000. This will result in an overall 10 year total population growth rate of nearly 28% - twice the historic high in the 1990s. This does not include construction induced temporary population increase.

It is estimated that 12,000 to 15,000 workers will be needed on Guam to construct the necessary operational, training, housing and other support facilities. Many, perhaps as

many as 75% or more of these workers will come from off island and may require H-2B visas (“off island” workers may be FAS workers or other U.S. – authorized workers who do not need H-2B visas). There is a nationwide H-2B Visa cap at 66,000 per year, while the nationwide demand for H-2B Visa workers exceeds that cap. We are working closely with other Federal Departments and Agencies and the Government of Guam to create training opportunities for residents of Guam to and the surrounding U.S. territories to acquire new skills to be ready for these increased job opportunities. Additionally, we will work with these departments and agencies in coordinate medical care, support facilities, homeland security impacts, and human services for arriving U.S. and foreign workers. We will also consider the effects on tourism, local business and fishing industries, and the long term impact on labor opportunities for local citizens and military family members.

Socio-economic areas of concern include the strain on safety and security services (police, fire, and emergency medical support), the impact on small business and local job opportunities, and the effect on local quality of life, roads, and access to recreational areas. Schools are also a priority; the Department of Defense Education Administration Schools and the Guam Public School System must attract and retain quality teachers for both school systems. In many cases, such as police, fire, and roads, the increased capabilities must be in-place even before the construction phase begins. As you will hear, we are working closely with other Federal Departments and Agencies and the Government of Guam to resolve these issues.

In terms of health and human services, we are concerned about specialty medical care availability on island, medical care for foreign workers, infectious disease risk and public health, the need for additional counseling services, and affordable quality housing. We will be working with Federal and Guam authorities to address these concerns.

Infrastructure improvements remain a particular area of concern. The commercial port will require significant improvements and upgrades to adequately handle the inflow of construction materials and supplies during and after the military build-up. The capacities for water, power, solid waste, wastewater, hazardous waste, roads, and the commercial airport are all of major concern due to the predicted increase in demand. All of these areas will be addressed in the Environmental Impact Statement. We expect the study to identify a substantial need and opportunity to improve the existing infrastructure on Guam. The Government of Guam has identified millions of needed improvements for the island’s infrastructure. Although the DoD / Government of Japan funds are intended to provide only facilities to support the arrival of the Marines and their dependents, we will work with other federal agencies and the Government of Guam to find mutually beneficial ways to improve the existing infrastructure on Guam, where practicable.

On August 2, 2007, Department of Interior, Deputy Assistant Secretary for Insular Affairs, David Cohen and I co-chaired an Inter Agency conference to examine how the Federal Government can better coordinate support and assistance in helping Guam to prepare for this rebasing program. All attendees, representing nearly every Federal Department and Agency, recognized that we need to engage all elements of the Federal Government to support the people of Guam as we ask them to assume a more strategic

role in the security of our Nation. As I stated earlier, some of this additional support and assistance to Guam must be in place prior to the construction phase. As we proceed with the relocation effort, Secretary Cohen and I will continue to hold regular Inter Agency meetings to help synchronize Federal support to Guam and the CNMI.

DoD is committed to being a good steward of the environment. We have concurrence from following agencies to serve as cooperating agencies to assist us to adequately evaluate the potential environmental effects of the proposed action: U.S. Department of Agriculture, Federal Highways Administration, Federal Aviation Administration, U.S. Army Corps of Engineers, U.S. Air Force, and the U.S. Environmental Protection Agency. Additionally, in partnership with Federal and Guam agencies, we will carefully build-in protection for Guam's precious marine resources, coral reef, cultural and historic sites, endangered species, and other natural resources. We will take special precautions and actions on invasive species, noise, and air quality standards. Where needed, we will develop appropriate mitigation plans. We are mindful of Guam's water, wastewater, and solid waste challenges and will do our part in helping the Government of Guam in meeting EPA standards. On June 4-5, we conducted a partnering session with all Federal and Guam regulators, where all attendees acknowledged the need to work closely to develop a comprehensive and successful environmental impact statement and action program.

CONCLUSION

The Department of Defense recognizes Guam's culture and heritage. The patriotic spirit of Guam is well known throughout our military services. Men and women from Guam serve our nation around the world. We honor their service and the sacrifice of those who gave their lives in defense of our great nation. We give special tribute to those who have given their lives in the current Global War on Terror. Their sacrifices will never be forgotten.

The Guam relocation requires a coordinated effort involving the Government of Guam, Department of Defense, Federal Agencies, and private businesses. The build-up on Guam is one of the most significant events in the region since the end of the Vietnam War. Relocating over 17,000 military personnel and family members to Guam will have significant impact to the island and region. This will bring unprecedented beneficial opportunities for the region. We need innovative solutions to make this a success. The Department of Defense is committed to building a responsible program that provides for peace and stability in the region, enables operational maneuver for our forces and benefits the people of Guam and the surrounding islands.

Thank you for this important opportunity to discuss the military build-up on Guam. I would also like to thank you for your continued support and dedication. We have a challenging and exciting program to accomplish and I look forward to working with all involved in the future.

Thank You