

Hafa Adai, good evening, my friends, my family, my fellow Guamanians, ***benedision ginen guahu yan dankolo na si Yu'us ma'ase ni finatton miyu pago.***

Lt. Governor Tenorio, Speaker Cruz, Chief Justice Maraman, military leadership, and distinguished members of the 34th Guam Legislature, my Cabinet, my family, and my dear people of Guam:

We, here today, are blessed with a legacy of patience, perseverance and strength. The people of Guam have struggled through colonization that threatened our very existence and then fought for our very lives in the anguish of World War II. Our manamko, the greatest generation, did more than survive war; they rebuilt this island to be a shining example of what could be. Their sheer determination and will to live and thrive are a reminder that we are as strong as the latte. Though we are a small island in the Pacific – no matter what is thrown in our direction — we will persevere. We are a resilient and exceptional people. History has shown this.

AT THE BEGINNING

About seven years ago, Ray and I stood before you — ready to do our part. We have worked to forge a path that would lead our community to its greatest heights, and help our people achieve their version of the Guamanian Dream.

Tonight, I stand before you to report that the state of our island is strong, however, in the next few days we face decisions that will determine whether we continue the great progress already established or if we allow outside forces to erode the accomplishments we have built. As we consider the precipice upon which we stand, we must look at where we started, the progress we've made, the challenges we've overcome, and the new hurdles that lay before us today.

In fiscal year 2011, we walked into a Government of Guam that had a deficit of tax refunds and vendor payables nearing \$400 million. The government's financial position hindered its ability to provide an adequate level of services to Guamanians.

- In 2011, our community of 160,000 had one, sometimes two, working ambulances – a state of non-readiness that threatened the lives of our families.
- We didn't have enough police vehicles to patrol our streets.
- Your police officers were paid a little over minimum wage. Promised salary adjustments weren't fulfilled. As a result, GPD personnel were leaving the Guam Police Department.

- For decades, the people of Guam had to beg for their tax refunds or wait for years. By the time this administration was in Adelup in 2011, GovGuam owed you nearly \$270 million, going back five even six years.
- Unpaid COLA to retirees amounted to \$20 million
- Our working poor, for years, were denied Earned Income Tax Credit, which was meant to put a few extra dollars in the pockets of those of our people who need it most.
- The Department of Corrections had been under a permanent court injunction for about 20 years.
- We were already a few years into federal receivership at the Guam Behavioral Health and Wellness Center, as well as the Guam Solid Waste Authority.
- High schools like George Washington High, John F. Kennedy and Okkodo High were dangerously overcrowded ... and Untalan Middle School had sewage seeping out from the girls and boys' restrooms.
- We had 1,745 homeless people on Guam.
- Unemployment was over 13%

THE WORK

About 84 months later, by working together, we were able to make progress.

As an administration, we started with opening the ranks to a diverse group of citizens. We filled our administration with individuals who had gained wisdom and institutional knowledge through public service over the years, we welcomed younger generations and people from different backgrounds with new ideas.

It didn't matter on which side of the political divide they lived, democrat or republican, whether they were a man or a woman, or from what island or continent their ancestors came. What mattered was their integrity, and their desire to serve and make a difference in the lives of our people.

This diverse group of public servants were catalysts for new ideas that birthed opportunities and took advantage of the crossroad at which we found ourselves.

Several of our agencies and programs had been placed under federal oversight. We were at a point, where either we folded as a government and a people, to the will of Washington DC — only to serve their federal consent decrees — or we determined our own path forward, living up to the legacy of ingenuity and strength that our ancestors left to us. Ray and I, with the help of Guamanians across the island, chose the latter.

We reinvented our government with the understanding that it should be an instrument to protect and promote the lives of the PEOPLE of THE ISLAND OF GUAM ... an instrument to help their search for the Guamanian Dream.

Our next steps forward were focused on the premise that this government of Guam was entrusted with the responsibility to provide our people with a hand up — not a handout — so that they would have the tools they need to solve their own problems.

I knew that we needed to correct a few things. Our government shouldn't owe the people. We set forth a goal to repay tax refunds, and promised salary adjustments to our safety officers and outstanding merit bonuses to GovGuam employees who had been waiting for decades.

In early 2011, we sent a bill to the Legislature and by the end of the year paid nearly \$270 million in tax refunds owed for returns filed as far back as 2006.

The lawsuit always referred to as being responsible for paying tax refunds was actually filed after the fact. The attorneys had to amend their lawsuit because we had started paying tax refunds while they were still filing legal briefs. Also, the court came down with their determination in 2013, as we were paying out a third year of tax refunds. The results of that lawsuit were 1) lawyers pocketed a few million dollars, which could have gone towards paying more tax refunds; and 2) the court took away our ability to prioritize refunds for people facing hardships.

- To date, we have put more than \$1.3 billion in tax refunds into your pockets. And we're returning your money to you within months because your administration exercises smart financial management. We are paying out more tax refunds in history, we're also doing it at a savings in interest. Additionally, we've paid out more EITC than any other administration, at about \$350 million in the last seven years.
- Today we have 13 working ambulances.
- GPD has a whole fleet of vehicles and within the next two months they will have enough for a second fleet.
- We've fulfilled the promise of increased compensation to your police officers and *all* are now earning competitive salaries.
- Your Lt. Governor worked alongside the Attorney General and the Speaker ... and fixed the problems at DOC, thereby lifting the injunction and saving us from the threat of another costly federal receivership.
- By 2013 the injunction on Guam Behavioral Health and Wellness Center was lifted and management of the Center was returned to the local government. By July of 2017, they received a three-year accreditation, proving that our island is capable of meeting nationally recognized service standards.
- We've reduced the number of homeless people by half
- Despite some resistance, the administration was able to renovate Untalan Middle School and open Tiyan High School — providing a healthier and safer learning environment for more than 3,000 students and 100 school teachers and staff.

- Minimum wage has increased 14 percent - from \$7.25 to \$8.25
- And despite the lack of a stable funding source, we still managed to receive accreditation, twice, for the Guam Memorial Hospital since the administration took office.

TOGETHER

Much of our progress can be attributed to the cooperative efforts within our government ... thank you to all who have risen above political partisanship and have focused on what is best for our people. It is through sheer hard work and determination that we Guamanians have accomplished this much, in spite of a number of federal policies that have handcuffed our economy. How much further could we have progressed if Washington D.C. didn't hand-down "one-size-fits-all" mandates, and instead we were allowed to participate in discussions that effectuated policies specific to Guam's economic and political development?

Over the last seven years, investments in Guam have increased, our private sector has grown, the tourism industry – the economic engine of our island – continues to hit record highs, we have tripled the number of air cargo operations, and have more than doubled the number of passenger airlines that serve Guam.

We have seen economic growth; the lowest unemployment rate in years; four fiscal years of surplus; our Gross Domestic Product has increased by \$1 billion - from \$4.9 billion to \$5.8 billion; and we've nearly doubled our annual revenues from about \$490 million to \$900 million. We have built more affordable homes and helped more families gain first-time home ownership.

A few years ago, I said I wanted to see the unemployment rate drop. We did it. We went from 13.3% in 2011 and are at 4.5% as of December 2017!

Despite the hit we received from the H2B denials – leading to the loss of 1,500 skilled H2B workers – there was an increase in employment with 60,820 in 2011 to nearly 63,000 in 2017. Despite reduction in the number of GovGuam workers!

And we did this without the military buildup, which many critics of our local government said would save us. The deep-rooted spirit of the Chamorro people thrived, and with the injection of ideas and effort from our diverse community, we came together as Guamanians, entrepreneurs, and determined citizens to build a new economy.

With the passage of the National Defense Authorization Act and the recent District Court ruling on the H2B visa case, we look forward to augmenting our local construction force with skilled foreign workers. There is no denying that the federal government's

new take on an unchanged federal policy has hurt our economic growth — but I believe we will overcome this particular challenge in the near future and come out stronger.

We have done it before. Even when handcuffed by the Jones Act, the Clean Air and Clean Water Act, and other costly federal policies; or under the threat of bird flu, Zika, typhoons, and even North Korea — Guam has always recovered.

But, can you imagine where we would be if federal policy supported Guam instead of hindered our efforts — from *every* angle — we would be the most economically dynamic community in America!

In 2011, Guam welcomed 1.1 million visitors. By 2017, we had a record year with nearly 1.6 million visitors. The last four years, have been the best years in the history of our tourism industry.

Another indicator that our economy is strong enough to rebound, even if it takes a hit, is the increase at the beginning of Fiscal Year 2018 in non-containerized cargo to the Port Authority to include construction materials and equipment. We saw a 32% increase in the first quarter of this fiscal year in comparison the same period of the previous year.

What if our growth was unhindered? Where would we be today? Ladies and gentlemen, we've seen progress!

The unwavering Guamanian spirit anchors our fierce determination to protect our families. We continue to find ways to deter criminals. I thank the officers of the Guam Police Department for doing more — often times with less — and with the help of Community Partnerships and programs like the Neighborhood Watch Program and the Mandaña Drug Task Force, we have seen a reduction in crime.

In protecting our children, we are at times required to remove them from a potentially dangerous situation at home. Once they're safely removed, however, our social workers are faced with another dilemma: Where can they go?

In the next few months I look forward to opening our first-ever emergency shelter for foster children. It was an idea that started with the seeds of hope for a better environment for our most vulnerable. From lobbying Municipal Councils to partnering with Public Health and Guam Land Use Commission, First Lady of Guam Christine Calvo and her angels at the Rigalu Foundation tirelessly pushed to make this dream a reality. I ask that we take a moment to thank the lady whose fierce passion drove this project of hope.

For decades, we neglected the working force that we relied upon to provide essential services for our community. In 2014, using the plan created by an independent third

party, Hay Group Inc., we implemented salary increases across the board. The Judiciary followed suit, once, they too, knew we could afford it. Salary adjustments for GovGuam were not only well-deserved, but were also necessary to stop the outflow of talent and institutional knowledge. It was the first sweeping salary increase the Government of Guam had seen in more than 20 years. We also paid for promised compensation and merit bonuses for GovGuam employees going back to 1991.

We were able to do all of this because we exercised prudent fiscal management. Thank you to my fiscal team for your countless hours of work and sacrifice.

We controlled hiring and shrunk our government labor force. In 1998, there were 16,980 employees. As of 2017, there were about 11,680 employees. Incidentally, in 1998 the general fund revenue was \$500 million.... I also want to note that in the executive agencies directly under my authority, we went from 3,600 workers in 2010, to 3,046 in 2016 — that's a reduction of 500 employees — 16% reduction.

Your GovGuam employees worked together in unprecedented ways to turn the deficits that existed when we came into office, into surpluses. We increased our investment in education, we fought and continue to fight for a stronger healthcare system, and we have exponentially strengthened our public safety. We reduced crime with the support of a record number of volunteer officers and task forces that include GPD, Customs & Quarantine, rangers from the Department of Agriculture and the Department of Parks and Recreation, and our federal partners.

We worked with Senator Tony Ada and the 33rd Guam Legislature to empower residents to protect their homes, families, and property with the Castle Doctrine.

We also got serious with the federal government. We started deporting non-U.S. citizens who broke the laws and threatened the lives and safety of Guamanians. We caught their attention by commuting sentences of non-U.S. citizens who committed crimes against residents of our island community. Some of these criminals were repeat offenders. They failed to follow the laws of this land. And it is YOU and I ... AND OUR CHILDREN ... who foot the bill for their stay at DOC. That's about \$119 a day for each inmate or detainee. And it is we who suffer when they are released into the community and repeat their crime.

Numerous conversations with the federal government to deport non-U.S. criminals got us nowhere. In fact, federal officials said that holding accountable migrants who failed to abide by the laws and policies of our nation and island home was NOT A PRIORITY. Two major editorials called for us to cease this policy.

My dear people of Guam I did not and will not cease. YOUR SAFETY IS A PRIORITY TO ME.

So I commuted the sentences of five non-U.S. citizens convicted of various crimes and had them removed. On the sixth criminal, the federal government decided to come back to the table. Today, in total, we have more than 40 non-U.S. citizens who have broken the laws of Guam and the United States, who have been removed from this island never to return and hurt another child, woman, or man. If we had to house these criminals until the date of their scheduled release, it would have cost taxpayers roughly 3 million dollars.

Until the last day of this administration, there will be more removals so long as non-U.S. citizens commit crimes. And they will all be leaving at the expense of the federal government.

Just a few years ago, we had more than 800 inmates and detainees at the Department of Corrections — as of December, we have fewer than 640. DOC has instituted a number of programs in cooperation with Guam Community College, Department of Labor, and the Guam Trades Academy — to help provide those who are incarcerated with new skills so that they may become contributing members of our community.

In keeping with Public Safety, I have to note that the Guam Fire Department, in addition to having increased their ambulance fleet by more than 500 percent — for the first time ever, has a fire truck in every fire station.

Can we give our public safety men and women a hand for their dedication to our island community, please?

The road to a Guamanian Dream is paved by the hands of many working together.

I want to acknowledge all the men and women at the Department of Public Works Highway Division for their hard work, which helped pave more village roads. Your Department of Public Works was able to put together \$1.5M in local funds to start fixing various roads around the island. In the last few years, we have paved Gil Breeze, Gil Baza, portions of Route 4 in Umatac and Inarajan, Hamburger Highway, Macheche, Chalan Balako, Chalan Lamaso, and Roy T. Damian, just to name a few.

Here with us today, pursuing their Guamanian Dream, are residents like Ms. Cabral, she is seated to my right, who have worked tirelessly with their mayor and other GovGuam agencies to improve their neighborhood. Thank you for your dedication to making this community a better place.

We have constructed over \$112.4 million in highway projects to include bridges, traffic signals, and other infrastructure repairs. We also have another \$73.3 million under construction, and 15 additional projects under development, with an estimated price

tag of \$173 million. And I just signed a contract today, for the repair work from Potts junction all the way to Ritidian.

This fiscal year, Public Works will utilize almost \$3.2 million to fix at least one street per village. With the anticipated \$3.5 million, we can expect to see additional road repairs in our villages. The hardworking crews at Highway Maintenance will perform the preparatory work with the final overlay contracted out. This process has allowed the DPW to save hundreds of thousands of dollars. I also thank Senator Morrison and others who voted on his bill for providing a dedicated funding source for road repairs. Because of that legislation, we are able to improve driving conditions on more secondary streets across the island.

I do want to acknowledge the folks at Parks and Recreation, and the Guam Housing and Urban Renewal Authority who have worked together to renovate island parks and village gymnasiums.

We've also improved more than 500 bus stops around the island, for our children, with the help of the Rigalu Foundation and Islandwide Beautification Task Force.

Additionally, we have done much to help in the beautification and protection of our environment.

I applaud the Department of Agriculture, who worked with Department of Education and University of Guam for surpassing my goal of planting 10,000 trees as a solution to soil erosion, runoff, and other pollution to our air, land, and ocean resources. In total, we have planted more than 300,000 trees since we've taken office. These trees have created new forests in southern Guam and are helping to restore whole ecosystems. Additionally, our agriculture experts believe that the trees we're planting, such as the acacia and mahogany, could potentially help us create a timber industry.

More inter-agency collaboration has allowed us to clean and clear roadside parks and vistas around the island, as well as clear tons of illegally dumped trash.

EDUCATION

At the University of Guam and Guam Community College we're seeing increased enrollment and record-graduation rates. We also have seen more high school students sticking with their education; DOE has decreased its dropout rates by 46% - from 522 in 2012 to 283 last year. Additionally, graduation rates have increased over the years, from 1,768 in 2012 to 2,054 in 2017. Congratulations to all of those students who attended these fine institutions ... President Okada, President Underwood, and Superintendent Fernandez .. thank you for your leadership.

HAGATNA RENOVATION & FestPac

In 2016 the students from the DOE, UOG and GCC — as we all did — had the opportunity to learn about the cultures of our Pacific community through the Festival of the Pacific Arts & Culture. We hosted 27 island nations, sharing our customs and traditions with thousands of visiting artists and cultural practitioners.

It was a beautiful sight. The Paseo Stadium and Recreation Center and Chamorro Village received facelifts and additions, to include the nearby Festival Village, renovated Chief Quipuha Park, brand new Guam Seal Park, and the beautiful new Guam Museum - the Senator Antonio M. Palomo Chamorro Educational Facility.

The improvements and renovations across Hagatna helped house festivities for the new stream of visitors from participating neighboring islands, and followers of FestPac, as well as Guamanians. The festival helped reinvigorate our capital city to a level of activity unseen since, quite possibly, before World War II.

I want to take a moment to thank my Deputy Chief of Staff, Rose Ramsey, GVB President Nate Denight, and everyone who was in their committee for working day and night to make FestPac the great success it was.

To that end, I also want to recognize the efforts of GovGuam employees, who go above and beyond in their daily jobs. The Magnificent Professionals, or MagPro, winners represent the best in our government. A MagPro award is the highest and most competitive Government of Guam employee award. The following individuals are Merit Cup winners, and are examples of those hands that have helped pave our Guamanian dream:

2011: Artemio T. Aguero, Jr. and Teresa Blas

2012: Marilou Scroggs and Joseph Cruz

2013: Carmen Damien and Anthony Chargualaf

2014: Vincent Reyes and Rolenda Faasumalie

2015: Michael Camacho and Jason Boyd

2016: Terilynn Francisco and Jaime Pangelinan

2017: Maria Lozada and Dr. Mary Katherine Fegurgur

(I also want to give a special shout out to Norma Aflague for her contributions!!)

Let us give them a hand and thank them for exemplifying the Guamanian spirit that contributes to the progress and future of our island.

In the last 7 years, we have built and helped finance affordable homes for nearly 3,000 families and individuals. And we have several hundred more in the works – including a project that would allow more would-be homeowners to reduce the cost of constructing their home through sweat equity.

It's a concept that Habitat for Humanity Guam has instituted for years. GHURA is now working with a local developer on expanding this idea, and bringing the Guamanian Dream of homeownership closer to reality for more people.

I'd like to acknowledge the men and women of GHURA and Guam Housing Corp., Salvation Army, and members of the Guam Homeless Coalition. These are the everyday heroes who work day in and day out to ensure that the people of Guam are able to get an affordable home.

There are multiple facets to the homeless issue. The challenges range from a lack of education, to cognitive/physical disabilities and drug addiction. Various GovGuam agencies continue to work together to create a holistic solution to help our homeless population find stability and the assistance that they need to make a better life for themselves and their families.

Education is the key to lifting those communities. In 2016, I signed an agreement with the Western Interstate Commission on Higher Education, which offers in-state tuition rates for students from Guam at more than 160 colleges and universities across the Western United States. In 2017, more than 56 local families saved more than \$781,000 as a result of Guam's membership. Sen. Dennis Rodriguez and former Sen. Brant McCreadie helped us with the legislation that made this possible.

Last year I asked Lt. Governor Ray Tenorio and Senator Tony Ada to look into tuition-free college for the youth of Guam. We are pursuing funding opportunities to cover tuition at the University of Guam, Guam Community College, and Guam Trades Academy.

We will continue to explore ways to make higher education more accessible to our youth. We have 10 months left to ensure that the progress we have made is permanized. We must ensure that the next administration, as well as those that follow, will inherit an unshakable foundation from which they can propel themselves to heights greater than we could ever imagine.

Much has changed in the last seven years. And more change is inevitable. But what must not change is our fight for our people.

Three decades ago, 32 charter members were sworn in to the Guam National Guard, pledging to serve their island and their nation. My father was the Guard's first commander-in-chief, for the last seven years, I have had the honor of holding the same title.

I've witnessed the Guard's tremendous growth – today, our island's forces are more than 1,500 members strong. They have expanded their facilities to better accommodate their new missions, such as the Detachment 2, Delta Company, 1st-224th Aviation (MEDEVAC). With their two new helicopters, they've been able to assist in life-saving missions on Guam and around the region.

I've also had the honor of experiencing some of the Guam Guard's significant milestones, such as the island's largest mobilization when about 600 service members deployed to Afghanistan.

With courage and character, sons and daughters of Guam and Micronesia continue to put themselves – physically and emotionally – on the line to defend our freedom. Let us take a moment to remember those brave souls who gave their very last breath while serving our country in 21st century's War on Terror.

I am proud of our men and women in uniform, who have truly demonstrated personal courage and exemplified service before self. I salute every single current, retired, and former member of the greatest military that the world has ever seen.

And our patriotism is not limited to our island's shores. Many of our sons and daughters serve, knowing that they, as American citizens who wear the uniform, cannot vote for a president who sends them to war.

To all of our sons and daughters of Guam who have answered the call to serve – THANK YOU.

Manñelu-hu yan mañaina-hu, we continue to face federal policy that impacts our lives without our input and without our consent.

It has been, for decades, a litany of federal mandates imposed on the people of this island. In our endeavor to advance this island into economic independence and prosperity, you see the parallels in the relationship between the American colonies and the British – and sadly, the relationship between the United States and its colony called the Territory of Guam.

In the 1700s, Joseph Warren, a British-American loyalist – later to become a founding father – illustrated his frustrations with the British crown. A young and idealistic son of America, he didn't seek Independence. He sought equality for the people of the colonies. These are his words:

"... I am very much at loss to know by what figure of rhetoric, the inhabitants of this province can be called FREE SUBJECTS, when they are obliged to obey implicitly such laws as are made for them by men three thousand miles off, whom they know not, and whom they never have empowered to act for them; or how they can be said to have

PROPERTY when a body of men, over whom they have not the least control, and who are not in any way accountable to them, shall oblige them to deliver up any part, or the whole of their substance, **without even asking their consent**: and yet, whoever pretends that the late acts of the British Parliament for taxing America ought to be deemed binding upon us, must admit at once that we are absolute SLAVES, and have no property of our own.”

“And it is undeniably true that the greatest and most important right of a British subject is that he shall be governed by no laws but those to which he, either in person or by his representatives, hath given his consent; and this, I will venture to assert, is the great basis of British freedom; it is interwoven with the Constitution, and whenever this is lost, the Constitution must be destroyed.”

Warren and many other colonialists weren’t necessarily fighting for independence ... they only wanted equal treatment and a voice in those policies that related to them.

Sound familiar?

The desire for self-government was eventually born out of the disregard for the well-being of the development of the colonies. Being so far flung – more than 3,000 miles – from the seat of the monarchy and Parliament where they had no vote.

Guam is an ocean and a continent – almost 8,000 miles – away from Washington D.C., where policies are formed, debated, and made law by federal leaders – for whom we didn’t vote and many of whom have no idea who we are as an American community. With no regard for Guam’s loyalty to our nation – **AND WE ARE LOYAL** – the federal government continues – in the same vein as the British Crown – to impose upon us their will, their mandates, their taxes, and court orders without equal representation. The people of Guam have been more loyal to the United States in the last 100 years, than our founding fathers were to their mother country in the four years before the Revolution.

In his 1774 letter to King George III, Thomas Jefferson, a loyal British-American, wrote his desperate appeal: “No longer persevere in sacrificing the rights of one part of the empire to the inordinate desires of another: but deal out to all equal and impartial right. Let no act be passed by any one legislature which may infringe on the rights and liberties of another.”

And he further concluded: “This, sire, is our last, our determined resolution; and that you will be pleased to interpose with that efficacy which your earnest endeavours may ensure to procure redress of these our great grievances, to quiet the minds of your subjects in British America, against any apprehensions of future encroachment, to establish fraternal love and harmony through the whole empire, and that these may continue to the latest ages of time, is the fervent prayer of all British America!”

Guam's fight for economic independence and prosperity is not something that started with this Calvo administration. In January 1979, during Governor Paul Calvo's administration, the Pacific Daily News published an editorial titled "U.S. keeps pulling rug from under Guam." Its author, the late Joe Murphy, was scathing in his criticism of the federal government that changed the laws as they pertained to Guam — just as the people of this island were gaining momentum and showing growth.

Guam had built watch-making and textile industries, employing hundreds of Guamanians which comprised of dozens of facilities. Only to have governing laws changed by people living across the Pacific Ocean and the U.S. continent, causing the industries to wither and die.

Mr. Murphy's first line professes that:

"Guam is never going to develop any economy of its own unless the United States government - which includes Congress - gets off Guam's case when it comes to Guam exports into the mainland. We can't help but become indignant at the latest effrontery to Guam ... The United States can't have it both ways. Either it has to continue to support the island through grants, loans and aid for the next hundred years, or it will allow Guam to develop its own manufacturing and industry under laws previously established by Congress."

Mr. Murphy also references a 1951 report by then-Gov. Carlton Skinner who advocated for economic advancements for our island. He felt that Guam could be the "Hong Kong" of the Western Pacific, and go a long way to becoming self-sufficient, and not reliant on aid from Uncle Sam. The editorial quotes a line from Governor Skinner, which states: "When I have mentioned these advantages (duty free status) particularly, the ones based on Guam's free port, I have frequently been told 'Oh, that would never last. As soon as any company started to use it, the competitors would get the law changed.'" Governor Skinner's words have been, in these last 50 years, proven to be correct.

TERRITORY VS STATE

For years, we have been fighting for fair treatment and adequate compensation for unfunded and underfunded mandates:

- As I said earlier, the Territory of Guam paid about \$350 million in Earned Income Tax Credit in the last seven years. If we were the state of Guam, we would have paid zero dollars.
- Medicaid has cost us more than \$200 million in the last 7 years. If the federal government treated us in the same light as a state, we would probably have paid less than \$80 million.

- Nearly \$1.5 billion in unfunded mandates has been imposed on GPA and GWA, and all of the ratepayers, for the Clean Air and Clean Water Act.
- A consent decree of our Solid Waste program, based on what the federal government determined to be a highly polluted Ordot dump, has cost the people of Guam a quarter of a billion dollars.
- The federal government mandates that we welcome and host citizens of the freely associated states have cost our government nearly \$150 million in Fiscal Year 2017, alone. The accumulated cost for the life of the Compacts of Free Association on Guam is \$1.4 billion.

Ladies and Gentlemen, if Thomas Jefferson and Joseph Warren were living today, I wonder how they would have reacted to this taxation without representation.

FEDERAL TAX REFORM & GMH

If the federal government had lived up to its promises to our people on the Compact impact, or allowed us economic freedom through the Jones Act, foreign labor restrictions, visa waiver restrictions, and other stifling federal policies, or provided equitable provision for Medicare/Medicaid, EITC subsidies... our financial position today would be very different.

We have accomplished much, my fellow Guamanians, as we have worked together to pave this road to economic prosperity in the past 7 years.

Because we have done well economically, we have been able to absorb many of the blows dealt to our government over the years.

However, there are two critical issues that demand our immediate action. One affects the healthcare of our people, the other affects the stability of our government.

For more than 40 years, the healthcare professionals at the Guam Memorial Hospital have saved lives and have delivered the very best service to our community. And for decades, they have made due with the limited resources our elected leaders have provided them.

They have a mandate to help every single person who walks or is wheeled in through their doors. Your ability to pay isn't their first concern — making sure YOU are nursed back to health is. But the reality is, not everyone can pay. Not everyone has health insurance. And Medicare reimburses our hospital at rates from 20 years ago that do not reflect the true cost of the medicines, supplies and service provided.

And when only 3 out of 10 people are paying their bill in full — you have a shortfall. Our hospital has faced an average loss of \$30 million every year because of this fragmented

mix of payments. This has been an issue our community has faced for 40 years, and it is one that no business can survive, much less a public hospital.

Ladies and gentlemen, there is an empty chair in this crowded session hall today, that I have reserved for those departed souls who had to go off island for medical treatment unavailable on Guam, and never made it back home alive. It is also reserved for those departed souls who might be here with us today, if our public hospital had the necessary equipment and resources available to keep them alive. GMH is not merely a funding issue, it is a life and death issue that affects every man, woman, and child on Guam. If we don't fix our only public hospital today, our children will inherit the same broken system, with the same funding shortages of the past 40 years – and God forbid they inherit the fate of a seat in that empty chair.

I'd like to ask for a moment of silence to pray for those souls and for the future healthcare of our children.

I continue to reach out and continue to believe that this current group of elected leaders, sitting here today, can adopt a solution that will fully address this decades-old issue once and for all.

We're all familiar with the Tax Cuts and Jobs Act of 2017 that are meant to stimulate the American economy. ... We have seen how some businesses across the nation are taking advantage of their reduced tax payments to increase salaries or benefits of their employees. And the reduction in withholding and other taxes for individuals is good news for our people. **But the federal government borrowed nearly one trillion dollars to fund this stimulus package. That is a luxury we do not have! We cannot print money.**

The immediate impact to the government is a loss in revenue.... we're looking at a potential \$48 million less in collections this fiscal year. IF we do nothing, it could mean paydays without a paycheck for GovGuam employees sometime next month. This will "bleed" into the rest of the community, negatively affecting local businesses and economy. And it will hurt many families. These aren't just numbers, these are people.

We must pull together and determine what viable solutions are within our ability.

I have met with Speaker Cruz to discuss the current situation we are in, and have proposed a temporary solution: a 24 month BPT increase of 2 percentage points. After a 24-month sunset period, we would leave .75% in place as a dedicated funding source to fully fund our hospital every year moving forward, and putting closure to this 40 year failed cycle. Our community and our children deserve the best possible healthcare in the future, and our hospital's employees deserve the resources and facilities to do their job — not the blame.

This solution will settle both pressing issues before us with the least amount of impact to businesses and our island's economy. Both leadership and shared sacrifice are required to fix our hospital and give us a 24-month temporary bridge to deal with the immediate revenue loss caused by decisions made and imposed on us from thousands of miles away. This proposed solution will add a few pennies on a cup of coffee. Members of the private sector have proposed a BPT or sales tax increase, saying it will cause the least amount of impact on their businesses, the cost of consumer goods, and keep our economy stable. I agree.

To address these urgent matters, tomorrow, I will send a bill and call the legislature into session- our people are counting on us — THE TIME TO ACT IS NOW.

I am asking our senators to pray and reflect on your motivation to become a public servant. I have no doubt in my heart that your intentions are noble — you want to improve our island, and leave the best possible healthcare system and economy behind for our children.

Today, more than ever, I call on my fellow elected leaders to rise above the politics and provide leadership. Anything less than a full but temporary increase of 2% will have deep implications on the future of healthcare and our road to economic prosperity.

As I conclude, this road we are on has been riddled with federal policies and unfunded mandates. A closer look at the hospital's finances show us that compact impact and Medicaid underfunding contribute to the revenue shortfalls. We had no voice in the COFA treaty, and we continue to call for equitable reimbursements for federal health programs. Perhaps our voice would be louder and we'd have a seat at the table if we weren't an unincorporated territory. This is why we must continue to work towards a decolonization vote.

DECOLONIZATION

Under the Calvo Tenorio Administration, the Office of the Commission on Decolonization has made strides in pursuit of the question on decolonization. For years, Guam struggled with how to move forward and we are on the verge of finally hearing what the sons and daughters of Guam have to say.

And while a lawsuit may hinder us from holding a plebiscite, I believe it's important we move forward with knowing what our people want.

I know making a decision on Guam's political future isn't possible without education. To assist, we sought out the Regional Center for Public Policy to conduct a self-determination study. This study will provide us with a comprehensive assessment of Guam's self-governance that analyzes its current political status. We are making progress and may even see the results of this study as early as this summer.

The statuses that will be presented to our people are Free Association, Independence, and Statehood.

In the last year of this administration, we will continue to work toward ensuring that the marginalized will be forgotten no longer, that the Chamorro people are able to own a piece of their homeland where they can build their homes, raise their children and pass down the generations of knowledge about our history, our culture, and our people to our manhoben. It is not only an issue of fairness, it is an issue of justice for a people who have been colonized ... but by God's will, no more. This administration will continue to fight for the legacy of our ancestors and the rights of our people! BIBA TAOTAO TANO!

CONCLUSION

After my visit to the Northern Marianas – specifically, Tinian – I can't help but think about the House of Taga. What once stood as a mighty presence and served as the stronghold of our ancestors has weathered both time and external forces. But centuries later, one giant latte stone still stands, still dominates the landscape, and is a symbol of our resilience. It is a symbol of *us*. Just as the latte was the cornerstone of our people, that strength lives inside each and every one of us today.

*Ginen i mas takhelo' gi Hinasso-ku,
i mas takhalom gi Kurason-hu,
yan i mas figo' na Nina'siñå-hu,
Hu ufresen maisa yu' para bai hu Prutehi
yan hu Difende i Hinenggge,
i Kottura,
i Lenguahi,
i Aire,
i Hanom yan i tano' Chamoru,
ni'Irensiå-ku Direchu ginen as Yu'os Tåta.
Este hu Afitma gi hilo' i bipblia yan i banderå-hu,
i banderan Guåhan.*

Hu sen guaiya hamyu.