I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN RESOLUTIONS

Resolution No.	Sponsor	Title	Date Intro	Date of Presentation	Date Adopted	Date Referred	Referred to	PUBLIC HEARING DATE	DATE AUTHOR/ COMMITTEE REPORT FILED	NOTES
2-37 (COR)	5	RELATIVE TO RECOGNIZING URGING THE UNITED STATES SECRETARY OF HOMELAND SECURITY AND THE UNITED STATES SECRETARY OF DEFENSE TO AUTHORIZE A TEMPORARY TWENTY-FOUR (24) CONSECUTIVE MONTH JONES ACT WAIVER FOR GUAM.								

I MINA'TRENTAI SIETTE NA LIHESLATURAN GUÅHAN 2023 (FIRST) Regular Session

Resolution No. 2-37 (COR)

Introduced by:

Jesse A. Lu

RELATIVE TO RECOGNIZING URGING THE UNITED STATES SECRETARY OF HOMELAND SECURITY AND THE UNITED STATES SECRETARY OF DEFENSE TO AUTHORIZE A TEMPORARY TWENTY-FOUR (24) CONSECUTIVE MONTH JONES ACT WAIVER FOR GUAM.

1 BE IT RESOLVED BY *I MINA'TRENTAI SIETTE NA* 2 *LIHESLATURAN GUÅHAN:*

WHEREAS, I Liheslaturan Guåhan finds that Guam is an indispensable 3 strategic hub for the United States Military. Guam enables the United States to 4 project power within the Indo-Pacific region and allows the US to maintain security 5 commitments to key allies. The US territory is essential to the national security of 6 the American citizenry. This is due to the advantageous geographical location of 7 the island. Guam is a strategic waypoint and provides critical logistics support for 8 military operations for the United States Department of Defense. With a population 9 of approximately twenty-one thousand, seven hundred (21,700) military personnel 10 and their dependents stationed on Guam, a significant percentage of them residing 11 off base, integrating the military population with the local community, it is in the 12 interest of the U.S. National Security that goods and supplies shipped into the island 13

from the United States Mainland and Hawaii are temporarily unencumbered by the limiting restrictions of U.S. flagged vessels. Therefore, it is the intent of this resolution to petition the Biden-Harris Administration, the Secretary of Homeland Security, and the Secretary of Defense for a twenty-four (24) month Jones Act Waiver to ease the immense financial strain felt by the people of Guam caused by the Jones Act; and

WHEREAS, for the Department of Defense, the convenience of being 7 approximately 3,800 miles closer to the Korean peninsula and the Taiwan Strait 8 than Hawaii, the island of Guam is ideally positioned in the Indo-Pacific Region, 9 10 with a tactical vantage point relative to monitoring and assessing critical situations developing in East Asia as well as an active stopover for military troops en route to 11 the Middle East. "Guam's geostrategic importance cannot be overstated," U.S. 12 Pacific Command chief Admiral Thomas Fargo said. "Both Navy and Air Force 13 facilities will continue to figure prominently in Guam's increasing role as a power 14 projection hub." Guam is an imperative base of operations for the U.S. Military and 15 is the first response location for the region of Asia. Former IndoPaCom commander, 16 Admiral Phil Davidson also recently stated "The most important action the 17 Pentagon can take to increase U.S. military capability in the Pacific is to introduce 18 a 360-degree, persistent, air and missile defense capability on Guam." Undoubtedly, 19 increasing missile defense capability in Guam also means increasing Military 20 personnel, infrastructure, and support capability to support further expansion; and 21

WHEREAS, in light of its geostrategic importance, Guam is a crux of U.S. military power in the Indo-Pacific. With its favorable range, the air force and naval command posts on the island benefit immensely as it is both far enough from the Chinese mainland, sitting just beyond the reach of the PLA's short-range missiles, and close enough to provide substantial logistical support to U.S. forces active in

the East and South China Seas. When assessing the organic military capacity and 1 proficiency on Guam, Senior Policy Analyst for Nuclear Deterrence and Missile 2 Defense at the Center for National Defense, Patty-Jane Geller recognized that 3 "Anderson AFB hosts F-22 fighter squadrons, as well as the Bomber Task Force, 4 enabling significant air-based power projection from the island." In addition, Geller 5 noted that "the Navy has access to Guam's deep water strategic port, which enables 6 repair and supply of the Pacific fleet-including aircraft carriers-during a conflict 7 with China;" and 8

WHEREAS, the activation and formal establishment of MCB Camp Blaz on 9 October 1, 2020, not only bolsters the United States' combat power in the Western 10 Pacific by securing a Marine Corps posture in the Indo-Pacific region that is 11 geographically distributed and operationally resilient, it also marks a significant 12 milestone of the realignment of forces and honors an international agreement with 13 the Government of Japan. MCB Camp Blaz will play an essential role in 14 strengthening the Department of Defense's ability to deter and defend and is also a 15 testament to the strength of the U.S.-Japan alliance; and 16

WHEREAS, on top of the pandemic, the war in Ukraine, and the effects of 17 global inflation, the current military buildup has put an additional strain on the 18 island's housing rental market. With an estimated five thousand marines soon to be 19 transferred from Okinawa to Guam, as well as the continued fortifying and 20 enhancing of both Navy and Air Force facilities on the island, the impact of the 21 military buildup on Guam is undeniable and will continue to stress the housing 22 market and construction industry. Military expansion on Guam has significantly 23 driven up the cost of construction, construction-related materials, supplies, 24 resources, repairs, and upgrades. A significant portion of the military population 25 lives off-base due to the shortage of on-base housing. The housing allowance 26 27 provided to all military personnel living off base has tremendously driven up the

cost of rent for all renters in Guam. This rent stipend far exceeds what the average 1 non-military renter can afford. Likewise, in order for the construction and 2 development of the military buildup to continue, thousands of foreign workers have 3 been and continue to be hired and come to Guam, all of whom require housing of 4 their own and further constrict the local housing market. Not to mention, hundreds 5 if not thousands of contractors, who support the buildup and work for the 6 Department of Defense, are also relocating to Guam, adding more to the list of 7 renters. In addition to ever-soaring rents, the cost of building affordable housing has 8 surged and younger families are almost completely priced out of the housing market. 9 As little as five years ago a younger family had viable options to buy an affordable 10 home. The average home price has more than doubled in the last three to four years 11 making it very difficult for even medium-income and upper-middle-income families 12 able to find an affordable home to purchase; and 13

WHEREAS, beyond the scope of the military buildup squeezing the rental 14 market, Guam already imports everything. Guam is at the literal end of the 15 American supply chain. Supply chain problems impact Guam even more severely 16 than almost other American communities. Few other bases on American soil face 17 the supply chain challenges faced in Guam. With very few American-built and 18 flagged ships serving the island; the cost of shipping goods to Guam is very 19 expensive. Even though the demand on the island has increased, the number of 20 Jones Act-compliant vessels serving Guam has not. Everything shipped from the 21 United States for civilian or military use and civilian or military construction 22 supplies, is transported on the same ships. The military buildup, while bringing 23 significant economic opportunities to Guam, has been partly responsible for 24 skyrocketing prices foisted upon the residents of Guam over the last several years; 25 and 26

WHEREAS, with nearly all Guam residents being U.S. citizens and the fact that the vast majority of the general public currently either supports or is directly involved with the military buildup, it is in the interest of the U.S. National Security to grant a Jones Act waiver. If action isn't taken to provide some relief, this perspective may change, thus resulting in the buildup becoming perceived as more of an economic liability than a positive contribution to the island; and

WHEREAS, the U.S. Department of Defense has already acknowledged
Guam's high cost of living with Basic Allowance for Housing that pays the rent and
utilities for military personnel living off base. The military on Guam also have
Commissary access on base and other subsidies. Many service families, simply
could not make ends meet without the 25 percent or more price savings provided
by commissaries against the local marketplace; and

WHEREAS, temporarily exempting Guam from Jones Act requirements could help reduce costs for almost all goods imported to the island. Including the cost of building and construction materials, along with households like batteries, canned food, toiletries, and other goods; and

WHEREAS, with Guam's military bases providing America's strategic 17 positioning in the Western Pacific Ocean, the need for reliable and fairly priced 18 goods is increasingly important as a matter of national security as Guam serves as 19 a critical strategic waypoint for US military operations and logistics in the Asian 20 region. Additionally considering that military personnel is also dependent on the 21 importation of goods, relying on limited vessels restricts much-needed resources 22 and goods coming into the island, which may hinder the military's readiness and 23 ability to function and operate; and 24

WHEREAS, the Homeland Security is authorized to waive Jones Act requirements and allow foreign-flag vessels to engage in coastwise trade in the interest of national defense; now therefore, be it

5

RESOLVED, *I Mina'trentai Siette Na Liheslaturan Guåhan* does hereby, on
 behalf of the people of Guam, urge the Secretary of Homeland Security or the
 Secretary of Defense to temporarily waive Jones Act requirements for all goods
 imported to Guam for twenty-four (24) months. Now therefore, be it

RESOLVED, that the Speaker certify, and the Legislative Secretary attest to,
the adoption hereof, and that certified copies of this Resolution be transmitted to
the Honorable Joseph R. Biden, Jr., President of the United States; the Honorable
Kamala D.Harris, Vice President of the United States; the Honorable Alejandro
Mayorkas, Secretary of Homeland Security; the Honorable Lloyd Austin, Secretary
of Defense; and to the Honorable Lourdes A. Leon Guerrero, *I Maga'hågan Guåhan*.