

# **A Report to the Congress on Compact Impact Analysis**

**United States Department of the Interior (DOI)  
Assistant Secretary for Insular Areas  
Office of Insular Affairs (OIA)**

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## **I. The Legislative Mandate**

Public Law 108-188, Compact of Free Association Amendments Act, December 17, 2003, Section 104(e)(8) sets forth the following requirements:

“REPORTING REQUIREMENT—Not later than one year after the date of enactment of this joint resolution, and at one year intervals thereafter, the Governors of Guam, the State of Hawaii, the Commonwealth of the Northern Mariana Islands, and American Samoa may provide to the Secretary of the Interior by February 1 of each year their comments with respect to the impacts of the Compacts on their respective jurisdiction.

The Secretary of the Interior, upon receipt of any such comments, shall report to the Congress not later than May 1 of each year to include the following:

- (1) The Governor’s comments on the impacts of the Compacts as well as the Administration’s analysis of such impact;
- (2) The Administration views on any recommendations for corrective action to eliminate those consequences as proposed by such Governors;
- (3) With regard to immigration, statistics concerning the number of persons availing themselves of the rights described in section 141(a) of the Compact during the year covered by each report;
- (4) With regard to trade, an analysis of the impact on the economy of American Samoa resulting from imports of canned tuna into the United States from the Federated States of Micronesia, and the Republic of the Marshall Islands.”

## **II. Congressional Requests and DOI Answers**

**Request No. (1):** The Governor’s comments on the impacts of the Compacts as well as the Administration’s analysis of such impact:

**DOI Answer:** Absorbing the cost of accommodating migrants from the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI) and the Republic of Palau (Palau) under various provisions of the original and amended Compacts has been an ongoing concern for

the jurisdictions which receive them, especially Hawaii and Guam. Aware of these concerns, the Congress set aside, in P.L. 108-188, \$30 million a year in Compact impact compensation to the receiving jurisdictions, starting in fiscal year 2004 and continuing through fiscal year 2023.

### **Positions of Jurisdictions Receiving Compact Migrants**

Recipients of Compact migrants, particularly Hawaii and Guam, have continued to raise the issue of their increasing costs as the numbers of migrants have increased over the years. In a report submitted to DOI, Guam claims that it spent a total of \$324.5 million on services to Compact migrants in fiscal years 2004 through 2010, with \$63.7 million attributable to in fiscal year 2010.

### **DOI Analysis**

The gap between the amount that Guam claims and the amount apportioned to Guam from the \$30 million a year appropriated for the four eligible jurisdictions is so large that it cannot be addressed by observations of facts and figures that Guam has submitted. The territory presented a report (attached to this memorandum) that details its costs of services to Compact migrants for health, education and other sectors. Guam makes the reasonable argument that the number of Compact migrants is likely to increase in the years ahead, as evidence so far has shown.

Against the costs of services to Compact migrants are the beneficial contributions they make as workers, taxpayers and community members. Compact migrants assimilate in a manner similar to other migrants in the United States. To address the costs and benefits of Compact migrants in a more objective manner, the Congress may wish to order a full accounting of their costs and benefits. Otherwise, receiving jurisdictions, especially Guam, will continue to press their cost issues. Regardless of what the Congress may decide to do in the future, there is little DOI can do differently within the parameters of the law as it is written.

**Request No. (2):** The Administration views on any recommendations for corrective action to eliminate those consequences as proposed by such Governors

**DOI Answer:** Clearly, Guam would like to receive more money to cover its cost of services to Compact migrants. However, no recommendation to this effect can be made in the absence of a full and objective accounting of all costs and benefits of Compact migrants. If the Congress were to order such an accounting and the results were made available to DOI, it may be possible to recommend action.

**Request No. (3):** With regard to immigration, statistics concerning the number of persons availing themselves of the rights described in section 141(a) of the Compact during the year covered by each report;

**DOI Answer:** The Congress directs that the \$30 million a year be apportioned among the four eligible jurisdictions of Guam, Hawaii, the Northern Mariana Islands, and American Samoa on the basis of an enumeration of Compact migrants conducted by the U.S. Bureau of the Census every five years, starting in 2003. The 2008 enumeration produced a total count of 32,635 Compact migrants with the following distribution among the four jurisdictions:

	<b>2008</b>	<b>2003</b>	<b>Percent Change</b>
<b>Guam</b>	18,305	9,931	84.3
<b>Hawaii</b>	12,215	7,297	67.4
<b>CNMI</b>	2,100	3,570	-41.2
<b>American Samoa</b>	15	10	50.0
<b>Total</b>	<b>32,635</b>	<b>20,808</b>	<b>56.8</b>

Based on the figures of Compact migrants above, the \$30 million was apportioned for fiscal year 2011 as follows:

<b>Guam:</b>	\$16.8 million
<b>Hawaii:</b>	\$11.2 million
<b>CNMI:</b>	\$1.9 million
<b>American Samoa:</b>	\$14,000

The Compact impact fund will be apportioned among the jurisdictions based on the 2008 enumeration every fiscal year until 2013, when a new enumeration will take place.

**Request No. (4):** With regard to trade, an analysis of the impact on the economy of American Samoa resulting from imports of canned tuna into the United States from the Federated States of Micronesia, and the Republic of the Marshall Islands.

**DOI Answer:** The FSM and the RMI have not yet commenced production and export of any tuna product to the United States or any other market.