

INTERAGENCY RESPONSE TO GUAM
DEPARTMENT OF DEFENSE OFFICE OF ECONOMIC ADJUSTMENT
Briefing for the 2011 Senior Plenary Session of the Interagency Group on Insular Areas
March 1, 2011

Background:

The Office of Economic Adjustment (OEA), a field activity under the Department of Defense (DoD), assists state and local governments to respond to major defense program changes through a program of technical and financial assistance. It also manages the Defense Economic Adjustment Program and staffs the Economic Adjustment Committee under Executive Order 12788, as amended, to: assist substantially and seriously affected communities, businesses, and workers from the effects of major Defense actions; assure timely consultation and cooperation with Federal, State, regional, and local officials concerning Defense impacts; clearinghouse of best adjustment practices and one-stop access to Federal assistance; manage the Defense Economic Adjustment Program; and, ensure the consistent application of Federal policies and procedures to assist businesses, workers, and other community stakeholders.

OEA is working to coordinate a program of Federal assistance to assist the Territory of Guam to plan for necessary adjustments in local facilities and public services in response to the military build-up on the Territory.

Key Points:

- OEA has awarded approximately \$12.3 million to the Territory for organizational and planning activities, including staff/organizational capacities and financial, environmental, and planning consultant services to supplement the Territory's response to the build-up.
- OEA led an interagency effort to identify and validate necessary off-base socioeconomic facilities and services critical for the Territory of Guam to absorb the direct, indirect, and induced population growth resulting from the military build-up. The President's Fiscal 2012 Department of Defense Budget Proposal includes \$33 million and transfer authority to assist the Territory of Guam with the provision of necessary off-base public facilities and services in response to the military build-up as a result of this effort:
 - \$10.07 million for transfer to the U.S. Department of the Interior Office of Insular Affairs for vehicles and supplies for civilian student transportation. The civilian school system must support all civilian student growth resulting from the permanent contractor support population growth, and the current under-capacity school bus fleet cannot accommodate this increased demand.
 - \$22.93 million for transfer to the U.S. Department of Housing and Urban Development Community Development Block Grant Program for:

- Construction of an Archeological Preservation Act Artifact Repository to ensure the Department can meet its requirement for preservation and repository of artifacts unearthed during military construction; and
 - A portion of the construction of a Guam Mental Health and Substance Abuse Facility to address induced population growth impacts (migrant construction labor during the build-up and contractors) that will further strain Guam's mental health and substance abuse services. The current Mental Health and Substance Abuse Facility is under a permanent Federal injunction to address existing deficiency issues. The military build-up will exacerbate a fragile service delivery system that is already over-capacity.
- The U.S. Department of the Interior Office of Insular Affairs and U.S. Department of Housing and Urban Development will be responsible for managing their respective projects – reporting to DoD on how the funds are executed, and training Government of Guam personnel in the management, operation, and maintenance of these facilities and/or services to ensure they will be properly sustained over time.
 - The President's Fiscal 2012 Department of Interior Budget Proposal, as a result of the above interagency effort, also provides the Office of Insular Affairs \$2.8 million to address socio-economic impacts on Guam due to the U.S. military build-up, specifically for technical assistance to improve Guam's tax system and collections, and for ambulances and fire equipment. \$330,000 is included to establish a Guam field office to monitor and assist with the military build-up on the island.