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February 2, 2015

The Honorable Esther Kia'aina
Assistant Secretary for Insular Areas
U.S. Department of the Interior
1849 C Street NW
Washington, DC 20240

Dear Assistant Secretary Kia'aina,

I write in response to your letter requesting that I submit priorities and areas of concern ahead of the 2015 Plenary Session of the Interagency Group on Insular Areas (IGIA) on February 24, 2015. I appreciate the Department of Interior's and the Office of Insular Affairs' efforts to improve federal policies that uniquely affect the U.S. territories. The IGIA is an important venue that brings together federal and territorial leaders to resolve issues as well as to move forward and commit to improving policies and programs over the coming year.

I trust that other territories have similar priorities and concerns as the ones I have outlined below, and anticipate that the Plenary Session will be the venue with which to have important discussions regarding these issues.

Compact Impact Costs

I continue to support the intent of the Compacts of Free Association, and understand the benefits these agreements have for our nation. However, the costs borne by our local governments for providing social services to Compact migrants are unsustainable. While COFA migrants make positive contributions to our respective jurisdictions, there is no question that insufficient integration of migrants causes a significant socioeconomic strain to our island communities.

As you are well aware, one of the key setbacks to analyzing how to move forward with addressing Compact impact is the lack of guidance from the Administration on how the affected jurisdictions are to account for the true costs of these services. The GAO underscored this point in their study on the Compacts, and I have consistently urged the Department of the Interior to develop such a metric. We look to and would like to work with the Department of the Interior to coordinate and determine reasonable metrics for the costs borne by local jurisdictions.

Further, I would like to continue working with the Administration to seek any potential regulatory relief to consider the de-facto "in-kind" support that local governments have provided to the federal government supporting Compact migrants from other federal programs. I developed language that I included in the House draft of the Omnibus Territories Act, but there were concerns about its potential impact. In a time of tight budgets, we need to find innovative ways to address the

issue of Compact-Impact so I hope that we can address potential solutions that do not involve significant appropriations.

Natural Resources and Regional Security

Secondly, regional security must take into account economic security and the sustainable management of the Western Pacific's and the territories' natural resources, particularly our fisheries. I remain committed to working with federal agencies on ensuring that our fisheries are sustainable and secure, and that our coral reefs are managed successfully to continue providing shelter for our ocean life and our shores. I also will work with my colleagues in Congress to advance critical bipartisan legislation to combat illegal, unregulated, and unreported fishing which has significant impacts on our regional security. I also encourage the Department of Interior to further coordinate among relevant agencies ways to improve the territories' prevention of and response to invasive species that threaten our natural resources as well as the security and perpetuity of our local economies.

Visa Waiver

An important issue for Guam's economic future is expansion of the Guam-CNMI visa waiver program to include visa-free travel for Chinese visitors. Our island has worked diligently with federal authorities to meet Congress' intent. I hope that our federal partners can re-engage in discussions with us on this issue and that Secretary Jeh Johnson can use existing authorities to ensure visa-free travel that is consistent between Guam and CNMI as was intended by Congress. I believe there are ways to address security concerns that have been raised so that we can truly expand our tourism industry.

Health Care

I also hope that the IGIA will have a detailed discussion on the implementation of the Affordable Care Act in Guam and the continued challenges that face our communities in fully extending the extent of health reform in the territories. I appreciate the progress that has been made since last year's IGIA to have better coordination among the federal agencies and our local governments on how to best leverage current authorities to assist the territories, and I hope that we can continue to build on this progress moving forward.

In this regard, I hope that the IGIA will be able to explore the implications that full incorporation of the territories into the ACA would have on our communities. As has been seen since the ACA began to be fully implemented throughout the country, the disparity on how the territories are treated within Act has made it difficult to fully extend health reform to our people. Specifically, I encourage the IGIA to explore the feasibility of extending certain premium credits to individuals in the territories as well as how extending the individual and employer mandates could impact the cost of care.

I also hope to discuss the option of establishing risk adjustment, reinsurance, and risk corridor programs on Guam similar to those authorized under Section 1341-1343. While I recognize that these programs are intended to be used by qualified health plans offered through an insurance

exchange, the territories were given the unique option of opting out of establishing exchanges and were precluded from having federally facilitated exchanges established if they could not. These programs are intended to stabilize the market by protecting against adverse selection and stabilizing premiums while reforms were implemented. I hope that we will be able to discuss extending these programs to Guam to counter increases in premiums while we work to improve the ACA for the territories.

Lastly, I continue to encourage the Administration to work with local leaders in Guam to determine the best way forward in leveraging the additional \$268 million in Medicaid funds that were provided to Guam through the ACA. I am particularly interested in exploring implementation of a pilot program on Guam that uses Section 1115 Medicaid demonstration waiver authority that would enable Guam to establish a private option similar to programs in Arkansas, Iowa and Pennsylvania. I believe that such a program could allow many of my constituents to receive premium assistance through Medicaid to purchase private insurance.

I continue to strongly support the consumer protections and other critical reforms that improve the quality and access of healthcare, but there continue to be unique challenges that my constituents face because of this treatment. I am very concerned that certain aspects of the law will force insurance companies on Guam to raise rates significantly and ultimately make health insurance coverage unattainable for many of my constituents.

Military Posture in Asia-Pacific Region

I appreciate the Administration's continued commitment to our strategic rebalance to the Asia-Pacific region, to which Guam and the Marianas are critical. The Administration's continued investment of federal resources to the rebalance and realignment sends an important message to the people of Guam and our allies in the region. The Congress took significant steps in last year's defense authorization bill to remove restrictions on the obligation and expenditure of Government of Japan funds, and I hope we can continue to build on that progress in the coming years. The realignment of Marines from Okinawa to Guam is just one small part of a broader rebalance effort. We must continue to work as a "One Marianas Region" to develop and enhance training capabilities in the region that the U.S. and partnered nations can use. This will be our key to the long term duration of this strategic effort. I look forward to working with my colleagues in Congress and with the Administration— and I encourage cooperation among the agencies involved— to build on the progress we have made and ensure that the realignment is positive for our island, nation, and the region. In particular, I hope that the IGIA can be used as a forum to refine and advocate for local infrastructure needs that would support and sustain rebalance efforts. It is important to get this realignment right for our military and our civilian community.

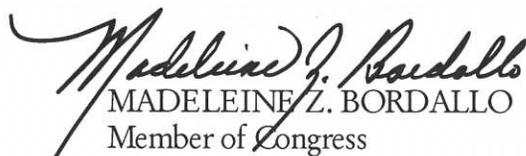
Support for war claims

I also appreciate the Administration's continued support for H.R. 44, the Guam World War II Loyalty Recognition Act. As you know, the bill I recently re-introduced in the 114th Congress represents a compromise aimed at addressing past objections by Senate and House conservatives. I hope the Administration can continue to support this bill so that we can finally resolve this longstanding injustice for our people.

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I appreciate the opportunity to submit priorities and areas of concern prior to the 2015 Plenary Session of the Interagency Group on Insular Areas. I look forward to a productive discussion on these priorities and other important matters, and how we can work together to further shared goals. Si Yu'os Ma'ase.

Sincerely,


MADELEINE Z. BORDALLO
Member of Congress