

2009
STATE OF THE ISLAND ADDRESS

By the Honorable Felix P. Camacho
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(As delivered)

Before I begin, I wish to share with you a story that illustrates the power of perspective.

Nearly 39 years ago, our country faced a choice: return to the moon proving that democracy could lead in every facet of innovation, or stay bound to earth and demonstrate that we could not.

Failure to go to the moon back then meant the possibility of death, the loss of billions of dollars to a dream, and a crisis in American confidence. It would mean that although we planned for every eventuality, some circumstances would always be beyond our control.

As Apollo 13 slipped beyond the bounds of earth, the world watched in anxiety as one problem led to another. NASA's director stated, "This could be the worst disaster NASA has ever faced." Then, a tested voice belonging to flight director Gene Kranz responded, "With all due respect, sir, I believe this is going to be our finest hour."

We too, have numerous challenges to overcome. Yet, despite the heavy burden we bear, I believe Guam's finest hour lies ahead.

Speaker Won Pat; Justice Carbullido; Lieutenant Governor Cruz; former governors; members of the Consular Corps; Senators; Attorney General Limtiaco; Public Auditor Brooks; Chief Justice Torres; Archbishop Apuron and members of the clergy; Pastor Roy Burke; Justices and Judges; Mayors and Vice-Mayors; members of the elected boards and commissions; members of the military; Major General; Good Admiral French; General for AAFB; my wife, First Lady Joann Camacho; and my mother, former First Lady Lourdes Camacho.

Honored guests and my fellow Guamanians.

Before we assess the state of our island, I want to thank our men and women in the armed forces who continue to courageously defend our freedom. May our actions be worthy of their service.

Time and time again our people have been tested. We have withstood the rise and fall of financial markets, endured natural disasters and felt the atrocities of war. Now, we face a global economic crisis.

Yet, through these trying times, we recognize one abiding truth: we are resilient. Though we have been challenged, the People of Guam have and will continue to overcome adversity. Though we are tested, we are not broken.

We are confident in the promise of our future; we recognize and acknowledge that our challenges must not be met with confidence alone.

Last year, our nation's vulnerable economy gave way to a financial crisis not seen since the Great Depression. In the United States, we have witnessed the collapse of the real estate market

and long-standing financial institutions. Globally, we have witnessed climate change, an oil crisis, and the war on terror.

Though we are thousands of miles away, Guam's economy remains largely influenced by forces beyond our control, but we cannot let fear paralyze our ability to act. The ongoing march of history tells us that with every challenge, there is the opportunity for greatness.

As the years pass, we will be judged on how we have contributed to building a society worthy of our children and grandchildren. We must rise above politics and do what some think is impossible. This is the administration that brings resolution to many long-standing issues.

Today, I will share our vision for a new era on Guam, the goals we must achieve to get there, and the successes we have had to date. The difficult issues of the past have landed on our shoulders of myself and elected leaders and we are called upon to deal with them now. As leaders, we all share the responsibility of closing Ordot Dump and opening a new landfill.

The decisions we make now will affect the health and safety of our people. Without the luxury of time, we must be clear, focused, and decisive. President John F. Kennedy said, "There are risks and costs to a program of action, but they are far less than the long-range risks and costs of comfortable inaction."

Just three days ago, the Federal District Court ordered the Government of Guam to pay one million dollars a week to our federal receiver. This obligation will jeopardize essential government services.

My most recent attempt to resolve this matter has been my transmittal of Bill #51, which outlines several options for direct or alternative financing. Members of the Guam legislature, I implore you, pass Bill 51. May God bless you with courage and wisdom. With proper authorization, as Governor of Guam, I will bring closure to this issue.

I have also submitted my proposed Fiscal Year 2010 budget to the Legislature, reflecting a 2% increase in revenues from the previous year. This conservative budget demonstrates that our priorities continue to be the education of our youth, the health of our citizens, and the safety of all.

Projected revenues are expected to reach \$533 million. These funds will be used to continue vital government services, address urgent financial matters and reduce our deficit.

We remain optimistic about our long term economic outlook. While we must continue to work toward a more efficient and effective government, we must do all we can to achieve increased revenues by addressing the real issue. The Department of Revenue and Taxation will pursue those who escape assessment, under report, or fail to file tax returns: preventing the loss of millions of dollars a year. Strict enforcement of our existing tax code, combined with aggressive collection of outstanding taxes, will result in increased revenues.

In the midst of challenges, we continue to invest in a robust infrastructure.

Over the past year, the Guam Waterworks Authority spent \$1 million to improve the Hagatna Wastewater Pump Station and Ugum Treatment Plant. Work has also begun on the Talofofo Wastewater Treatment Plant.

They have completed sewer outfalls for the Hagatna and Northern Plants, improving our island's wastewater system. GWA also spent \$1.5 million to reduce our dependence on Navy water, providing Agat and Santa Rita residents with more reliable services.

In the past six months, the Department of Public Works has undertaken \$60 million worth of construction projects. It is their goal to issue out over \$20 million worth of construction projects every three months for the remaining time of this administration.

To help our island prepare for the Guam Buildup, DPW has secured \$3.8 million for an Environmental Impact Study from the Department of Defense; they have secured \$56 million in construction projects; and continue to aim for \$1.5 billion for future projects.

Through partnerships with private management contractors, the Guam Power Authority is working to alleviate the burden of higher fuel costs. GPA has saved ratepayers \$124 million over the past 5 years. To date, our base load generation capacity has increased to more than 98%: a marked improvement from the days of rolling power outages.

Though the Authority has become more efficient, we are still one-hundred percent dependent on fossil fuels for energy generation. Late last year the price of crude oil, as we all know, peaked at \$147 per barrel, while our people were paying more than \$4 per gallon at the pump. The high cost of fuel has affected private businesses, government agencies, and households. No one has been spared.

This is why GPA's efforts to pursue alternative energy are so important. We fully support the use of alternative energy and are determined to decrease our reliance on fossil fuels. We live on an island with abundant sunlight, steady winds, and flowing tides, and now we should take advantage of our natural blessings.

It has been determined that nearly 30 megawatts of potential wind energy may be harnessed on Guam to help offset our island's dependence on fossil fuels.

This year, GPA will issue a request for proposal to companies specializing in geothermal, solar and wind energy.

GPA continues to execute plans that prepare our island for economic growth. In the last year they made numerous infrastructure improvements, including the connection of three major substations in Harmon, Tumon and Tamuning with Underground Transmission Lines. This allows repairs to take place during typhoon recovery, quickly restoring electrical service to commercial and residential customers.

As we develop our infrastructure and hasten our ability to recover, our skills and the skill of our work force will determine our success.

In 2004, the first Workforce Investment Act apprenticeship pilot program was initiated with the Guam Shipyard and the Guam Power Authority. To date, \$1.4 million has been successfully invested in hard working people who are now able to compete for higher paying jobs. I am happy to inform you that our apprenticeship training has expanded and currently includes partnerships with the Guam Hotel and Restaurant Association, the Guam Contractors Association and the Guam Trades Academy.

More than 1,800 vocational students from the Guam Public School System have successfully participated in the Passports-to-Careers program and as of last year, nearly 12,000 on-line applications were received by our One-Stop Career Center.

To meet the needs of our growing workforce, the 2010 budget calls for a 5% increase in funds to the Department of Labor. This administration will continue to support programs that will help meet the demands of the future. The jobs of tomorrow require that we educate our children today.

To that end we have built and opened new schools such as Ligan Elementary, Astumbo Middle and Okkodo High School. I look forward to the completion of the Adacao Elementary School in the coming months.

We are taking steps to establish an interim campus for the more than 2,000 John F. Kennedy high school students. We are currently in the review, selection, and negotiation process; and we expect to issue a contract within the next 30 days. Our immediate goal is to relocate JFK students to an interim location by next school year. This temporary campus will give us time to complete a new and permanent JFK High School. Recently, Speaker Won Pat introduced Bill 52, which would allow more time for the proper and most cost efficient approach to build the new JFK. I fully support this measure and I ask her colleagues to do the same.

Last year, I sought a change in the school board composition for GPSS and the passage of charter school legislation. Now, my appointees to the Guam Educational Policy Board, Mr. Giovanni Sgambelluri and Dr. Lee Meadows, join the elected members in their mission to serve our students.

In addition, I applaud the Guam Legislature for passing the Charter School legislation which I signed into law in January of this year. This measure increases parent choice, places learning ahead of bureaucracy and puts teachers back in charge of their classrooms.

With more than 30,000 public school students and 42% of the general fund resources dedicated to education, I join the entire island of Guam in asking for greater accountability and good leadership at our GPSS.

Yet, education is more than a K through 12 process, and Guam's institutions of higher learning have made great strides.

The Guam Community College will soon open a new Allied Health Center which will support our efforts to meet our island's health care needs by equipping students in the Licensed Practical Nursing and Medical Assisting programs.

Through their resourcefulness, GCC has also secured nearly half a million dollars in grants to purchase equipment for the Construction Trades department and \$2.4 million for a new Learning Resource Center.

Just next door, (Governor acknowledges presence of Dr. Robert Underwood, UOG President) the University of Guam's spring enrollment increased 8.5% from the previous year, further solidifying the university's reputation as the educational hub of Micronesia. In addition to increasing certification opportunities, UOG launched a new graduate program in Clinical Psychology.

Our pride in our educational institutions must be matched by our strong financial commitment. That is why my 2010 budget gives education more than \$237 million and I ask for your full support.

As we invest in our children and their education, we remain dedicated to a healthcare system that is worthy of their promise. I want to thank Lieutenant Governor Michael Cruz for his leadership in this critical area of service to our community.

The health needs of our island are great and the demands for adequate care are high. Through the efforts of this administration, Guam was recently designated a Medically Underserved Area and was re-designated a Health Professional Shortage Area, opening the door for more medical practitioners to serve on Guam. These designations give us the edge we need to compete in a world that aggressively recruits healthcare experts.

We are committed to increasing confidence in the Guam Memorial Hospital. Over the past four years, our island's only public hospital has directed more than \$29 million of Compact Impact funds toward pharmaceuticals, capital improvement projects, and equipment. We continue to improve the recruitment and retention of critically needed healthcare professionals. In addition, GMH has received a clean audit of their financial statements.

I commend the many dedicated men and women who approach their jobs with passion and purpose. From doctors to nurses; from maintenance workers to administrators; I say thank you on behalf of the people of Guam.

A little over a week ago, we declared a mental health state of emergency and moved to secure scarce government resources toward building mental health services to meet the needs of its consumers.

Our Island's Mental Health system is faced with many challenges and I am committed to overcoming them. We are taking aggressive steps to comply with the permanent injunction requirements. During the past 8 months, they have recruited employees and they have filled essential positions. They have hired psychologists, psychiatrists, nurses and social workers and are aggressively searching for additional qualified individuals to meet important mandates.

At the Department of Public Health and Social Services, we have made great strides and saw the expansion and renovation of the community health center in Inarajan, improving services to southern residents. The Division of Senior Citizens was recognized nationally for its completion and successful implementation of the Guam Medicare Assistance Program, ensuring that our *man'āmkō* receive the assistance they seek. Environmental Health received funding from the

Prescription Drug Monitoring grant which helps deter the illegal distribution of pharmaceutical controlled substances on our island.

In addition to improving health services for our people, we remain dedicated to their safety.

Through the combined efforts of the Guam Police Department and the Judiciary, in the words of Chief Justice Robert J. Torres as he said, "A new era of promise and possibility has begun." With the opening of a new state of the art crime lab worth \$5.9 million, evidence will be thoroughly analyzed in ways never before possible on our island. This will expedite the prosecution and conviction of criminals and exonerate those who are unjustly accused.

As we keep our island safe, we must also realize that prevention is the key. The Department of Youth Affairs has been addressing the social issues and potentially harmful behaviors facing our island's youth.

In the past year, DYA completed the new *Lågu* Youth Resource Center with the help of an \$800,000 grant. Last year also marked the completion of a new treatment and rehabilitation unit to help our youth struggling with addictions.

Having new facilities, new programs, and new equipment means nothing without the dedicated heroes who tirelessly work to serve our community. To the men and women of the Guam Police Department, Guam Fire Department, Department of Corrections, Customs and Quarantine Agency, our Sea Port and Airport Police, and all other uniformed officers who protect and serve our island, again on behalf of our people, I say thank you for your hard work.

Giving our public safety officers the tools they need requires a strong economy supported by secure and reliable ports of entry.

The A. B. Won Pat Guam International Airport is a proud example of what it takes to position our island for future growth and opportunities. Our airport has embarked on a new era of transformation. With 12,000 feet of expanded runways and taxiway projects underway, the airport will be prepared to receive long flights from Asia to the U.S. mainland via Guam.

Through public-private partnerships with various firms they have developed their air cargo distribution facilities. Guam will have approximately 200,000 square feet of cargo facilities before the end of 2009 made possible by DHL, PacAir, Triple B Forwarders, CTSI and MSA Logistics-bringing our regional distribution center initiative full circle. Altogether, our airport has nearly \$150 million worth of completed and on-going projects that ensure its ability to meet the current and future demands of our transportation industry.

The Port Authority of Guam, our Sea Port, is a lifeline to our entire community. 95% of goods that our residents, businesses, and military depend on arrive through our seaport. It is an important and often overlooked service provider.

The Port has embarked on a new era of modernization and will soon fulfill its potential as a world-class seaport. I am proud to announce that we have met a significant goal in preparing our island for the future. Through public-private partnerships, 3 gantry cranes, completely refurbished at a cost of \$15 million, have arrived and will be fully operational this April. The

onset of the Guam Buildup will require significant throughput of shipping containers and bulk cargo and, now, our port has the capacity to handle the increase level of activity.

The seaport's master plan was approved by the PAG Board of Directors and received conditional approval from the Legislature. It calls for nearly \$200 million to be used for port infrastructure modernization and improvements.

Last October, the Maritime Administration, or MARAD, was designated as the lead federal agency for the "Port of Guam Improvement Enterprise Program." MARAD is working with port officials on the issuance of a contract for a modernization management team.

Additionally, the port is seeking designation as a U.S. Strategic Port. This designation is assigned to seaports that the Department of Defense intends to utilize for the quick overseas movement of equipment and personnel for military exercises. This allows our port to receive higher priority when applying for federal funding.

We are confident that in the years to come, this administration will identify and secure the port's needed funding. With the leadership of those at the Port, and I commend them, we are charting a new course of growth and modernization to become a world-class seaport for Guam and all of Micronesia.

Our real estate landscape has been affected by the volatility of the global economy, yet new houses and housing subdivisions continue to be built and we anticipate the arrival of new military personnel will help strengthen our island's housing market. A moratorium on building permits in Central Guam will be lifted in April, allowing the creation and expansion of more businesses and developments.

We will pursue the long awaited senior housing project in Tumon; we will see the next phase of affordable housing projects take form; and we are seeing dramatic changes to the landscape in Upper Tumon, Pago Bay, and Talofofo. These projects make the dream of home ownership a reality.

Last month, the U.S. Department of Homeland Security approved an updated Guam-CNMI Visa Waiver Program. Under new program regulations, visa-free entry will now be allowed to non-immigrant visitors from locations such as Hong Kong, Taiwan, Australia, and Singapore. Those in our tourism industry can now expand and focus their marketing strategies to places previously untouched. With the federal government's official recognition that more locations are of economic value to Guam, we have met a significant requirement needed to pursue these new markets.

However, we join our neighbors in the CNMI in calling for a 180 day extension in the transition to this updated visa waiver program. In delaying the June 1st implementation, Homeland Security will give our governments, and themselves, the needed time to make certain that all federal requirements are met.

Due to their close proximity, the Guam Visitors Bureau plans to direct more funding towards promoting our island to the Chinese and Hong Kong markets. We recognize the economic potential and viability that both these destinations present for us and intend to capitalize on this opportunity.

Over the past year, we dealt with a decline in visitor arrivals to Guam, causing stakeholders of the tourism industry to develop innovative solutions to address the problem.

The Guam Visitors Bureau has created the "I Am Guam" branding campaign, which highlights various aspects of our island. It uses culture, language and people to cultivate a consistent and positive image of Guam. With "I Am Guam" we will promote our island as a viable travel destination to visitors worldwide.

I, along with many others, also remain committed to seeing the completion of the Guam Museum which will showcase our island's rich culture and heritage.

We will continue to take the necessary steps towards effectively promoting this coveted gem of the Pacific, our island of Guam.

After talking with key officials from both the Federal Government and Japanese Government, I can assure you, the Guam Buildup will happen. Nearly three years ago, I created the Civilian Military Taskforce by Executive order. Its mandates were very clear: plan for the Guam Buildup; do it for Guam's benefit, and most importantly, do it right.

Without the luxury of time, the CMTF was determined to rely on many perspectives. From its inception, many voices lent their expertise to the task of making this Guam's Buildup, not just the military's.

Experts, planners, private partners, federal counterparts, and community stakeholders are working to prepare us for this opportunity, giving us the tools we need to meet the challenges that we face.

In the past year, 11 sub-committees, working with the best data we could obtain, submitted our 2010 budgetary needs to the Federal Government.

My administration is aggressively pursuing these needs, making absolutely clear that though the Guam Buildup is the result of a bilateral agreement between two countries, mainly the U.S. and the people of Japan. The People of Guam will not bear the cost of these decisions without being part of the process. The work of the CMTF has always been inclusive, and as such, has reserved 5 seats for our legislators.

The CMTF works not only to sustain our quality of life, but to improve it. My vision is that their work will allow those who have left Guam to return home to the sustainable and fulfilling jobs that they deserve. We must continue, and I emphasize that we must, continue to nurture and develop enduring and mutually beneficial relationships with our military partners.

Vision is a peoples' hope for a preferred future. As leaders we are expected to have a vision of where we must go and how we will get there. Our island is faced with opportunities that our leaders of the past could not have imagined. These opportunities will provide our people with what they deserve: accessible healthcare, higher paying jobs, better education, and a better quality of life.

We must act decisively to maximize and leverage our resources and position our island for the promise of prosperity that is before us.

Last year, I declared this to be a "season of transformation," and before we see the fruits of such promise, we must be diligent enough to lay the foundation. We must have enough foresight to ensure sustainability. We must acknowledge that success will require us to work together.

It is my mission as your Governor to ensure the road map for our future is secured. We have developed a 2030 transportation plan; a port improvement master plan; submitted our 2010 buildup funding requirements to the federal government; and developed a natural resource strategy.

But our work is not yet over. We are currently working on a northern and central land use plan, housing studies, and compensatory mitigation policies. We are also updating our GPA and GWA master plans.

All of our work today is paving the way for the future. In my last State of the Island Address I said that this is a time of development and opportunity. It is my vision that as the next leader of this island steps forth, and that is less than two years from now we will have a new governor, plans will have been laid; opportunities for financing will have been explored and secured; and our island will continue to move forward to the promise of our future.

My dear people, I urge you to remember that our heritage tells us that we can navigate any sea and master any challenge. It is our spirit of ingenuity and innovation that gives rise to our ability to surpass our obstacles.

Our island is known for its sense of family, immediate or extended, neighbor or acquaintance. When we are presented with a threat, we defend one another as if we were brother and sister. Our youth become our sons and daughters and this is who we are.

Now is the time to unite; to help one another; for industry to reach out to industry; and for village to reach out to village. When a family struggles, they come together and work as one. This is what we all must do. We all have good intentions. This is the strength of our community.

Today we reaffirm our commitment to do what we have promised; renewing our will to work as hard as our people expect; remembering that hope still lives because we have been blessed with the opportunity to help not only ourselves but others.

I will not spend the next two years counting down the last days of my administration or allow any member of my cabinet to do so. Complacency has absolutely no place in this administration. We will finish strong.

In words wiser than I can summon on my own, I refer to Galatians 6:9 that says "Let us not become weary in doing good, for at the proper time we will reap a harvest if we do not give up."

We are a people of abiding faith, sincere loyalty and profound hard work. I truly believe that we can accomplish what is difficult, achieve what is great, and overcome all obstacles. Every time we think we have measured our capacity to meet a challenge, we look back and are reminded that our capacity may well be limitless. Nothing is impossible.

To the naysayers and critics, I say to you in the words of Gene Kranz, "With all due respect, I believe this is going to be our finest hour."

As your Governor, my commitment to you is summed up by Philippians 3:13-14 which says... "By no means do I count myself an expert in all of this, but I have got my eye on the goal, where God is beckoning us onward. I am off and running and I am not turning back."

On behalf of the Lt. Governor Michael Cruz, the servants and good people and myself, God bless you, God bless Guam and God Bless America. *Si Yu'us Ma'ase.*