

State of the Island 2011
Prepared by: Governor's Office

The State of the Island
Address By Governor Eddie Baza Calvo

Good morning, my fellow Guamanians,

Christine and I, Notch and Ray have reserved a seat here in the front. It is dedicated to the unborn, those who came before us, and our sons and daughters off at war. Consul General Kimura, we also dedicate this place to those who perished from the earthquake and tsunami that hit Japan.

Before I begin, may I just reflect upon our blessings from above? Three nights ago, the most concentrated waves from a tsunami passed just miles north of the Marianas. I was conducting a Cabinet meeting when a note was passed to me that a massive earthquake rocked Japan, and a Tsunami Watch was in effect for Guam. My senior staff and I left immediately to Civil Defense to command the island's emergency operations, when the event was upgraded to a Tsunami Warning.

I considered my duty as governor. I considered the trust you placed in me to keep you safe. It was, by far, the most concerning experience I have had as a leader. I had to consider the possibility that a tsunami may harm Guamanians. The government's brave first responders acted swiftly to protect you. The mayors and vice mayors, always the leaders on the front lines of our community, were with you. They accommodated every special need and answered your concerns, without regard for their own safety. By God's Grace, our island was spared. But our brothers and sisters in Japan were not so fortunate. Many died. Many are injured. Many are missing. I know we have many problems on our island, but it is at the core of who we are to help others in need. Consul General Kimura, I have prepared a letter to Prime Minister Kan expressing the sentiments and support of Guamanians. Please tell the people of Japan that their neighbors in Guam are coordinating a relief effort to help as much as we can.

Madam Speaker, on March 11, 1980, my father took the podium at the historic Guam Legislature building across from the Cathedral to deliver the State of the Territory address. He said, "I...believe that the 1980s will be referred to as the decade of Guam's emergence...With the help of this Legislature and the people of Guam, we can truly make the 1980s the decade of a new Guam—A Guam which can become a bright star in America's future."

He was right. The 1980s, thanks to the leadership of my father, Governor Ricky Bordallo and Governor Joseph Ada, were the height of economic development and wealth in this island. We can reemerge. We can be stronger and we can create the Guamanian Century of prosperity. But the most important point he made was that this vision of prosperity only could be possible with the help of the Legislature and the people of Guam. The opportunities are right in front of us, but it will take a collaborative approach to bridge this island from its near-poverty to the prosperity we all want.

As a gesture of my commitment to work with you, by the end of my tenure, we will once again be delivering this address at the historic Guam Legislature building. I commit to you, senators, my full support in rebuilding the original house of the people.

The state of the island depends on whom you talk to. For some, the prospects of the future are great. For others, struggling and living paycheck-to-paycheck consumes their daily life. And for the most vulnerable, the state of the island means nothing when they don't have a home, when their children have nowhere to sleep, when they are not allowed to be born, or when their disabilities are ignored.

We are on the cusp of what can be the greatest economic upsurge in our history. Yet, when we look at the island we know today, there is a great divide between poverty and prosperity. We're told about a great future, but before us now are problems that hardly lend to our ability to focus on what's ahead. Today, my dear people, too many Guamanians are living in poverty.

Parents are struggling on inadequate wages, or none at all. As of the latest employment reports and wage projections, 11,500 workers earn the minimum wage. 6,510 people are looking for a job, and more than 43,000 adults are not working, some of them facing medical challenges or disability. That is nearly 50,000 Guamanians not earning an income. These are men and women with families to feed. They have children to raise and elderly parents to take care of.

But the cruel cycle of poverty doesn't afford them this opportunity. For the great majority of the jobless, they did not receive the education they need to qualify even for entry-level positions. They did not have the money after high school to get certified for a trade, or to pursue higher education. For others, they did not have the proper family models to encourage them to be self-sufficient. This is how the cycle of poverty perpetuates itself.

The economic situation for the jobless and the underemployed brought thousands to the welfare rolls. At least 43,000 Guamanians are now on some form of public assistance. Today, entire families are struggling.

The increase in public assistance means fewer dollars for public schools to bring opportunity. It means fewer dollars for tax refunds. It means less funding for disease prevention and increased public health. All of this means less income for families to get by.

There are 115,000 adults on this island. Unfortunately, 52,000 adults make less than \$11,000 a year. That figure is important, because it represents the national poverty threshold. Nearly half of the people are not making enough to pull themselves out of poverty. Income levels are not enough for families. To make matters worse, the speculation in the market increased the cost of homes, moving the dream of homeownership even further away from the working family's reach.

There are nearly 45,000 homes in this population of 183,000 people. Half of these homes are occupied by renters. That earns us the unwelcome distinction of having one of the lowest homeownership rates in the nation. Families are saving what little they can to make a down payment on a home, only to see prices rise and to be turned down by the bank. They cannot afford land. They cannot afford construction. They can't even afford to buy one of the 9,100 existing homes that are vacant.

Our people are suffering. They're our neighbors. They're our friends. They are single mothers and fathers deep in debt, with foreclosures upon them, or struggling to pay the rent, with just enough gas to make it to work. They are married Guamanians who work more than one job and hardly get to see their children. And we see what's happened to these poor kids. We see what's occurred when children fall through the cracks. Problems show up at school, their education is interrupted, and the cruel cycle of poverty takes hold.

My fellow Guamanians, the strength of society is tested upon the weakest and most vulnerable among us. I cannot, in good faith, stand here and tell you the state of the island is strong, when so many families struggle, and so many children traverse through the circumstances they are dealt. The most important point here is that the state of the island today is the condition through which children are growing up. If we want to break the cruel cycle of poverty, if we want to stop the suffering from becoming generational, if we want today's generation of children to have more than we ever had, my dear people, the time to act is now!

The government itself, for the past 20 years, has directly contributed to lower incomes and poverty. You work hard for your money. Every time you get your paycheck, the government takes part of it. Every year, you file for your return and every year you are supposed to get a refund if you overpaid taxes.

My first priority, during the transition and upon taking office, was to determine the financial health of our government. The preliminary findings of my fiscal team disclosed the alarming level of liabilities of this government, to include tax refunds. These tax refunds rightfully belong to you. The government has been using your money to keep itself running. This is your money, not the government's. Not since 1991 were tax refunds paid to you in the same year you filed. This lowered your disposable income and deprived you of your opportunity to spend or save. For 20 years, the government used your money to finance its operations and the deficit, and right now, it owes you hundreds of millions in tax refunds. The average filer expecting a refund is owed thousands of dollars.

None of this includes the money owed to private vendors. These companies provided goods and services to Guamanians and the government still owes them. I instructed agency heads to look at their finances and report any prior year unrecorded expenditures and unpaid debts. Preliminary estimates, which we are verifying, indicate this unrecorded debt is in the millions of dollars. These debts hurt many small businesses and may have caused some vendors to shut down or eliminate jobs.

After a careful and lengthy review of the government's finances, it has become evident that the cash situation has escalated to a critical level. Almost every year, the government spends more than it is able to collect. In the past, it was adequate to focus on the budgeted revenues and appropriations. However, because of the critical cash position, our focus now has to be on the careful management of the cash we collect and the debts we pay. This is why I instructed the Department of Administration to develop and maintain a cash flow projection. This is an integral part of our cash management policies and decisions.

Thankfully, we are working with partners to help alleviate the cash burden. Within the past two months, we negotiated a manageable payment plan to repay the money previously transferred out of the Solid Waste Operations Fund. We worked with the Federal Management Team overseeing the mental health permanent injunction to push back the scheduled payment dates by two months. These agreements have enabled this government to avert payless paydays.

Finally, during my recent trip to Washington, D.C., we successfully prevented losing up to \$75 million of ARRA funds for the Department of Education. I look forward to working with the legislature to finalize the reprogramming of this money.

We must strengthen our financial posture in preparation for the anticipated economic surge. There is a fiscal gap between our present financial situation and the expected growth in revenues as a result of the buildup. We must confront the current budgetary and cash shortfalls and work collaboratively to overcome this fiscal challenge.

Two months into this administration, our fiscal team has had the tremendous responsibility of finding out just how much this government owes Guamanians. This is not an easy task. It is extremely complex. The Public Auditor has been assisting us in this regard and is close to finalizing her validation of certain liabilities. However, based on the preliminary draft report from the Public Auditor, it appears that the deficit grew by approximately \$84 million to a level of \$349 million as of September 30, 2010.

I earlier stated the major component of the deficit is the tax refunds. We also owe millions due to businesses, daycare centers, non-profit organizations and many others, who depend on those payments to meet their day-to-day cost of living. In addition, we still owe millions to the COLA class recipients with interest that continues to accrue. This government also owes money to the Permanent Injunction, the Federal Bureau of Prisons, and the list continues.

All of these liabilities existed when we got into office. The cash available to pay these liabilities was negative, which was further compounded by the need to repay borrowings of restricted and special funds that occurred in the prior year. This is why, my dear people of Guam, I have been saying that a cash crisis exists. Further details will soon be released in a forthcoming Public Auditor's report.

Despite the magnitude of the existing fiscal challenges, we believe there is a way forward with a new direction. There are options to help, including:

- reordering of our liabilities
- making investments in Revenue and Taxation to improve collections, which will enhance our existing revenue streams
- working collaboratively with the Legislature, Chamber of Commerce and all stakeholders to plug the holes in our existing tax systems and to determine whether we should explore a new system to replace the Gross Receipts Tax
- considering government reorganization to reduce costs
- considering alternative means of delivering existing government services.

Our commitment to hold government finances structurally-balanced only works moving forward. It does nothing to pay off what we already owe. We can't just pretend the deficit, now estimated to be \$349 million as of September 30, 2010, will disappear. We have to get rid of the deficit in order to stabilize the finances. We need to pay your tax refunds, otherwise a balanced budget for the next fiscal year will mean nothing. The prior debts will just continue eating into our current year revenues, which are already allocated to pay for our current year obligations.

There are only four options before us. We can raise \$349 million. We can cut \$349 million in spending. We can borrow \$349 million. Or we can do a combination of two or three of these options. I am proposing a strategic plan to stabilize our finances starting now. This is what I am proposing:

First, I will not raise taxes. The people should not have to bear the burden of the government's inability to live within its means. But we are aggressively seeking both cash and revenues. The Department of Revenue and Taxation is pursuing a Guam Property Assessment System, Computer Assisted Mass Appraisal and tax mapping projects. Together, these improvements to revenue identification technology will ensure fair and equitable assessments of property taxes. We are in the process of hiring more agents and revenue officers to enhance enforcement, to aggressively collect delinquent taxes and to audit industries for leakages. We believe these efforts can raise nearly \$40 million in revenues.

We will be going soon to the federal government with a renewed request to obtain reimbursement for the Earned Income Tax Credit. This could save your government another \$40 million annually. Simultaneously, we are working with the federal government to reconcile and update Section 30 reimbursements. This could mean an additional \$5 million annually.

As for cost containments, senators, we are holding the line on spending, but the structural imbalance of the General Fund is a result of not enough revenues to fund the operational requirements of this government. These are the result of unfunded mandates the executive agencies must abide by. These include programs and services that are largely underfunded and understaffed.

We can't possibly cut \$349 million from the budget. That's practically the entire budget. But we will make sacrifices. We will stick to cost containments over the foreseeable future. First, we stopped hiring for non-critical positions. Non-essential travel has come to a halt. Some agencies will decline legal services contracts. Others are consolidating rental spaces. All agencies are reducing the use of supplies, power and water and other communications. All contracts will be scrutinized and cancelled if found to be unnecessary.

One of our most critical solutions is the conversion of services to information technology platforms. This includes electronic health records and the routing and posting of government documents online. Our long-term goal is to offer more government services through agency websites, cutting down traffic on the roads and lines in the agencies.

These efforts will reduce the General Fund deficit, considerably. But, we still need cash to pay the hundreds of millions owed to you in refunds.

The people of Guam want their tax refunds now. It is, by far, the single largest request made by constituents. Paying the refunds in full, right now, will, without a doubt, solve the financial troubles of thousands of Guamanians. That money will stimulate the economy, increase homeownership opportunities, and assist those among us who need help the most.

My administration is looking into financing the deficit. The immediate cash infusion will be used to pay tax refunds this year. And with a commitment to fiscal responsibility, we can fund operations and pay tax refunds on time from next fiscal year forward. The most important part of this plan is that it will help a lot of people at a time when Guam must be focusing all its efforts toward the future.

Senators, this is a true economic stimulus, and it could not come at a better time. I look forward to working collaboratively with you to make this a reality.

Our island has been talking about an era of unprecedented opportunity for five years now. The signing of the Programmatic Agreement brought that era upon us. We are no longer in the advent of the buildup. It is here. And the question that has loomed for five years, "are we ready yet?", weighs heavily on us all. The decisions we make now will dictate the course of the buildup. Most importantly, it will set the stage for either Guamanian prosperity or poverty after the buildup. So this is the question I have for us all to ponder: "How can we move forward, if we're stuck in the problems of the present?" This is the eleventh hour. Prosperity is knocking at our door, yet we are not ready to welcome her.

The government, by and large, lacks the service levels needed to foster a new economy and greater economic capacity. We don't have enough law enforcement and public safety officers. There aren't enough classrooms and teachers. The provision of medical services is sorely lacking. The system of care for people living with disabilities is

incomplete. Roads, power and water infrastructure require overhauls. And this is only considering the service levels needed for today's population.

Despite the lack of resources, you should know that the executive branch is achieving unprecedented progress on the few resources available. Government workers are being creative. Agency heads are demanding accountability, transparency and improved customer service.

While we are still some time away from our first 100 days report, here are some highlights of the accomplishments of this government since coming to office January 3. None of these include the hundreds of achievements made by the executive branch agencies and the mayors:

- We ordered immediate cash containment throughout the government and cut spending in the executive branch
- My Chief of Staff, Franklin Arriola, instituted a transparency policy throughout the government, removing any existing gag orders, and directing the release of public information timely. Senator Taijeron, as a journalist for life, I am sure you will be our biggest ally in promoting transparency and accountability throughout the government of Guam.
- We introduced two measures to protect unborn children. Thank you, Senator Rodriguez, for conducting swift hearings. I ask that these measures be considered and passed in session this month. Let us not spend another minute waiting to save the lives of unborn children!
- It is the lives of children needing foster care that is driving my wife's special project as First Lady. Christine is coordinating a foster care initiative to find more foster families
- We established economic relations with Taiwan and Australia, with trade missions ahead this year
- Thanks to Congressman Underwood, Congresswoman Bordallo and Assistant Secretary Babauta, 450 acres of land, including the historic village of Hila'an, were returned
- We received unprecedented commitments from Congressional leaders and the State Department on a visa waiver program with China
- We invited Hawaiian investors to bring their money to our island
- In the last two months, the Guam State Clearinghouse, through the leadership of Lt. Governor Tenorio, cleared or is in the process of clearing close to \$45 million in federal grant applications
- He and his wife, Attorney Naoko Shimizu, are leading the Islandwide Beautification Task Force
- We increased the fleet of school buses from 88 to 110
- And we made sweeping and long-overdue changes at the Guam Memorial Hospital

The challenges at GMH are many, but a new management team is in place. We're also in the process of hiring a top-notch and experienced permanent hospital

administrator. The current management team is stabilizing the finances and improving patient care. We paid medical supply vendors millions in overdue bills, allowing GMH to restock its supply shelves. And in a sign that financial health is being restored, the hospital made gross payroll for the first time in months. As for the recent controversy regarding patient care, let me just say this. I don't condone sensationalism, but when it comes to the lives of the people and the children of Guam, I will not tolerate anything short of excellence. There must be transparency and accountability in every profession of this government. What happens at GMH, and how its operations affect the patients under medical care, is every bit a matter for public scrutiny. When we go there, when our families go there, we are placing lives in the hands of others. So, to answer anyone's question on whose side I will take on this issue, I will always side with the patients. They are who matter most.

Too many families are coping with cancer, heart disease, diabetes and other afflictions. Too many loved ones bear the burden of disease and the financial expense of treatment. The Medically Indigent Program and Medicaid serve 47,033 lower-income patients who wouldn't have healthcare benefits without these services. I want to thank the doctors who accept MIP and provide care to those who can't afford treatment. As for our elderly, we are actively pursuing Medicare acceptance in the Philippines, where more specialists and surgeons are available for your needs.

I also want to allay some concerns about response to your medical emergencies. We came to office with nearly all ambulances broken and sitting in the shop for repair. The firefighters and medics in the Guam Fire Department have been criticized, prodded and persecuted. Yet, tell me how they can meet their missions to save lives if they do not have the supplies and equipment to do so? It angers me that ambulances—the most important vehicles in this government, were left in disrepair while residents waited in their time of need. It baffles me that medics would be made to take the blame for a problem that deserved attention from the very top. Luckily, Guam Community College, in a display of interagency support, offered to fix the fleet of ambulances. I want to thank Dr. Mary Okada and her team, and my partner, Lt. Governor Ray Tenorio, who provided the leadership to see this through. Senator Palacios, thank you for your partnership to protect the people.

My fellow Guamanians, your lieutenant governor was a proud police officer, who roamed our streets protecting us. It is why I appointed him to oversee the public safety agencies. And he's doing a fantastic job. We'll need his energy, his drive, and his love for public safety in the years ahead. Crime seems to be getting worse, and the buildup in population hasn't even happened yet. We're already short on officers in the police, fire, corrections, customs and youth affairs departments. You have my word the safety of the public always will be a funding priority. From drug trafficking to family violence, from criminal rehabilitation to emergency response, and control of our ports, we will protect neighborhoods. We will protect families. We will protect children.

Vice Speaker Cruz, I know you are off-island, but if you are listening, know that children are safer today because of your leadership. When I signed measures

strengthening our laws against the sexual abuse of children, you said my actions were a profile in courage. Your actions, my friend, truly were heroic. You stood up firm, and you fought for what you believed was right. You fought for children in the face of adversity. Our island is proud of you.

Senators, the people care little for our political affiliations. Democrat or Republican, if you send me fiscally-responsible legislation that will protect children, fight poverty and provide for the less fortunate, I will sign it into law. This administration's entire focus is about the future. We will leave in the past the poverty that has burdened so many families. We will retire the problems that have afflicted our community. Together, with unwavering faith in the Guamanian Dream, we can leave our problems behind us so we can concentrate on what matters most: our children, and their future.

On February 21, 1989, Governor Joseph Ada stood where I am standing right now. In his State of the Territory address, he spoke about the sacrifices our ancestors made so that future generations could have more than they ever had. He said:

"For their sake, let their good works, their compassion and concern, live through us and through our children...into the fullness of years...beyond a million Guam sunrises. Through hard times...it has been our concern for the welfare of our young that has sustained and nurtured us, and kept us alive. We are but one more link in an unbroken chain of generations, united by one generation's love for the next. Let us forge the next link in the chain, together."

Fate will have it that 22 years later, a woman answered Governor Ada's call. All her life, she dedicated herself to the preservation of our great culture, so that future generations could know about who we are and what we can become. While she was criticized and maligned for her passion of our past, we saw that it was her love for the future that drove her to fight for Guam. Indeed, she did. And with strength and courage, she took action to allow us a brighter future without sacrificing our past.

My fellow Guamanians, this morning I dedicate the State of the Island Address to the silent courage and kind-hearted heroism of State Historic Preservation Officer Lynda Aguon. I told Lynda I would be honoring her this morning. But, humble as she is, she said the work she is able to do is an honor itself.

Lynda, your actions were a profile in courage. For as long as I am in office, you will have all the support you need to preserve and promote our culture. Guam needs you. You make our people proud. And from those latte stones in Pãgat and Hila'an, from Yigo to Malesso and from Hagåtña to Pago Bay, our ancestors are smiling upon you. And if you listen very carefully to their whispers of gratitude, you will hear them say, "Si Yu'os Ma'ase, Lynda." Indeed, Lynda, you have God's Mercy. You will go down in history as the officer of this government who stood unwilling to sacrifice her principles, who stood firm until a solution could be found that preserves our heritage while bridging our past to our future.

Under my watch, no government employee ever will be vilified or persecuted for having the courage to stand up for what is good and what is right. Government employees, I will protect you. Ray will protect you. And if we all work together to do what is right, no matter how controversial or unpopular, we can do right by the people of Guam. Democrat or Republican, political supporter or not, you are a member of one GovGuam family. You are a member of my family.

What Lynda did speaks to the greatest values of the Chamorro people. With the weight of history upon her shoulders, she thought and she prayed: "What is the right thing to do for the people of Guam?" And, as she signed the Programmatic Agreement, she bridged the past to our future.

The latte stones at Hila'an are remnants of what used to be. Imagine those pillars of strength hundreds of years ago. Bring to life the illustration of those latte. They stood together on our western shores, with homes filled with Chamorros, prosperous and innovative. Off the coast flew the fastest sea vessels in the world, proudly built by the hands of the people of Guam. Those latte stones are more than signatures of our past. They are reminders of who we are and what we can become. They are silent markers of strength and ingenuity, withstanding centuries of change, calamity and, yes, colonialism. And they stand there, not for us to simply watch as life goes by. Our ancestors did no such thing. They were men and women of action. They did what I call on all of us to do today: embrace the future. Embrace tomorrow.

Today, the military buildup is upon us. \$1 billion in projects will soon start, enhancing our economy. Beyond this is a decade of expansion, which will result in a large increase to our population. The Marines from the same unit that came to liberate our grandparents will return to Guam.

The federal government made significant concessions to us recently. Much of this was the result of commanding negotiations by my Chief Policy Advisor, Arthur Clark. Through the Programmatic Agreement, we preserved Pagat village and caves, and we brought unprecedented resources to historic preservation efforts. Senator Guthertz, please stand and be recognized by the people of Guam for your leadership through this historic time, and undying commitment to the preservation of our history.

Soon my administration will be engaging the military on the return of federal land to Guam. We will explore and seek funding for environmental and renewable energy initiatives, as alluded to in their pillar for a "Green Guam." Senator Barnes, I look forward to working with you on ensuring this buildup maintains the beauty of the island. And of utmost urgency is holding the military to its promise of a "One Guam" approach to the buildup.

This promise of a One Guam approach, where community improvements are made inside and outside the fence, requires a serious federal financial commitment to this island. We need to fix our roads and bridges. We need to overhaul the water and wastewater systems. We need operational funding to hire more teachers, law enforcement

officers, medical professionals, social workers, planners, engineers, and more. I have great faith the military will see its promise through.

For our part to build capacity, we soon will be seeking the funding to outsource a program management office under my direction. All existing management offices will take its direction from this new office. The government of Guam needs the capacity to manage the buildup and the myriad of projects each agency will have to undertake. More importantly, we can't focus on the buildup at the expense of daily services and future planning. A program management office of experts in project and community development can transfer new knowledge to help government officers, ensuring sustainability in planning and program management beyond the buildup.

Simultaneous to our management of the buildup will be our pursuit of longstanding federal issues, which the Defense Department has agreed to help us champion. This includes war reparations, compact impact reimbursements, greater control of our exclusive economic zone, veterans claims and benefits processing services on Guam, visa waiver programs and binding political status commitments. I am so grateful to you, Assistant Secretary Babauta, Congresswoman Bordallo, and Senator Blas. You have been outspoken, consistent, tenacious and unwavering in fighting for the resolution of these unresolved issues.

Admiral Bushong, General Doucette, Colonel Loynd, and Captain Sparks, I want you to know it's been a great pleasure working with you. You've shown Guamanians great respect and deference. You and the sailors, airmen, coastguardsmen, and Marines under your commands have lived up to the ideals for which this country stands: blind justice, freedom and democracy. When we talk about the Marines coming, we must all consider the Marines who are already here, those Guamanians who served this country and our island so well—Guamanians, like John Gerber, who bridged our proud history with the United States Marine Corps. When the Marines come, I want to be the first person on the tarmac to welcome them and say, "Hafa Adai my fellow Guamanians."

Unfortunately, as history shows, it is the larger federal establishment, whose colonial mentality has degraded the people of Guam time and again in our history as a territory of the United States. I highly doubt the 1,744 Marines and soldiers who gave their lives in the Battle of Guam died so that the people they liberated could be colonized for eternity. They, and every United States freedom fighter, fought and died for freedom.

It has been 67 years since the Liberation of Guam. In those 67 years, we had to march for our citizenship, which isn't even full citizenship. We had to fight to elect our own senators, later, our own governor, and our non-voting delegate to the House of Representatives. We had to settle for an Organic Act, enacted by a Congress without a single vote from the people it would govern. Our preliminary exercise of self-government through the Commonwealth Act was rejected. War claims were denied. Even the rich waters around our island, where Chamorros have sailed and fished for thousands of years, are restricted from us as other nations rob us of our resources and make billions in profit.

But it is the waters in Guam that raised my ire just days ago. Congress, in the dead of night and without even the courtesy of informing our Congresswoman, decided it should make a profit out of Guam by selling to us what is rightfully ours. I have news for Congress. The water at Fena does not belong to you.

I will fight to ensure Congress does not sell us the water, poured down by God Himself from the Heavens. Not one penny will be spent to pay for what is rightfully ours. And if we have to, I will take Senator Tom Ada and the other senators on a march to Fena, and go as far as the United States Supreme Court to protect the water that belongs to the Guamanian people.

Congresswoman Bordallo, please take a message from me back to my Republican colleagues in the House of Representatives. Remind them that our party stands against imperialism and the over-reaching arm of the federal government.

This, my dear people, is yet again a clear reason why we must exercise our right to self-determination now. I will be working with Senators Respcio and Pangelinan on funding our long-awaited plebiscite. My administration will be working with Congresswoman Bordallo on securing a commitment to bind the federal government to honor our rights, in addition to the promise to fund necessary education campaigns.

Admiral Bushong, General Doucette, Colonel Loynd, and Captain Sparks, please know that the men and women of the United States Armed Forces always will be welcome to our shores. You are Guamanians, too. It is colonialism we detest, and self-determination we desire most. The buildup will move forward and progress will continue, because unlike elements of the federal establishment, we are Americans loyal to the very tenets of this country.

The military buildup cannot, by any measure, be seen as the height of prosperity in Guam. It cannot dictate the course we take to build our future. We cannot forsake our responsibility to the next generation to build a sustainable tomorrow. We cannot limit our children and grandchildren to someone else's plan. As I've said many times before, the military buildup cannot be seen as the 'be all, end all,' of Guam's prosperity.

There is something even greater than the buildup, a responsibility much more pressing than the \$15 billion in investments over the next decade. It is the education of our children. This is the key to our prosperity. This is the gateway to the Guamanian Century.

Children in today's classrooms will graduate into a decade of wealth that will end with the military buildup. In 2020, it will be beyond their comprehension if our generation allowed the prosperous times to cease when the last Marine arrives. Our children will wonder what we did to prepare them for their future. They will ask why we squandered an opportunity to leave them an island full of promise and reward. Let us answer those questions today, not as politicians or grand stewards, but as parents, role models and educators. Speaker Won Pat, your lifelong service to education is second-to-

none. I want to thank you for the collaboration you have shown thus far, and your commitment to working with everyone in the name of our students.

The greatest challenge of our time is to prevent the cruel cycle of poverty from spreading to the next generation. While we tend to the services for those most in need now, our focus must be on providing for children in today's classrooms. This is our greatest challenge, because of the perennial funding shortages for the Department of Education, University of Guam and Guam Community College. Without a doubt, these three institutions are the most important agencies of this government to the future prosperity of the island.

Yet, there aren't enough resources to hire the educators they need. There has been inadequate support for their academic programs. Master plans were created over the past two decades to bridge children from classrooms to careers, and support languished from the very top. Unlike any other community in the world, the economic prospects of our island are certain. There is \$15 billion coming to this island, yet there is no plan to build an economy to sustain us after that investment. There is no projection of the industries of the future. There is no projection of the workforce needed to build those industries. Outside the education community, there is no effort to educate your children into this workforce. My dear people, this is our big opportunity! We can finally hand to the next generation an island better than we found it.

In the coming days I will be issuing an executive order launching the Classrooms-to-Careers initiative. It will develop, through an unprecedented collaboration of the community, an economic master plan linking industry development to workforce creation through educational excellence. None of these three pillars should ever be viewed apart from the other. They are integral and married to the next. A strong economy is the product of a strong and educated workforce. That workforce is the outcome of an education second-to-none. Senator Yamashita, I have always admired your perspective on leadership. It reminds me of the late Speaker Tony Unpingco's reason for service. It's about family; it's about children. I can see the concern for our children's future in your eyes. You were instrumental in crafting this policy, and you will be instrumental in ensuring its success.

By the end of this initiative, we will have a projection of the economy of the future, and the industries that will drive it. We will project the human resource requirements to build these industries, identifying the types and numbers of career paths and jobs needed. We will give this information not just to our government, but also to the private sector so all of Guam can build the new economy. Senator Mabini, Senator Duenas and Senator Tony Ada, we need your commitment to workforce and economic development to see this process through. We will hand that information over to a consortium of educators and analysts to build the governance and curriculum that will educate children into this future.

Key to this initiative will be the University of Guam Center for Island Sustainability and the Governor's Council of Economic Advisors, which I will empanel

soon. My office and my council will drive Classrooms-to-Careers with UOG. Economic growth cannot exist without a university empowered to partner with the community. That community involves industries, chambers of commerce, the Guam Trades Academy, consumers, the local and federal government, and regional and international affiliates. No other institution in an economy has the advantages and access to resources of a university. UOG, under the leadership of Dr. Robert Underwood, is the breeding ground for those who will build the new economy. It possesses every resource this community needs to realize the great future we all envision. In our administration, it will be an indispensable partner in the economic policy of the island and the region.

We must get our financial house in order, because upon the completion of this plan and by fiscal year 2013, I want the resources of this government marshaled around the children of Guam. It will be a sizable investment, but who among us can place a value on our desire to give our children more than we ever had?

We want them to be anything they can be. Doctors, teachers, engineers, medics, nurses, police officers, business owners, manufacturers, exporters, flight technicians. We want them to compete against the best in the world and win. We want them to reach the ends of the earth, and to plant our flag on the frontiers of space.

And perhaps if one day another Guamanian follows in the footsteps of Commander William McCool, and she looks for her homeland from the galaxy above, here's where she'll find it: from the heavens, look to the Pacific and find the brightest star in the sea.

Everything starts with a dream. We are not so defined by our problems today, that we cannot reawaken the pride of our ancestors within us.

Yes, we have problems. People are struggling and suffering. We are not a big nation like China, or a rich country like Singapore. But we are Guamanians, each one of us rich in spirit and deeply rooted in a culture second-to-none in the world.

I began my speech today telling you about the problems many people face. But, there is a greater power at play: a driving force greater than the poverty people suffer—and it is the love and charity of all Guamanians.

I see it all around us. We do what we can to help others, even though we don't have much ourselves. I've seen the cousins and friends of Guamanians suffering from disease, raising money to get off island care. I've seen you selling raffle tickets and collecting donations at the door for medical fundraisers to help someone. I've seen you volunteer to bring hot meals to senior citizens who are all alone, and have no one else to talk to. I've seen you tutor and coach children who never thought much of themselves. I've seen you caroling at St. Dominics and giving presents at GMH to bring joy into the lives of the suffering. The gentleman in the Camry, I saw you park at the intersection of Route 3 and Marine Corps Drive to feed the Corner Dog. I've seen children, whose future

is challenged by the poverty of today, picking up trash, planting trees and protecting our oceans.

These are all stories about the common decency of Guamanians who give charitably to others in their time of need. For those most vulnerable, it is the all-too-often unspoken story of their struggle that gives rise to the true spirit of Guam. Let us be their voice.

It is in our hearts where we find a deep love for all of Guam. Relative or stranger, friend or foe, the strength of this island is in the character of each one of you—difference makers and living gestures of goodwill.

No matter what we face or how hard times may be, we must have faith that God has anointed us to a special place in humanity. We were meant to make this our Guamanian Century of prosperity. Make no mistake about who we are or where we come from. We are Guamanians.

There is something to be said about the greatness of Guamanians.

Sometimes it feels as though we've been taught to believe that we need federal support or someone else's hand. That our way is primitive and the federal way is perfect. Quite to the contrary, the world, through all its upheavals, could take a lesson from Guamanians—from our resolve and our faith, from our ability to see past the troubles and care for one another without hesitation.

The late Governor Ricardo J. Bordallo, on April 11, 1983, said "We can remain as some might prefer that we remain—simple island people with simple needs who can be placated with simple gratuities....Or we can fulfill the destiny of the Ancient Chamorros and build a community that will set an example for the rest of the world."

If all the world were a nation of Guamanians, there would be no war, there would be no drought of charity, and there certainly would be good food everywhere.

When Christine and I are home with our children, we count our blessings. You, who dwell in the shadow of prosperity and hope, need not believe your burden is too great to bear. As young as our administration and this legislature are, we will do right by you. Your burden is our burden. Your prosperity is our aspiration. Your children are our hope. Your tomorrow is our every waking moment.

Here is to the brightest star in the Pacific, and the eternity of sunrises above the endless horizon of every Guamanian.

Saina Ma'ase. Si Yu'os en fan'binendisi. Biba Guam!