



Territory of Guam

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June 9, 2014

The Honorable Robert O. Work
Deputy Secretary of Defense
U.S. Department of Defense
1010 Defense Pentagon
Washington, DC 20301-1010

Dear Secretary Work,

Again, we congratulate you on your appointment as Deputy Secretary of Defense. We are glad to have someone in senior leadership at the Department of Defense who truly understands issues of importance to the people of Guam. As such, we write with respect to recent comments expressed by representatives of the Department of Defense (“DoD”) concerning the Guam-CNMI Visa Waiver Program (“Guam-CNMI VWP”). These informal comments, which we understand to have been expressed to some Members of the United States Senate, contradict prior commitments and assurances that senior levels of the Department provided to us. These informal comments also contain inaccurate information and are inconsistent with previous Department communication on this matter. We would respectfully request that DoD clarify its position, and ensure it remains supportive of Guam’s efforts to diversify and strengthen its economy.

As you are aware, Guam has been administering a separate visa waiver program since 1988. This program has been instrumental in facilitating tourism to Guam, thereby contributing greatly to the development of Guam’s economy. In 2008, Congress expanded Guam’s visa waiver program to include the nearby territory of the Northern Marianas, creating a joint Guam-CNMI VWP. The Guam-CNMI VWP currently permits visa-free travel by nationals of 12 jurisdictions, including nationals of Taiwan and residents of Hong Kong. In addition, nationals of the Russian Federation are permitted to travel visa-free to both Guam and the Northern Marianas, and Chinese nationals may travel visa-free to the Northern Marianas.

Regional tourism forms a critical part of Guam’s economy. Today, tourism accounts for approximately one-third of Guam’s employment. A stable and growing Guamanian economy, in turn, ensures the safety and security of DoD’s resources on Guam, benefiting U.S. servicemen stationed on the island. For this reason, DoD has consistently acknowledged the importance and desirability of a diversified Guamanian economy, including a robust tourism industry. As a matter of fact, that concept was also discussed in the previous final environmental impact statement on the realignment of Marines from Okinawa to Guam.

The Honorable Robert O. Work
Deputy Secretary of Defense
June 9, 2014
Page Two of Three

A key part of Guam's strategy of expanding its tourism industry is an effort to capture the considerable potential of the Chinese tourist market. This effort is in line with President Obama's National Tourism and Travel Strategy, which seeks to attract new international visitors, particularly from fast-growing economies like China. We have discussed this strategy — including Guam's objective of enabling visa-free travel by Chinese tourists — with DoD on numerous occasions. We have been consistently assured of DoD's support for Guam's effort. We remember, and remain grateful, for your efforts as the former Under Secretary of the Navy to try to mediate an agreement with the intelligence agencies on a suitable advance-notice period.

We understand, however, that in recent informal conversations with the Senate, DoD representatives expressed concern with respect to the inclusion of China in the Guam-CNMI VWP. These comments are contrary to the Department's prior representations and commitments. On several occasions, the Department's officials — both in Washington and on Guam — have informed representatives of Guam's government and its tourism industry that the Department is supportive of short-term visa-free travel by Chinese nationals to Guam and of an expanded Guam-CNMI VWP. In particular, former Deputy Secretary of Defense Ash Carter's staff indicated: "During his conversation with Secretary Napolitano, the Deputy emphasized that DoD does not object to the Guam program provided the FBI's CI concerns are addressed." We have been operating under the assumption that DoD wants to continue to work with Guam to develop a mutually agreeable solution, but the informal comments from the Department indicate the opposite and are contrary to personal assurances that we have received in meetings on Guam and at the Pentagon.

We understand the FBI still has concerns about the counterintelligence angle of this particular issue and we understand those concerns. However, we continue to believe that there are workable solutions to mitigate the concerns highlighted by the FBI. In particular, our staffs have met with the Assistant Secretary of Defense for Homeland Defense and Americas' Security Affairs, and he and his office have indicated they would work to get agreement on a compromise that would be acceptable to the FBI. We hope that we can bring the discussion back to this point and build on your prior efforts to work on a compromise to move this issue forward.


Given the importance of Chinese tourism to Guam's economic growth, we respectfully request that DoD confirm its support for visa-free travel by Chinese tourists to Guam. A perception that the Department is opposed to the development of Guam's tourist economy could have serious negative consequences on the cooperative and mutually beneficial relationship between DoD and Guam. Recent comments in the Draft Supplemental Environmental Impact Statement (§4.3.8) that minimal economic impacts would result from the ending of Russian visa-free travel to Guam, and that the continued ineligibility of Chinese visa-free travel to Guam "may" inhibit potential tourism growth, have sent mixed messages on DoD's position. We believe these comments are inaccurate and misguided at best, but they have already started causing unnecessary constituency problems and impacts to this process.

The Honorable Robert O. Work
Deputy Secretary of Defense
June 9, 2014
Page Three of Three

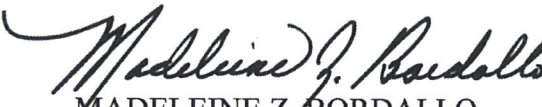
We know that DoD shares our goal of increasing responsible tourism on Guam and are confident that, working together, we can further develop Guam's potential as an attractive regional tourist destination in harmony with the Department's important mission of protecting U.S. national security.

We look forward to your response and to continuing the cooperative relationship to favorably resolve this matter.

Sincerely,



EDDIE B. CALVO
Governor of Guam



MADELEINE Z. BORDALLO
Member of Congress