

The Honorable Lourdes A. Leon Guerrero
Maga'hågan Guahån
2019 STATE OF THE ISLAND ADDRESS
April 11, 2019 - 6:30 p.m.
Guam Congress Building in Hagåtña

“The State of Our Island is Promising”

To the First Gentleman and my gentleman, Jeff Cook; to Lieutenant Governor Josh Tenorio; Madame Speaker and members of the 35th Guam Legislature; Madame Chief Justice; Attorney General Camacho; Public Auditor Cruz; honored guests; Admiral Chatfield; members of the Diplomatic Corps; and my dear People of Guam ... Hafa Ådai and Good Evening.

It is indeed my highest honor to come before you, as Guam's first Maga'håga, to report on the present situation of our government - to speak plainly and truthfully - as we continue to deliver on our bold pledge to rebuild a government that is fair, safe, compassionate and prosperous for our people.

Our island is in a period of transition - a time of change and a time of renewal. Our people need to be confident that their Governor is making decisions to keep our finances stable and to prepare for the future. Our island needs to know that hope and opportunity for families and our future generations are always on our minds and that whatever conditions the Leon Guerrero-Tenorio Administration inherited, we are moving forward, charting a course with innovation, modernization, transparency, accountability and excellence in government service.

We can measure the current state of our island by how much trust people have in their leaders. We can measure the state of our island by how safe people feel - in their homes, on their streets, and in their daily activities. We can measure it by how many people have access to quality, affordable health care. And we can measure the state of our island by the opportunities we create to help people improve their lives.

The state of our island is what I am able to affirm today and it is this: We are here now, and the State of Our Island is ***Promising***.

Lieutenant Governor Josh and I acknowledged that the first step to effective governance begins with placing the right people into the right positions and ensuring leadership that you can trust. Our Cabinet Members and Senior Staff are some of the most talented and diverse individuals committed to serving our government agencies. Beginning with our Chief of Staff, Tony Babauta, our Deputy Chief of Staff Jon Junior Calvo, our Cabinet Members and Senior Staff -

please stand and be recognized. -- Your work is critical to the services we provide as a government and Lieutenant Governor Josh and I are thankful you have chosen to be a part of our “Familian Gubetno.” Also, I have restored a fair increment process in order to recognize the often thankless but excellent jobs that many of our government employees perform for our people on a daily basis.

Since taking office nearly a hundred days ago, we have assembled an effective and highly experienced Fiscal Discipline Team to re-ignite fiscal responsibility and fairness with regard to the manner in which our government collects taxes. This team is led by our Chief Advisor on Fiscal Discipline, Bertha Duenas, and includes Department of Revenue and Taxation Director Dafne Shimizu, Bureau of Budget Management and Research Director Lester Carlson, Department of Administration Director Ed Birn, and Guam Economic Development Authority Director Melanie Mendiola. We began a full assessment of public assets, liabilities, revenues, and operational expenses, and focused on collecting current taxes owed to GovGuam. Additionally, we are working closely with Attorney General Leevin Camacho in dedicating tax attorneys to pursue uncollected taxes to the fullest extent of the law. We are also committed to allocating the resources and technology needed at Rev and Tax to support this effort. I have said time and again that when everyone plays by the same set of rules and is held to the same set of standards, fairness is achieved.

I want to commend Senator Joe San Agustin, chair of the Legislature’s Office of Finance and Budget, and Speaker Tina Muna-Barnes, for honoring my request to refrain from new legislation that would negatively impact our current revenue sources and affect funding for health and education. I am grateful to all 15 senators of the 35th Guam Legislature for honoring this request.

As stated in my inaugural address, I have ordered a daily reporting of our government’s cash flow and I continue to monitor these reports regularly. These reports aren’t just numbers in front of me. They tell a story of where we are today and what we can expect in the days and weeks ahead. I am encouraged that recent reports signal a financial outlook that is promising. My fiscal discipline team reports that we are currently collecting within budgeted estimates. We continue to closely monitor fluctuations, especially in the area of income tax, which has been impacted by the changes brought on by the federal Tax Cuts Jobs Act of 2017.

Part of our cash flow process includes the timely issuance of tax refunds. Up to this point, we have already paid out nearly five million dollars in tax refunds. We will continue to issue your refunds in a timely manner, because these are your taxpayer dollars.

I also met with our bondholders from Standard and Poors and Moodys and laid out our vision for the government’s financial well-being. As a former banker, I spoke their language. I provided our investors with the assurances they need to continue placing their trust and their money in our

Guam investment bonds. I believe they have confidence in our commitment to fiscal discipline and I anticipate having a strong collaborative relationship with them over the coming years. Because of our sound fiscal policies, Guam will continue to have a strong credit reputation in the Capital Market.

Fiscal discipline will be the hallmark of our Administration. In all that we do, we will always strive to be worthy stewards of the public trust people expect of their leaders. Toward this effort, in our FY 2020 budget proposal, we are committed to setting aside two percent of General Fund revenues, placing us on a responsible path toward eliminating our deficit and addressing the long-standing problems that have led to our cash flow challenges. This change will allow us to set aside cash reserves through deposits into the long dormant Rainy Day Fund, building up to a reserve of 10% of our General Fund average spending over a three-year period. It will provide, for the first time, the building of a cash reserve for unplanned and unforeseen events. This reserve will also improve our government's credit and bond ratings for future financing of capital and infrastructure improvements.

In order to fully address GovGuam's financial situation, we must be strong in addressing the unfunded federal mandates that create a huge hole in our pockets - including the Compacts of Free Association Act, Earned Income Tax Credit and Medicaid benefits.

The people of the Micronesian islands have always been united through, and not separated by the Pacific Ocean. So we welcome our fellow brothers and sisters from our "Blue Continent" to our home. Yet the Compacts of Free Association Act has led to an increased demand on our local services and infrastructure, and Congress has refused to cover the costs of this burden on our government.

We have identified a total of \$1.4 billion locally funded Compact Impact costs incurred from fiscal years 2004 through 2018. Our claims for the total annual amounts have been partially rejected because the federal government tells us our calculations do not meet the standards set by the U.S. General Accountability Office. In order to meet these standards, my administration is working with Governor Ige of Hawaii to be sure that the formula we utilize to report our costs is accurate and universal to both our jurisdictions. The bottom line is that we need to be smarter when working with the federal government and that begins under my watch.

Earned Income Tax Credit is the second-largest unfunded federal mandate we face, second only to Compact Impact. While the 50 individual states are reimbursed by the federal government for their EITC payments, GovGuam is forced to pay out these tax reimbursements locally, from our General Fund. In the last 16 years, our EITC payments have increased from 11 percent of total tax refunds paid to 43 percent of all tax reimbursements. I spoke with Trump administration officials about this unfunded mandate while I was in Washington D.C. and I continue to make

our case with them on this issue. I also look forward to working with our Congressional Delegate Mike San Nicolas to resolve this inequity.

Another unequal federally funded mandate for Guam is Medicaid. In the states, Medicaid has an open-ended financing structure. In Guam and the other U.S. Territories, Medicaid is essentially a block grant with an annual ceiling. We stand to lose \$61 million dollars of these Medicaid funds that expire in September of this year. I am working closely with House Speaker Nancy Pelosi and acting Secretary of the Interior David Bernhardt to not only extend this deadline, but also to have Guam be treated equitably with regard to its calculation. As I have said before, we need to be stronger and louder in our arguments to Congress for fair and equitable treatment with regard to these unfunded federal mandates.

The loss of federal funds due to procurement challenges has been an issue for our local government. My executive order reactivating the Procurement Policy Office will provide for a more efficient process by allowing GovGuam agencies to procure goods and services in a timely and productive manner. This office will recommend changes to procurement procedures and laws. Goods and services procured with federal grant money will now be assisted by the Bureau of Statistics and Plans, led by Tyrone Taitano. I also look forward to working with Senator Sabina Perez' committee in order to streamline and modernize our procurement process. Issuing these executive orders is just one of the ways in which our administration is already making a difference for the people of our island.

Also, Lieutenant Governor Josh created a Governor's Task Force to reform our cumbersome government permitting procedures. The Bureau of Statistics and Plans is leading this charge, and will be working with other government agencies to streamline government permitting processes that everyone from developers to homeowners tells us is too cumbersome.

As we create a more efficient government, stabilize our finances and begin to experience savings, we are then able to dedicate these additional resources to our priorities. First among them is public safety. I recall just a day after the general election, a woman came up to me and said, "You know Lou, for the first time in a long time I feel safe and I can sleep better at night." That encounter not only reminded me of the magnitude of this office, it said something bigger. It said that we have an awesome responsibility to ensure that our people can feel safe in their homes. They can find comfort knowing their children will be safe walking home from school. They feel safe getting into their car after coming out of the grocery store. And like that woman, our people can sleep better at night.

In order to make our people feel safe, we must put more police officers on our streets and in our neighborhoods. The Guam Police Department, led by Chief Stephen Ignacio, is recruiting 30 additional police officer trainees for the next training cycle and we anticipate their hires at the

end of the month. During this same time, five police trainees will graduate and, as new officers, they will be assigned to neighborhood patrol, adding to the already increased police presence on our village streets. And our FY-2020 budget proposal provides an additional \$3 million dollars to hire more police officers.

We will soon cut the ribbon to open the new Central Police Precinct in Sinajana, made possible by the partnership between GPD and the Guam Housing and Urban Renewal Authority. This \$3.2 million dollar precinct will replace the Hagatna Precinct with a modern, state-of-the-art facility. GPD, in partnership with the Guam Community College, is also on track to begin construction on a new DNA crime lab, which will assist the department in solving more crimes while providing for good paying local jobs.

Part of our public safety strategy includes addressing Guam's catastrophic drug problem by stopping the importation of illegal narcotics at our ports of entry. After visiting with the Guam Customs and Quarantine Agency, under the direction of Ike Peredo, there was no mistaking that they need additional officers. I am pleased to report that there are 29 trainees in the 11th customs training cycle and soon those officers will be assigned to our ports, borders and operational areas. In the coming fiscal year, we have committed \$1.2 million dollars to recruit and train an additional 50 new customs officers to tackle this scourge on our island.

Our Guam Fire Department, led by Chief Dan Stone and his team, stands ready to respond to local and national emergencies. GFD now has 45 newly commissioned firefighters and continues to leverage federal funding opportunities to maintain operational readiness. Shortly, we'll also see the rollout of a long-awaited paramedic program that will upgrade the medical response aspect of our emergency responders.

In February, Typhoon Wutip tested our government's response capabilities and I am proud to say that our agencies, led by Acting Gov. Josh Tenorio, came through with flying colors. Guam Police Department officers were out in COR 1 making sure everyone and everything stayed safe, and our Department of Public Works, led by Jesse Garcia, helped to eliminate much of the flooding that usually occurs in low-lying areas of the island. Another contributing factor to the successful handling of the typhoon was that all heads of agencies involved had attended the Office of Homeland Security's training on Guam's emergency preparedness system, under the leadership of Tim Aguon.

At the Department of Corrections, director Samantha Brennan is working to hire 30 additional officers budgeted for in Fiscal Year 2019 - this will greatly cut down DOC's overtime expenses and provide for a safer prison environment. DOC also budgeted for a prisoners' commissary to cut down instances of smuggling contraband into the prison, and has implemented a Residential Substance Abuse Treatment Program.

At the Department of Youth Affairs, director Melanie Brennan has taken a proactive approach to prevention measures, where DYA staff work with at-risk youth in our communities to channel them into productive activities and keep them out of DYA.

As I mentioned, public safety is a top priority of our administration and I want to acknowledge Senator Pedro Terlaje, who chairs the Legislature's efforts on public safety. Your support and unwavering commitment to our law enforcement personnel and public safety agencies is welcome, but more importantly, promising.

As many of you know, I began my career as a nurse and it's no surprise that providing quality healthcare to our people is personal to me, and quite frankly, to our administration. Some of you might know this, but I've actually maintained my certification as a Registered Nurse.

Access to healthcare is a fundamental right of every individual. The Department of Public Health and Social Services is the gatekeeper of the health needs of our island. Under the leadership of Linda DeNorcey, our administration is providing the necessary resources to ensure that our people have access to a quality public health system - from preventative measures like immunizations to access to regional health centers and long-term care. I also welcome the leadership of Senator Therese Terlaje, who chairs the Committee on Health, on these efforts.

With regard to the use of marijuana for medical purposes, Public Health has established the Medical Cannabis Regulation Commission and appointed eight of its eleven members. Once full, the commission is tasked with ensuring the best and safest way to enable patients to use medical cannabis to provide relief from debilitating medical conditions.

My decision to sign Senator Clynt Ridgell's bill to legalize the use of cannabis was based on the best interests of our island. I want to thank the eight senators who courageously voted to pass this legislation. I believe that we have to control cannabis use here, rather than having it control us. My administration is dedicated to fulfilling all of the requirements needed to regulate the cannabis industry, and to ensuring that the laws surrounding the safe adult consumption of cannabis remains current and relevant for our island.

When our only public hospital lost its accreditation, it lit a fire in me to regain what we worked so hard to attain when I was serving as a trustee of the Guam Memorial Hospital Board. I want to reassure all of you that there are hardworking medical personnel and employees who show up day-in and day-out at GMH, now under the direction of Lillian Posadas, because they understand that their mission is a matter of life or death for many of our loved ones. In fact, these everyday heroes like Dr. Joleen Aguon just saved the life of Vince Arriola, our director of Public Works.

We need to recognize the thankless efforts of these men and women and ensure that they have the resources necessary to do their jobs.

In the early days of our administration, the Centers for Medicare and Medicaid Services granted the hospital's request for a rebase adjustment. What this means is that Medicare reimbursements to GMH will almost double, infusing over \$6 million more dollars annually into GMH. This will allow our hospital to receive close to what it should receive for the costs of its services. This really is historic for our island, because it is something we have been working for decades to get adjusted.

As we look at the broader healthcare spectrum, the Guam Behavioral Health and Wellness Center has made significant progress, under the leadership of Therese Arriola. We continue to see that trend with the reopening of an intensive inpatient detoxification unit for the island as well as the strengthening of evidence-based drug and alcohol treatment programs that service hundreds of clients each year. Additionally, I look forward to seeing the full implementation of the center's fee schedule as a way of generating additional revenue to further support its operational needs.

As a community, we are measured in part by our successful economy and our prosperity, and also, by how we help those with special challenges. The Guam Developmental Disabilities Council, under the leadership of Jermaine Alerta, and Director Phyliss Leon Guerrero of the Department of Integrated Services for Individuals with Disabilities, are highlighting the societal contributions of individuals with developmental disabilities.

One example is Nik Claros, a 22-year-old young man hired recently at the Guam Police Department as a clerk. Nik, who is autistic, was hired under a 2002 public law which seeks to provide opportunities for persons with disabilities. GovGuam has not hired anyone under this program in years. Nik is now a productive member of the GPD staff. Evelyn, Nik's mom, is here with us tonight. Evelyn, you must be so proud of your son. I know I am.

While we are working to provide employment opportunities to more residents and diversify our economy, tourism remains vital to our continued economic prosperity. Since 2016, Guam has welcomed over 1.5 million visitors each year with an average annual growth of nearly four percent. These growing arrivals support over 21,000 jobs for our island and generate nearly two billion dollars in sales and \$260 million in government revenue. I am confident that through the leadership of Guam Visitors Bureau President and CEO Pilar Laguana, Guam will continue to have unprecedented growth in the tourism industry and be the choice destination for tourists in the Asia Pacific Region.

As the first and last portal through which over one million visitors and travelers enter and leave our beautiful island each year, the Antonio B. Won Pat Guam International Airport gives our visitors their first and final impression of Guam. To enhance that impression, the Airport is working toward full completion of its International Arrivals Corridor, as well as building a separate air terminal for inter-island air service to enhance our connectivity to our neighboring islands. I have complete confidence that under the leadership of former senator Tom Ada, the airport team will get the job done. And I know that as chair of the committee overseeing air transportation, Vice Speaker Telena Nelson will support the airport's efforts.

Our economic prosperity requires a modernized commercial port that is a first-class facility providing cargo handling services in a safe, efficient and sustainable manner. In order to serve as the Hub of Micronesia, the Port, through the leadership of General Manager Rory Respicio, is pursuing incentives to develop a fuel facility, identify a recycling enterprise zone location, build a cruise ship facility, and reprogram \$7 million to address much-needed repairs.

For too long the mission of the Guam Economic Development Authority has been overshadowed by its off-island efforts. Under the leadership of Melanie Mendiola, GEDA is renewing its mission to develop a sound and sustainable local economy through innovative programs that preserve and promote local culture, economic opportunities, and quality of life. GEDA is working to diversify our island's economy through expansion of the agricultural industry by providing support and coordination with many of our farming organizations. GEDA will also soon launch the Agriculture Accelerator Program, a program to get local produce in our public schools by 2020.

GEDA's Qualifying Certificate program has provided economic incentives to investors to build Guam's economy over the years. I have asked GEDA to look at this economic growth tool to learn from past uses while employing it to expand opportunities for our small businesses such as the Recycling QC program. Additionally, GEDA has finalized a QC Community Contribution Grant Program expected to start next fiscal year to award funds to our local nonprofit organizations and government agencies in need of assistance.

Another of the ideas Lieutenant Governor Josh and I have explored to boost our economy is to bring new revenue to our island in the form of fresh, sustainable investments. GEDA and my Chief Advisor on Economic Development, National, and International Affairs, former Governor Carl Gutierrez, have carved out focus areas ranging from small business incubation to technological advancement. The economic redevelopment of our capital is part of that effort.

I am so proud to be delivering my first State of the Island message in this historic and beautifully refurbished Session Hall. This great hall fulfills a portion of the master plan of the Hagatna

Restoration and Redevelopment Authority headed by Lasia Casil, and overseen by legislative chair of the Hagatna Revitalization Senator Kelly Marsh Taitano.

Revitalizing our culture and our CHamoru language are also tied to our economic sustainability, and for that I am counting on the lead efforts of Ann Marie Arceo, executive director of the Kumision I Fino' CHamoru.

Because properties belonging to the Government of Guam are properties that belong to the people of Guam, GEDA is also collaborating with Jack Hattig from the Chamorro Land Trust Commission, Joe Angoco from the Guam Ancestral Lands Commission, Joe Borja from the Department of Land Management, and other agencies to improve the efficiency of the government leasing process. Our Mayors know our villages and our village residents. The mayors are working with GEDA to identify Opportunity Zone projects that may benefit the villages through jobs and increased economic activity, and we thank them for this important effort.

The success of our economic future is heavily dependent on how much we invest in the education and training of our local workforce. With David Dell'Isola at the helm of the Department of Labor, I am confident that we will have a skilled local workforce that can take advantage of the opportunities of tomorrow. DOL reports that the island's low 3.8 unemployment rate may drop even further with wage rates increasing.

The Guam Registered Apprenticeship Program is a win-win for both employers and employees. This program provides significant tax incentives and savings for employers while training their employees. We encourage the legislature to renew this important legislation, which is set to expire at the end of this year.

The lack of a reliable public transportation system that can get them to work or to school is a long-standing crisis for many of our residents. The Guam Regional Transit Authority, now under the direction of Cel Babauta, has already completed the specs for procurement of 10 new buses funded by the Federal Transportation Administration. GRTA is also working on a new "One Call - One Click" transportation management system that will greatly improve customer service and enable riders to make reservations, purchase bus passes on-line or by mobile application and view the bus schedule. As I have said, positive change is coming.

While our administration prioritizes building a vibrant and local workforce, a supplemental foreign skilled labor workforce continues to be instrumental to our economic growth. I am pleased that several contractors have been recently approved to bring in over 300 H-2B visa workers from the Philippines. As I told the White House, members of Congress, the Department of Homeland Security, and the U.S. Citizenship and Immigration Services during my trip to DC,

every project on Guam is tied to the military buildup. We are one community and we need to stand strong in forcing the federal government to recognize this fact.

The military buildup is on everyone's minds because it now has an \$8.7 billion dollar price tag. The Guam Build-up Office, led by Vera Topasna, together with my Chief Advisor on Military and Regional Affairs, former Senator Carlotta Leon Guerrero, are monitoring build-up related activities to ensure a "One Guam" approach. We look forward to working with Senator Regine Biscoe Lee on the buildup, in her capacity as legislative oversight chair of federal affairs. I also want to acknowledge and thank Rear Admiral Shoshana Chatfield, Commander of Joint Region Marianas, for her partnership; I am looking forward to working with her and convening the Civil Military Coordinating Council to address buildup issues.

With the military buildup and the economic influx it will bring, our administration is determined to see that it be done responsibly and at a pace that will benefit and respect our local people, culture and environment. We need to strengthen our legal capacities so that we can, for example, uphold the Endangered Species Act in order to protect our resources and environment. Renewable energy is also on our radar and our Guam Energy Office, led by Rebecca Respicio, will head this effort.

The Department of Agriculture, under the leadership of Director Chelsa Muna-Brecht, is working with our local farmers and fishermen to create sustainable agriculture, aquaculture, and commercial fishery projects, along with effective monitoring and conservation strategies. The Department is partnering with UOG, GCC, and federal and non-governmental organizations to improve educational opportunities, vocational training, and internships in these areas.

There is no mistaking that the promise for our future lies in educating our children in a safe and productive learning environment. Our School Safety Partnership Program will provide actionable steps to improve safety at our island's public schools. Lieutenant Governor Josh and Superintendent Jon Fernandez co-chair this partnership and our proposed budget will dedicate a half million dollars to ensure that our children are safe in their schools.

When it comes to Simon Sanchez High School, we are committed to finally moving this project forward smoothly and quickly so that students and faculty at the Home of the Sharks will benefit from a new and modern educational facility.

I am excited to know that the Guam Community College, under the leadership of Dr. Mary Okada, will be offering a two-year Associate of Science Degree in Nursing beginning this fall. And who knows, perhaps one of these soon-to-be nurses will one day become Governor.

The University of Guam, with Dr. Thomas Krise at its helm, will start construction on its new

School of Engineering this year. This facility will include laboratories for hydraulics, soil and structure and environmental engineering. Finally, we will be able to have home-grown engineers, a much-needed profession to move our economy forward.

Later this month, I plan on signing another executive order to create an aquaculture task force. I am optimistic that this industry, when developed, will make Guam a regional hub for fresh farmed seafood. Our efforts will benefit from UOG's expertise as they will soon enter into a public-private partnership to produce resilient and sustainable food sources for both export and local consumption.

We are excited about the collaborative efforts that all three of our island's public education institutions have developed with each other and with our partner colleges throughout the region. I know that stable funding has been an issue over the past several years for all three institutions. Our administration will ensure that allotments for education are never held back; that stops now because our children and teachers deserve no less.

The dream of homeownership still eludes many of our island residents but we are working to turning that dream into a reality. Ray Topasna, GHURA's Executive Director, has cut the ribbon for 130 low to moderate homes in Dededo since taking over the agency. To date, Guam now has 1,500 such units built with federal tax credits, and just last week the housing authority approved the award of a contract to design a Residential Treatment Center for Women in Tiyan.

GHURA isn't the only agency helping families feel the pride of owning their first home. Yesterday, I joined the president of the Guam Housing Corporation, Alice Tajjeron to give more than 30 families additional help towards purchasing their first home. This was made possible thanks to the Guam Housing Corporation's First Time Home Owners Assistance Program, which pays up to \$10,000 of the total cost of a home.

Alice and her team at Guam Housing are doing important work to also provide low cost rentals for those individuals and families who would otherwise not be able to afford the market. Guam Housing Corporation is also helping veterans with their VA loans and providing mortgage loans to Chamorro Land Trust owners.

Recreation and exercise are important for our community's health and social welfare. Toward that effort, our Department of Parks and Recreation, under the direction of Richard Ibanez, has already reopened the Dededo pool. This Saturday, I'm told he will actually jump into the Hagatna pool to officially reopen it, and I may just follow him.

There is so much promise for the state of our island, but the complete realization of what the future holds for us cannot be achieved without first determining our own destiny. Although pending litigation prevents us from setting a date to hold a plebiscite, it will not deter us from moving forward on an education and outreach campaign for our status options. I am relying on Melvin Won Pat Borja, executive director for the Commission on Decolonization, for this task. We alone are responsible for this choice about which path Guam will pursue, whether it be statehood, free association, or independence. No one will do it for us, and I am committed to seeing this entire process through.

Shortly after I took my oath as Maga'håga and Commander-in-Chief of the Guam National Guard, 71 soldiers were mobilized in support of the THAAD, which was deployed to Guam to secure and protect critical assets from bad actors in the region. Over 80 Guam Air National Guard personnel are currently deployed all over the world, and next month over 200 of our Guam Army National Guard soldiers will deploy to Egypt on a peacekeeping mission.

I want to commend the leadership of our Adjutant General, Colonel Esther Aguigui, who I am proud to recognize as the first woman appointed to this top leadership position. I am confident in her ability to sustain our Guam Guard's reputation as one of the best units in the nation. We are proud and humbled by the service and sacrifices of our soldiers and airmen and women. We pray for their safe and swift return home, and we are also grateful to their families for their sacrifice and support.

To the members of our military services who are no longer serving, our veterans - your patriotism and love of island and country remains unquestioned. You deserve so much better than what you have dealt with in the past. The Guam Veterans Affairs Office, led by your fellow-veteran Fred Bordallo, is working in coordination with GHURA to identify land and federal requirements in order to build a brand new veterans center for Guam. The Veterans Affairs Office is also completing plans to expand our veterans cemetery and reviewing applications for Guamanian veterans to receive the Congressional Medal of Honor. Fred has also proposed the establishment of a Veterans Advisory Council, which I will act upon this month.

This year marks the 75th Anniversary of the Liberation of Guam. It is the time when we highlight the stories of our manamko⁷ - the members of our island's Greatest Generation. During the Japanese occupation, they were interned, forced to work and march, raped, beaten and beheaded. We must never forget the suffering that they endured, or the strength and courage they exhibited in the face of such adversity.

Today, despite the passage of federal legislation that recognizes their suffering and will provide monetary parity, more legislation is now necessary to bring both survivors and heirs final

closure. I will support any federal legislation that will give this issue the fix that is needed, and I appreciate Senator Amanda Shelton's resolution to do the same.

Still, this current situation is unfair and unacceptable to the remaining survivors of our occupation. Last week, I met with Interior Assistant Secretary Doug Domenech to discuss a plan to use unexpected reconciled Section 30 funding to award valid claims to living survivors under the Guam World War II Loyalty Recognition Act. Tomorrow I will send a letter to the White House and to the Interior Secretary to expedite this plan and award these claims, because I am determined to make this right as soon as possible. I'm encouraged by my meeting with Assistant Secretary Domenech, but I know this will still take a great deal of effort. This isn't about the monetary value--no amount of money can heal the wounds from war. This is about the principle of just compensation for the people of Guam.

As we prepare to honor our survivors with this year's Liberation theme of "Peace and Friendship," let us draw on the strength and resilience they exhibited during the war by being strong in our commitment to build a legacy that honors their sacrifices.

I want to thank you for being here tonight. And to those joining us on TV or on social media - thank you for welcoming me into your homes or places of work as I share with you the State of Our Island and the promising future it holds for all of us.

Each of you represents the promise of a government and an island that can be more productive and more sustainable when we move forward together. All of us must use every fiber of our being to help each other become stronger and better. We must use our resources to help us reach our goals and to lift each other up at every instance. We must listen to our inner voices and trust our instincts in every decision we make, even the most difficult ones. And most importantly, we must do all that we can possibly do, using not only our physical strength, but also the strength of our hearts, our minds, and our spirits, to improve our quality of life, as one island.

Josh and I are humbled by the honor and opportunity to serve you.

This is the State of Our Island and the start of a promising journey. *Si Yu'os Ma'åse* and God Bless Guam!

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