

**The Honorable Lourdes A. Leon Guerrero**  
***Maga' hãgan Guåhan***  
**2021 State of the Island Address**  
**Guam Congress Building**  
**March 08, 2021, 6:30 PM**

***The State of Our Island is Rebuilding Anew***

**I. INTRODUCTION**

Lieutenant Governor Josh Tenorio, Madame Speaker Therese Terlaje, Chief Justice Phillip Carbullido, Delegate Michael San Nicolas, members of the 36th Guam Legislature, Mayor Jesse Alig, Mayors and Vice Mayors, members of the Diplomatic Corp, my First Gentleman Jeff Cook, distinguished guests, friends, family, and my dear People of Guam—

Last year, I stood at this very podium and reported that the state of our island was stronger than it had been just one year before.

Unemployment was down.

Job opportunities were up.

Tourism arrivals had achieved record highs.

We returned tax refunds on time—paying within months instead of within years.

We ended costly receiverships at Guam Solid Waste Authority and Guam Behavioral Health and Wellness Center.

And we finally closed a long chapter for our World War II survivors—only to find ourselves thrown into the first global struggle of the 21st century.

**II. COVID-19**

The COVID-19 pandemic invaded our shores last March. It took lives and livelihoods—it masked us and robbed us of how we comfort the sick, greet those we love, and educate our children.

COVID-19 stole a year from us, but it could not steal who we are for one another.

Even now, I ask that we take a moment of silence to honor those 133 lives cut short by this virus.

Yet even in the darkest moments of this pandemic—

We did not yield.

We did not quit.

We did not allow fear or frustration to break our spirits.

When FEMA first analyzed the potential course of COVID-19 on our island, their models projected we could lose up to 3,000 lives if we did not intervene.

Knowing that we had a small window of opportunity to prevent this from becoming our reality, we acted as quickly as we could.

Lacking the authority to close our Guam International Airport, we established the first mandatory quarantine for foreign travelers in recent history—long before other states like Hawaii followed suit.

To date, 41% of our cases this year have been identified in quarantine.

To prevent further community spread, we were the first among the states and territories to implement a Stay-at-Home Order, to include the mandatory closure of all non-essential businesses, mask mandates, and the observance of six-foot social distancing.

I know these were not popular decisions. But we made these policies based on science and based on medical advice from the State Surgeon Cell and Physicians Advisory Group.

We made them because it was the only way we could contain the virus and prevent the collapse of our healthcare system.

As COVID-19 has so clearly demonstrated, the real danger comes from more people needing acute treatment than healthcare systems can handle. No ICU beds for stroke patients, for heart attack victims, or for those suffering from trauma.

Equally tragic, doctors and nurses would have to decide who lives and who dies because supplies and equipment could run out.

This was the reality for many communities across the globe.

Every step we have taken, every course of action has been done with that in mind.

Working with the Mayors, under the leadership of Public Health Director Art San Agustin and with our dedicated Public Health employees, we were able to expand our testing capacity from just dozens a day to a daily average exceeding more than 500 tests.

As testing expanded, so too did our ability to track and trace positive cases. We turned a bureau of 12 contact tracers into an army of 138 throughout the public and private sector.

We also harnessed the power of technology in other ways—partnering with the private sector and academia to create apps that tracked COVID positives, conducting periodic health screenings, and notifying those who were at risk for infection.

Test, track, and treat—that was our approach to fighting COVID-19.

And because of your commitment, your patience, and your understanding, it worked.

Together, we fought back not one, but two surges of this virus.

We went from a COVID AREA RISK score of 47, with as many as 150 people testing positive in a single day, to a CAR score of zero point one.

I want to acknowledge those who so valiantly gave of themselves to bring us to this point—

To the service men and women who stand at the watchtower of freedom, to the nurses, doctors, and employees on the front lines at Public Health, GMH, and GRMC, to our first responders, law enforcement officers, to the grocers, cashiers, food service workers, community food distribution workers, truck drivers, repairmen, to all those who kept our economy afloat—thank you.

Madame Speaker, it is in recognition of this shared strength and the stubborn will of our people—that our island is rebuilding anew.

Tonight, I want to talk about how we will achieve that shared mission—together.

### **III. ECONOMY**

It begins with our economy.

Our economy cannot thrive if its people are sick and dying. In navigating this pandemic, my Administration had to first prioritize the health of our community.

But we also had to continue to lay the foundation for Guam's economic recovery.

We cut our deficit in half—from 83 million to 47 million dollars—in just one fiscal year, paying off liabilities that have been on our books for too long.

We delivered on our promise to bring back H-2B workers to meet the needs of our island.

To protect the health of our economy, we put out nearly 1 billion dollars in federal assistance and services so people could put food on their tables and businesses could keep their doors open.

We injected nearly 3,500 awards totaling over 270 million dollars into our island through the Paycheck Protection Program and Economic Injury Disaster Loans.

Guam was the only territory to provide direct aid to small businesses. Under the leadership of Mel Mendiola, GEDA created the Small Business Pandemic and Healthcare Stabilization grant programs, channeling nearly 20 million dollars to help our small businesses stay afloat.

We implemented a nearly 5 million dollar Rental Relief Grant Program—joining less than a handful of states that provided any form of commercial rent relief.

Knowing the economic impact our public health policies would have on our people, we quickly established Prugrãman Salãppe' Ayudon I Taotao and devoted over 16 million dollars to the people who needed our help the most.

My Administration put out over 800 million dollars in federal assistance through EIP, PUA, and LWA.

Despite the devastation that COVID-19 brought to our shores, we see signs every day that we are fighting back.

The Department of Revenue and Taxation issued over 1500 new business licenses from March to September 2020.

We've seen the birth of personal shopping businesses and delivery services; people are earning money by sewing masks, baking, creating art.

Children are going back to school.

And friends who haven't shared a meal in months can break bread at restaurants once more.

Entrepreneurs are adapting, growing, and hiring again.

Businesses are changing their models and collaborating to offer products online or in other unique ways.

#### **IV. UNEMPLOYMENT INSURANCE**

Still, we must address the devastating fact that through no fault of their own, at the height of this pandemic, nearly 30,000 of our people lost their jobs or experienced a reduction in hours.

Few made enough to save. And none of them had the security of unemployment insurance—something guaranteed in each of the 50 states and Puerto Rico.

Democrat or Republican, nearly everyone agrees that unemployment insurance makes economic sense. Its logic is clear and simple: businesses prosper when people have money to spend.

With the right local law in place, I believe Guam can fund its own unemployment trust.

We can do this by securing no interest federal loans—loans that can be offset entirely by the amount owed to us in Compact Impact debt. Congress recognized this in a 2003 federal law, and my Administration, together with the Department of Interior and our Delegate's Office, will fight for its implementation.

By achieving this goal, generations of workers will know that their basic livelihoods will be insured against acts of God, economic terror, or as we have experienced, a global pandemic.

Thanks to our friends in Washington, DC and the National Governors Association, we benefited from an emergency federal unemployment program.

To the men and women of the Guam Department of Labor, led by Dave Dell'Isola: unemployment insurance in this country evolved over decades—yet you built this emergency system in just eight weeks.

You helped thousands of families survive.

I, and our people, thank you.

To the employees of Rev and Tax, under the leadership of Director Dafne Mansapit-Shimizu, and DOA, led by Director Edward Birn, you made sure men, women, and families were able to get the relief they needed. For that, we thank you.

#### **V. ONLINE BUSINESS LICENSE AND PERMITTING**

COVID has also highlighted one of Guam's perennial challenges: our government's antiquated permitting and licensing processes.

Tonight, we set a goal simple in concept but complex in execution.

Last year we created the Governor's Task Force to Reform Government Permitting Procedures. And before this year is out, my Administration will pilot a system of online business permitting—slashing wait times, harmonizing different agency requirements, ending long lines, and decreasing the uncertainty and permit lag time that slows and frustrates business growth.

But we know that our progress must go further—we need to improve our business licensing and building permit process as a whole. As we emerge from this pandemic and usher in new investment to re-energize our economy, I am appointing former Governor Carl Gutierrez as the permit czar—a collateral duty to his role as GVB President and CEO. It is time we transform slow and outdated government bureaucracy through innovation and results. To the aspiring entrepreneurs and the investors seeking opportunity on Guam—maila halom! We are open for business!

Senators, we all have a stake in how this process must protect our natural resources and adhere to our laws. But it must do so without holding responsible businesses, home builders, and developers hostage to government inefficiency. I know we can work together to get this done.

#### **VI. INTERNET FOR ALL**

As we lay the foundation for a stronger, better, more prosperous Guam, we must acknowledge the fact that too many on our island do not have access to reliable and stable internet—a necessity in our increasingly digital world.

We are currently developing broadband infrastructure to support islandwide internet that is accessible and equitable for all of our people. On an island 30 miles long, there should be no excuse for digital inequity.

As a pilot to Internet for All, my administration has been working with the Guam Department of Education and the Mayors Council of Guam to bring internet services to students who need it the most. We have already received the procurement bids and they are being evaluated. Soon, thousands of schoolchildren will have access to reliable internet services.

As 2021 has welcomed students back to their physical classrooms and made allowances for those families that felt safer learning at home, I must also report on our progress in addressing old education problems in new ways.

While others only talked about the need to build a new school, my Administration put up the money to make it a reality. We secured the funding needed for the design of a new Simon Sanchez High School and the contract has been awarded.

This thorough process will ask the Shark community to envision and plan a school facility that meets their needs. It will take months and demand consensus and compromise. And we anticipate breaking ground on the new Simon Sanchez High School before the end of 2022.

## **VII. REBUILDING TOURISM**

COVID-19 has forced us to adapt to a different, more digital world, and we know we need to expand Guam's economic horizon—but the fundamentals of our tourism industry are still strong.

Prior to COVID, nearly one-third of private sector jobs were tied to tourism. But we know this industry is fragile—we've seen how strife in one part of the world affects travel to our region.

I propose to you that now is the time to renew our investment in Tumon—and acknowledge that to expand tourism, all of Guam must improve.

To do this, I am recommending that the legislature commit the first 50 million dollars in proceeds from the legal sale of cannabis to end flooding in Tumon, invest in island beautification and cultural preservation, and repair village roads.

I know that our tourism industry worries about our image with regard to cannabis. I hear your concerns, but the legal sale of cannabis will not define us. We must use the resources we have to shore up when times are hard, in order to be ready to compete against the world when times improve.

## **VIII. DAVE SANTOS ACT**

To jumpstart our economy, we must invest in those hit hardest by COVID-19. That is why we cut small business taxes twice in the last term.

Now 85% of taxpayers who file GRT—businesses making 250,000 dollars or less in gross annual income—pay a 3% Business Privilege Tax—not 5%.

Senators, send me a bill that eliminates the sunset provision on these small business tax cuts, and I will sign it.

Still, cutting taxes and reinvesting the proceeds of a new industry to strengthen tourism won't be enough.

## **IX. Military Spending**

As new industries begin to take hold on Guam, we cannot ignore those that have withstood the test of time. As our tourism economy faltered under the weight of COVID-19, federal and military investments kept Guam going.

Only 17% of the 8.7 billion dollar investment in the Guam Buildup has been infused into our economy, and the current National Defense Appropriation Act commits more than 630 million in new dollars for Guam.

Thanks to the work of our Community Defense Liaison Office, our partners in the Department of Defense, and our allies in Congress, we won new NDAA funding for the full construction of a public health lab, the opening of the cultural repository, and the expanded use of foreign labor on civilian projects.

Taken together, these investments—these fundamental shifts in the status quo—will unchain our construction industry, spur development, help us preserve our culture, and create jobs.

Still, we cannot ignore the uncertainty of relying on too few industries. Data shows that states that had multiple industries did better during this pandemic than states that had concentrated efforts in one or two.

## **X. Job Creation**

We can fix this with jobs—more jobs and higher paying jobs in a diverse range of fields.

The two fastest growing sectors in the United States are healthcare and technology—industries that my Administration has been working on since we came into office.

Early last year, I tasked GEDA to create committees to explore healthcare, technology, and telecommunication opportunities to better understand and expand our labor force.

We also partnered with the Guam Chamber of Commerce to establish the Economic Diversification Working Group. What began as a white paper is now a committed partnership between GovGuam and the private sector.

We've introduced training programs at the University of Guam and Guam Community College for nursing assistants, provided nursing students with on-the-job training, and for the first time in Guam's history, provided a paramedic certification program with the Guam Fire Department.

And using an 8.7 million dollar grant from the Economic Development Administration, UOG will construct more nursing school classrooms and a new lab to monitor our aquifer—projects that are expected to create nearly 250 more jobs.

In 2020, despite the pandemic, over 600 people participated in local apprenticeship programs.

We issued nearly 5 million dollars in tax credits through the Guam Registered Apprenticeship Program, allowing our local businesses to hire more people.

To help continue their mission, Guam Department of Labor has been awarded a 5 million dollar grant to expand their dislocated worker program. Workers who suffered job loss as a direct result of the pandemic will continue to receive additional training to pursue new careers in healthcare, construction, and more.

We sponsored a truck driving boot camp at GCC so people could find new career opportunities.

Even before the pandemic, businesses like Cabras Marine knew that the foundation to growth is quality training and education, and so they partnered with GCC to offer Ship Repair Transportation Boot Camps.

Last year, I came to this hall excited about the public private partnership at UOG's Aquaculture Development and Training Center. Since then, an idea that started in academia now produces more than 1,000 pounds of pathogen-free shrimp a month—sold at both the wholesale and retail levels.

Through their partnership with CoreSeed Aquaculture, UOG can provide us with access to a potentially multibillion dollar industry for Guam, create jobs, and supply us with locally-produced food.

Not only can it become a foundational pillar of our economy, but it also helps us to become more self-sustainable, in line with our Guam Green Growth initiatives.

One of those initiatives is the opening of the G3 Circular Economy Makerspace and Innovation Hub at Chamorro village. Entrepreneurs will be able to gather in a place filled with tools and equipment to transform waste into marketable products.

G3 will help our people turn waste into cash, and give them an ownership role in our transition to a cleaner and more sustainable Guam.

These initiatives will help us to become more self-sufficient and better positioned to withstand future economic disruptions.

But for business opportunities to be real, they must also be a part of an expanding circle.

## **XI. Women-owned Small Business Set Aside**

Now more than ever, public dollars must stand behind all small businesses—especially those led by female heads of household.

The World Bank reports that this pandemic has hit women harder. Women have had to drop out of the workforce in larger numbers due to child and parental care issues —especially those employed in retail, food service, and tourism.

And while women represent half of the population, we represent only about 20% of business owners on Guam.

I cannot accept this reality for my granddaughters—or yours.

Today, March 8th, is International Women's Day. Senators, to empower the women in our community, I am ready to sign legislation that would provide local women-owned small businesses with a set aside—mirrored after the local statute that prioritizes service-disabled veteran-owned businesses and programs already operating for decades in the federal government. This partnership between my Administration, the Guam Women's Chamber, and the Legislature will make meaningful policy to uplift generations of women.

All of you realize the special business challenges these groups face.

This program will pair big contracts with smaller companies to create local jobs.

And these jobs will help guarantee our people more than just a paycheck.



## **XII. SUTA**

For many, the struggle is not only how to feed their families, it is also to be able to find a safe place to sleep.

At the beginning of 2020, I announced that my Administration will reassert our designation as a substantially underserved trust area, or SUTA, with USDA.

After settling the Chamorro Land Trust Commission lawsuit, we can finally begin the process to access resources to run water and sewer lines and electricity on CLTC property.

Before this year is over, we will apply for a SUTA grant so families can finally use their land and build their homes.

## **XIII. Homelessness**

But no amount of progress can hide the most devastating manifestation of poverty.

Last year, I announced Project *Atof*, our plan to address homelessness. Under Lt. Governor Josh Tenorio's leadership and through our Office of Homelessness Assistance and Poverty Prevention, we established a temporary homeless shelter.

Over 300 hundred individuals have gone through the Global Dorm in Maite—half of them children. To end the cycle of poverty, through our partnership with the Guam Homeless Coalition, we connected each of them to medical care, behavioral services, food and benefits assistance—services people need to get back on track.

To ensure those in school did not get left behind, we converted one of the rooms to a learning center.

And since July 2020, three families have transitioned into GHURA homes with 15 more families in the process of getting stable housing.

The Department of Interior recognized our efforts, and we have now been awarded a 3 million dollar grant for a permanent facility.

As we work to craft and implement these policies, our economy can never lose sight of the future. Last year, I noted that to build what isn't there, we have to see what others can't.

## **XIV. STEM Education**

And for that, we look to the stars.

I am happy to announce that in the coming year, the Guam Air National Guard, under the leadership of Adjutant General Esther Aguigui, will establish the federally-recognized 254th Space Control Squadron. This new squadron will increase the size and strength of our Air Guard and provide high-tech training in space and cyber security-related fields. These skills will strengthen our national security and plant the seeds of a 21st century economy we can grow.

Furthering that effort, 2021 will see the Guam Air National Guard establish STARBASE Guam, a federally funded civil military program that educates students in Science, Technology, Engineering, and Mathematics.

STARBASE Guam will provide hands-on, high-tech, real-life experiences to thousands of Guam's elementary school students—lessons that will inspire new generations and expand their awareness of STEM careers.

While we recognize the economic investments new skills in STEM will bring, if COVID-19 has taught us anything, it is that our economy is only as strong as our healthcare system—and that system is only as strong as the men and women who put on their scrubs and masks and report to work every day.

## **XV. GMH Accreditation**

We all know Guam Memorial Hospital has been challenged for years, but our struggle with COVID-19 proved that it could still be counted on.

While hospitals far better funded than GMH crashed throughout the world, our island's only public hospital stared down waves of COVID-19.

It did so because the professionals at GMH stood watch together.

Under extraordinary strain, they adapted and they overcame.

This year, GMH administrator Lillian Posadas will begin the difficult process of regaining hospital-wide accreditation.

Lillian and I both served on the Board that achieved accreditation at GMH for the first time back in 2010. We know that seeking accreditation does not mean you are perfect, it means you are willing to face and fix your deepest flaws. It requires honesty, tireless focus, and the commitment of everyone entrusted with the mission of GMH. The end goal is a universally accepted standard of care—a standard Guam patients deserve.

## **XVI. New Hospital and Public Health**

Medical professionals and patients alike have long agreed that our island needs a new Guam Memorial Hospital. After many discussions with our partners at the Department of Defense, we are assessing a location on excess federal land for a state-of-the-art Guam Memorial Hospital and Central Public Health facility.

As we work to regain accreditation at GMH and build a new public hospital and public health compound, we must also acknowledge the essential role GRMC played in our fight against COVID-19.

GRMC shared its staff and expertise, carried non-COVID patients to minimize the spread of infection, and invested in new technology to expand our testing capacity and treat our people.

For years, healthcare experts knew that to survive, GRMC and GMH had to be partners in a holistic system of care—not competitors. In the chaos of COVID-19, they came together and our people are better because of it.

## **XVII. Universal Healthcare**

To rebuild a stronger Guam, we must also admit what made us so vulnerable to COVID-19 in the first place.

A year ago, I called on this body to work with me in enacting a universal system of healthcare—regardless of a person’s ability to pay. I asked that we see healthcare not as a privilege of the fortunate, but as a human right deserved by all.

Weeks later, our island was thrown into the long struggle against COVID-19.

85 percent of those we lost to COVID-19 and over 70 percent of those hospitalized at GMH had pre-existing conditions that made them especially vulnerable to the effects of this virus. Many also lacked access to basic health care.

The tragedy is that conditions like hypertension, diabetes, kidney disease, emphysema, stroke, and obesity are treatable - and preventable. Despite the clear link between the health of our people and the health of our economy, some of you will ask: How can we afford healthcare for all?

To you, I ask in return: How can the generation that survived the devastation of COVID-19 say we cannot?

Under current Guam law, the Healthcare *Para Todu* Act requires the establishment of a pilot program premised on Medicaid for all. While this program hinges on an experimental waiver granted by the Secretary of Health and Human Services and may require a new funding source, it is the law of the land.

## **XVIII. Public Safety**

Madame Speaker, I know that politics tends to highlight our differences. But some things are common to us all. Each of us wants to feel safe on our streets and in our homes.

Since the start of my Administration, we have added over 200 personnel to our public safety teams. And just last month, the Guam Police Department reported they are now seeing a 15% decrease in overall reported crimes compared to 2019.

Passage of the Safer Guam Initiatives proposed by my Administration last year will help reduce our crime rate even further.

Senators, I ask you to act on this important piece of legislation quickly.

## **XIX. Suicide Prevention**

As we lost lives to COVID-19, we also felt the presence of another, potentially more dangerous epidemic—suicide. Widely accepted estimates indicated that in June, July, and August of last year, we lost one life to suicide every six days.

In addressing this reality, we had to take stock of yet another painful fact.

A recent report from the National Suicide Prevention Lifeline indicated that for years, calls originating from Guam that sought help from the 1-800-number were never connected to a local crisis center for continued support.

That was a danger we could no longer afford.

So last year, the Guam Behavioral Health and Wellness Center, under Director Therese Arriola, stood up the first crisis call center certified by the National Suicide Prevention Line in the territories—and the first of its kind in Micronesia.

As we battle this global pandemic and fight the needless loss of life caused by suicide, old enemies give us no rest.

## **XX. Drug Addiction**

Drug addiction is a relentless curse upon our community.

Delivering on my promise to permanently expand the drug treatment options on Guam, I am proud to announce the new *Guam Behavioral Health & Wellness Center's Drug and Alcohol Building*, which is expected to break ground later this year.

Last year, we began a process of assessing vacant government buildings to give them a new purpose. As part of this commitment, we are renovating the old DYA cottage homes in Talofofu to expand recovery treatment options.

As promised, these will be new places for treatment and healing, recovery and reconciliation.

## **XXI. Drug Interdiction Efforts**

But addressing addiction also means stopping those who bring illegal substances into our community.

In 2020, despite the pandemic, the Guam Customs and Quarantine Agency intercepted 110 pounds of meth, a 400% increase from 2017.

Still, we must tighten all of our ports of entry. We delivered on our promise for a Container Inspection Facility feasibility study to lay the foundation for the screening of all cargo reaching our shores.

Now, Customs is working with the Guam State Clearinghouse to secure the A&E design for this facility.

## **XXII. Relief Package Priorities**

Whether it is fighting the importation of illegal drugs or the spread of an invisible virus, the battle to maintain a community that is fair, safe, compassionate, and prosperous never ends.

Fortunately, we are not in this fight alone. Guam will receive 661 million dollars from President Biden's American Rescue Plan that passed in the Senate just yesterday. This package has been sent to the House for reconsideration, and I am confident that the president will sign it.

This will allow us to put money into the hands of our people; put employees back to work; help small businesses and non-profit organizations; and build a new hospital.

This package will also give my administration the flexibility to recover lost revenues and strengthen our ability to provide improved government services to our people.

And a provision I have repeatedly advocated to Congress and the White House has been accepted—this stimulus bill contains language allowing Guam to be reimbursed 100 percent of our EITC costs, an expense that has haunted our budget for years.

These stimulus dollars are a federal shot in the arm for our economy—strengthening it much like vaccines are making us stronger right now.

A vital part of rebuilding our economy and protecting our people is Operation Liberate Guam—our campaign to vaccinate at least 80% of our adult population by July.

As of today, nearly 20% of you are fully vaccinated.

So I urge you, when it's your turn, to roll up your sleeves, get your shots, and take part in rebuilding Guam anew.

### **XXIII. Conclusion**

Tonight I am reminded of why I wanted to be your governor—a promise to deliver fair, safe, compassionate, and prosperous change you can trust.

I know there are too many who aren't sure Guam can ever change or that I can deliver it.

Change never comes easy and no governor can make changes alone.

But I won't play it safe...

Or point fingers...

Or do just enough to get me through the next election.

We have finished a difficult year.

Now, the promise of a new Guam spreads out before us.

We are starting new businesses, reopening ones closed for too long, and putting people back to work...

We are bringing children back to school...

We are putting vaccines into the arms of our people - protecting you and saving lives.

These efforts - our collective efforts - represent the best of humanity.

As my close dear friend, the late Speaker Ben Pangelinan wrote: *"Today, in a time full of cynicism, political sound bites, and press releases, we must remember who we are as a people."*

*We once mastered the navigation of the seas...*

*We survived a world at war...*

*We are the inheritors of an ancient land...*

*We will build an economy which leaves no hardworking family behind...*

*We will leave this land better than we found it.”*

*Si Yu'us Ma'åse, stay safe, and God Bless Guam.*