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Oceans and Wildlife.  
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Good Afternoon Madame Chairwoman and members of the Subcommittee. I am pleased with this opportunity to testify before you on the President's 2011 budget. I realize I do not need to remind anyone here about the difficult economic, environmental and national security times in which we live and the related fiscal burdens. Our burdens seem to pale by comparison. On the other hand the nation's concerns are in many ways the aggregation of those of thousands of communities that constitute our nation.

It is on that basis that I offer my comments on the FY 2010 budget. I would like to segregate my comments as follows:

1. Comments on the budget per se
2. Comments on needs not covered by that budget
3. Comments on issues important to our future but not necessarily large fiscal items themselves.

**Comments on the budget per se**

Our evaluation and review of the proposed Budget Justifications for 2011 indicates that it is in accord with the budgets of the past several years, and that American Samoa's share of this budget is in alignment with its previous allocations.

The Office of Insular Affairs provides grant funds to American Samoa for the operation of our local government, including the judiciary (\$22.8 million annually). We do not have sufficient local revenues to fund the entire operating costs of our government. This program funds the difference between budget needs and local revenues. Unless mutually agreed upon by the American Samoan Government and the Department, new programs are funded from local revenues.

Another objective of this program is to promote self-sufficiency over time. American Samoa's operations appropriation is the same each year; hence we must absorb the costs of inflation or costs associated with the growing population. As a result, American Samoa assumes an increasing percentage of the total costs of government operations each year.

Capital Improvement Project funds address a variety of our infrastructure needs including critical infrastructure such as hospitals, schools, wastewater and solid waste systems. Improvements to critical infrastructure not only benefit the current population and businesses, but lay the groundwork to attract new investment to the territories thereby promoting economic development and self-sufficiency in the future.

The Department of the Interior’s (DOI) Insular Assistant Secretary Tony Babauta signed a capital improvement grant (CIP) in the amount of \$9,383,000 to assist American Samoa with specific capital improvements as detailed in the American Samoa Five-Year Capital Improvements Master Plan. Major appropriations include:

Health	\$1,900,000
Education	\$2,790,000
Water Improvements (ASPA)	\$1,000,000
Solid Waste Improvements (ASPA)	\$1,755,000
International Ports	\$1,200,000
Public Safety	\$ 268,850

This funding will go to projects in health, education, water and solid waste improvements, international ports and public safety. Some of the projects include completion of an electrical upgrade at the LBJ Medical Center, design and renovation of the Intensive Care Unit and Other Units, construction of a 15-classroom building that includes offices at Leone High School, various school office renovations, purchase of school equipment and furniture, purchase of school buses, improvement of American Samoa Power Authority’s SCADA computer monitoring system, install a new water storage tank in the Tafuna area, design and construct an Energy-from-Waste facility, provide matching funds for FAA projects at the airport, begin construction of the newly designed (design is pending) service wharf, and renovate the West Police Substation.

**Comments on needs not covered by that budget**

Unfortunately, our needs can be quite unpredictable as they are in many areas of the US. Our infrastructure needs are driven, not just by ordinary depreciation, but by periodic natural disasters in the form of earthquake, tsunami and hurricanes. For this reason critical needs can remain unmet for long periods of time. We are

particularly concerned about the level of medical services we are able to provide locally.

Additionally, American Samoa and other territories face the same rapidly changing global economic conditions that larger more developed areas do. However, we also face the additional burdens of size, isolation and lower levels of development, all of which adversely affect our economic costs and development opportunities.

We do need to take better advantage of our marine resource endowment especially now that the lower productivity activities of our canneries are departing for lower cost areas. As Interior's Assistant Secretary for Insular Areas has stated we islanders have relied on the reefs for recreation, protection, a source of food, and a way to reach back to remind ourselves of our cultural heritage and history. He expressed deep concern about the decline of coral reefs and pledged to work with our partners both in the United States and abroad to conserve these fragile ecosystems through improved monitoring, research, education and on-the-ground conservation. This of course applies to the Pacific as well as to the Caribbean.

In 2002 our DOI funded our American Samoa Economic Advisory Commission completed its comprehensive economic development plan for American Samoa. Since that time, we have made considerable progress on the recommendations of that report. I mean by "we" the American Samoan Government, the Federal Government and the private sector. Our private sector has become more directly involved in the economic development process through a Governor's Economic Development Council which is actually involved in policy and program formulation. The Federal Government, primarily OIA, has been very active in generating investor interest in the Pacific territories and improving business climate conditions in the territories. However, as I have expressed to the Interagency Group on Insular Areas, we have not done as well on Commission recommendations coordinating federal policy for American Samoa, advocating for American Samoa, or DOI and Treasury tracking and finding applications for technological advances and trends in transportation, telecommunications and trade.

As it has emerged, Congress can wipe out territorial competitive advantages with a stroke of the pen as has been the case with the minimum wage and immigration. I am not opposed to the minimum wage or immigration modifications, but I am opposed to such actions when they are not tailored to meet our special economic development conditions and needs. This is often done without any coordination with the territories whatsoever.

## **Comments on issues important to our fiscal future but not necessarily large fiscal items themselves**

This brings me to my final point, and that is that the Federal Government must begin giving more serious thought to the political status of several of its territories. It has already made a start at this with passage of HR 3940 clarifying the authority of the Secretary of the Interior to assist the US non-self-governing territories (colonies) of American Samoa, Guam, and the United States Virgin Islands. This would take the form of grants, research, planning assistance, studies, and agreements with Federal agencies, to facilitate public education programs regarding political status options for their respective territories the United States. This bill passed the House of Representatives December 7, 2009. The Senate has yet to address the matter.

American Samoa's political status concerns are as follows:

1. The US Congress is now applying Federal laws to these territories. In some cases these laws concern issues that would be part of a political status negotiation.
2. These Federal laws are often passed without consultations with the territories.
3. These Federal laws often ignore consideration of the economic or social impacts upon the territories, often with devastating results (e.g., the federalization of the minimum wage and immigration).

Therefore, the US Congress is arbitrarily determining the political status of US territories one law at a time without giving these territories any voice in their own self determination.

Furthermore, the United States has an obligation to negotiate a modern agreement with American Samoa. The argument that the US Congress can do anything it wants with American Samoa is based in part on the notion that American Samoa willingly gave itself to the US. This is false. The treaties in fact state that Germany, Great Britain, and the United States seized control of the Samoan Islands because of "dissensions, internal disturbances and civil war."

American Samoa is not just a piece of property (real estate) owned by the US. It is a political entity joined to the US by special circumstances and deserves to be taken seriously in considering the terms of that relationship with the US, its political status. This is based on events suggesting that Congress is gradually establishing that political status on a piecemeal basis.

I am not questioning, the US Congress' constitutional authority over the territories. However, there are international considerations as well. The UN is obligated by its charter to identify and decolonize territories throughout the world. American Samoa is currently one of only sixteen colonies remaining in the world. The UN recognizes three methods by which territories may become decolonized. They may become

1. A sovereign independent state (Independence).
2. Freely associated with an independent state (Compact)
3. Integrated with an independent state (Incorporation).

Presently, American Samoa fits none of the three and is a colony by this definition.

This may require some formal agreement between the US and American Samoa, not entirely unlike that of the covenant between the US and the CNMI. Or, the UN might be satisfied with the political status quo if it is approved by the people of American Samoa through a democratic process (i.e., a vote of the people or the legislature.)

In fairness, neither party has been anxious to change the status quo since the arrangement seemed mutually agreeable to both, and especially since American Samoa had some serious catching up to do in education, self-government and other areas since 1900.

Much has changed over the years. American Samoa has become virtually self-governing in the process, becoming modernized with much assistance from the United States. However, American Samoa's government remains a creation of the US executive office and exists at the pleasure of that office and the Congress.

I do not want to be misunderstood on this. We are Americans. We have been Americans for over a century. We have defended America with our service and our lives.

Our dedication to our country is not diminished because we raise the issue of our political relationship or the need for due process in the formalization of that relationship.

Again and again, in political status commissions over the last five decades American Samoans have expressed a preference for the status quo in its

relationship with the US. I am convinced that they would agree that at this stage of our relationship some formalization of our relationship is necessary as a matter of basic fairness and to meet our international obligations. This is especially the case today as Congress continues to address territorial issues on an ad hoc basis.

I thank you for your kind attention and consideration.