

Committee on Resources

resources.committee@mail.house.gov

[Home](#) [Press Gallery](#) [Subcommittees](#) [Issues](#) [Legislation](#) [Hearing Archives](#)

TESTIMONY OF CONGRESSMAN ED CASE ON H.J.RES. 63,
LEGISLATION REAUTHORIZING THE COMPACT OF FREE ASSOCIATION WITH THE FEDERATED
STATES OF MICRONESIA
AND THE REPUBLIC OF THE MARSHALL ISLANDS,
BEFORE THE HOUSE RESOURCES COMMITTEE

July 10, 2003

Chairman Pombo, Ranking Member Rahall, and members of the House Resources Committee, good morning and aloha!

I appreciate the opportunity to testify today in support of H.J.Res. 63, legislation reauthorizing expiring provisions of the Compact of Free Association with the Federated States of Micronesia and the Republic of the Marshall Islands, with concerns on implementation.

I commend Chairman Pombo and Representative Rahall for their leadership on this issue. Within the short time-frame given Congress to consider these recently-submitted agreements, I am glad that the Committee has expeditiously scheduled today's hearing, following on the heels of the House International Relations Committee hearing.

At the outset, let me say that I fully support our country's continued recognition of the strategic importance of the Freely Associated States to our national security interests in the Western Pacific Region, and the special relationships our countries have shared based on the U.N. trusteeship system as well as mutual respect and friendship.

It should come as no surprise that my State of Hawaii continues to have great interest in U.S. policy toward these areas given our geographic proximity and close ties in the Pacific, and thus continues its historic support of the Compacts of Free Association. Having said that, however, we continue also our historic concerns with the U.S. government's administration and coordination of federal assistance and policy toward Micronesia, and especially the issue of Compact Impact Aid to Hawaii and other affected U.S. jurisdictions.

Accountability. There have been countless reports, including from GAO, which have recognized the need for greater accountability over federal assistance in Micronesia. There is a specific need for the federal government to hold accountable the Department of Interior and other federal agencies on how they oversee Compact funds. I am, therefore, pleased that the current amendments to the Compact seek to strengthen reporting and monitoring measures to improve accountability.

Coordination of Federal Policy. I share the concerns of many over the coordination of U.S. policy toward the FSM and RMI. Our national policy is to advance economic self-reliance, maintain economic and political stability, and maintain continued access to Kwajalein Missile Test Range. There is an apparent disconnect between federal agencies on the coordination of this federal policy toward the FSM and RMI. While there has been a lot of effort on the part of the State and Interior Departments on the Compact renegotiations, notably, no concerted effort and affirmative position has been taken by the Administration on the eligibility of citizens of the Freely Associated States in important federal educational and other social programs during the reauthorization of many of these federal programs.

As a member of the House Education and Workforce Committee, for example, I have witnessed firsthand the arbitrary exclusion of FAS citizens from the reauthorization of the Individuals with Disabilities Education Act (IDEA) and Head Start, even after pleas by myself and others on the committee who recognize the importance of these programs to those communities. These actions are contrary to the State Department's recent position which made clear that the intent of the renegotiated Compacts is not to replace existing programs authorized by Congress as part of the U.S. assistance program. Essentially, I believe that much

more needs to be done by the Administration to support Congressional allies who advance U.S. policy in this crucial region. Otherwise, all of the goodwill and efforts of the renegotiated Compacts will be offset by the consequences of decreases in educational and social funds that FAS citizens currently receive from the federal government under separate statutes.

This issue is important to Hawaii and our country for two reasons. First, I believe it is the right thing to do for the FAS and our national policy. Second, any disruption in our efforts to promote economic self-sufficiency and improved educational and health systems in Micronesia will potentially lead to even more migration of FAS citizens to the United States, particularly Hawaii, Guam and the Commonwealth of the Northern Mariana Islands, due to the strain on the education and health services of these countries to provide these basic governmental services.

Compact Impact Aid. Continued migration from these countries to the United States brings me to the issue of Compact Impact Aid. The Administration has proposed, as part of H.J.Res. 36, \$15 million in Compact Impact Aid to be collectively shared by affected U.S. jurisdictions, which are primarily Hawaii, Guam, and the CNMI. This level of assistance is completely inadequate, given the actual costs that all of our jurisdictions have incurred since 1986. Moreover, the Administration has provided no clear justification on where it even came up with the \$15 million figure. In fact, in recent years, the Department of Interior has reported that supportable “best estimates” in 1997 for fiscal impact costs in our jurisdictions are over \$30 million annually.

While Hawaii has spent more than \$100 million on state benefits to FAS citizens since 1986, it has received less than \$10 million in Compact Impact Aid from the federal government. In 2002 alone, Governor Linda Lingle of Hawaii estimates, Hawaii has spent over \$32 million in assistance for FAS citizens, most on educational costs. \$18 million was spent for primary and secondary education for the academic year 2002-2003, a 32% increase from the year before. The second highest impact is in health care costs. The State Department of Human Services has spent \$4.5 million in financial assistance and \$6.7 million in medical assistance – a 20% increase in services from the previous year. These amounts do not take into account the \$15 million that is annually spent by private hospitals in Hawaii with no debt relief.

While Administration officials repeatedly say that the \$15 million proposed should be considered the annual “minimum” amount the federal government will be provided, its record in assuring adequate Compact Impact to Hawaii since 1986 is wanting. Moreover, given the fact that the Office of Insular Affairs office budget is one of the smaller budgets at the Interior Department, I am not optimistic that Hawaii and other affected jurisdictions will be successful in securing additional amounts annually in the appropriations process without the full support of the entire Executive Branch.

I have repeatedly said that since our costs are primarily in the field of education and health care, then other federal agencies, particularly the Departments of Education and Health and Human Services, should be part of an overall federal and Compact Impact assistance strategy and program. The easiest route, of course, would be to simply increase the Compact proposal of \$15 million to at least \$35 million in mandatory spending. In that way, areas affected will not have to fight annually in the appropriations process.

Other ways to ameliorate Compact Impact costs include making FAS citizens eligible for key federal social programs that will offset the costs borne by our jurisdictions and providing our jurisdictions with the clear authority to receive other federal assistance and make referrals to DOD medical facilities. I am asking that this Committee give priority consideration to legislation I am introducing today with my colleagues which gives the Administration other alternative ways to provide assistance to our areas.

Our legislative proposal does the following:

Increases Compact Assistance from \$15 to \$35 million

Includes FAS citizens in the Medicaid program

Includes FAS citizens in the Food Stamp Program

Allows Hawaii and other jurisdictions to refer FAS citizens to DOD medical facilities

Includes Hawaii and other U.S. jurisdictions in the communicable diseases program; and

Continues medical debt relief authority for the FSM and RMI

In closing, Mr. Chairman, I want to reiterate my support and, I believe, the support

of my state for the Compacts, but also the great importance of Compact Impact Aid to Hawaii. The Hawaii Congressional delegation, our local political leaders, and service providers in Hawaii view the renegotiated Compact agreements as the best window of opportunity to address Compact Impact Aid. Apart from the support of Governor Lingle, the Hawaii State Legislature has passed House and Senate resolutions seeking federal assistance as well to help our state. Our private hospitals and educational school system also share our concern.

I look forward to working with the Members of this Committee on all of these issues as H.J.Res. 63 moves forward. Mahalo!