



HOUSE COMMITTEE ON
NATURAL RESOURCES
CHAIRMAN BRUCE WESTERMAN

To: House Committee on Natural Resources Republican Members
From: Indian and Insular Affairs Subcommittee staff, Ken Degenfelder (Ken.Degenfelder@mail.house.gov), Justin Rhee (Justin.Rhee@mail.house.gov), and Ransom Fox (Ransom.Fox@mail.house.gov), x6-9725
Date: March 3, 2025
Subject: Oversight Hearing titled “*Examining the Office of Insular Affairs’ Role in Fostering Prosperity in the Pacific Territories and Addressing External Threats to Peace and Security*”

The Subcommittee on Indian and Insular Affairs will hold an oversight hearing titled “*Examining the Office of Insular Affairs’ Role in Fostering Prosperity in the Pacific Territories and Addressing External Threats to Peace and Security*” on **Wednesday, March 5, 2025, at 10:00 a.m. in 1324 Longworth House Office Building.**

Member offices are requested to notify Haig Kadian (Haig.Kadian@mail.house.gov) by 4:30 p.m. on Tuesday, March 4, 2025, if their member intends to participate in the hearing.

I. KEY MESSAGES

- As part of the U.S. homeland, the U.S. Pacific territories of American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands are on the frontlines against attempts by the People’s Republic of China (PRC) and the Democratic People’s Republic of Korea (DPRK) to undermine U.S. leadership and interests in the Indo-Pacific.
- The activities of the PRC under the rule of the Chinese Communist Party (CCP) and the DPRK threaten U.S. national security, particularly in the U.S. Pacific territories.
- It is imperative that the Department of the Interior’s (DOI) Office of Insular Affairs (OIA), the office charged with managing federal relations with the territories, work with the territories to address threats within its jurisdiction.
- It is critically important for national security that the U.S. government counter these activities of the PRC and the DPRK in the U.S. Pacific territories. Relevant federal agencies must coordinate to ensure the U.S. effectively counters these malign activities.
- The OIA should work with Congress to find opportunities to improve economic prosperity in the Pacific territories to meet U.S. interests in a fiscally responsible manner.

II. WITNESSES

- **Mr. Dean Cheng**, Senior Fellow, Potomac Institute for Policy Studies, Arlington, VA
- **Mr. Bruce Klingner**, Senior Research Fellow, The Heritage Foundation, Washington, D.C.
- **Ms. Cleo Paskal**, Non-Resident Senior Fellow, Foundation for Defense of Democracies, Washington, D.C.
- **Mr. Francisco Bencosme**, Former China Policy Lead, U.S. Agency for International Development, Washington, D.C. [*Minority Witness*]

III. BACKGROUND

The U.S. has a historical presence in the Indo-Pacific as well as ongoing commitments and interests that are paramount to preserving a free and open Indo-Pacific. However, American geopolitical equities in the Indo-Pacific are being challenged through malign activities by adversaries of the U.S., namely the PRC under the rule of the CCP, and the DPRK, commonly known as North Korea. These adversaries actively seek to disrupt, dismantle, and displace U.S. leadership in the region.

The U.S. maintains Compact of Free Association (COFA) agreements with three sovereign Pacific Island countries, known as the Freely Associated States (FAS): the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and the Republic of Palau. The COFA agreements form the foundation of our relationship with each FAS, establishing mutually beneficial arrangements where the U.S. offers economic assistance and security guarantees in exchange for exclusive security rights.

In addition to the COFA agreements, the U.S. is geographically part of the Indo-Pacific through the state of Hawaii and three territories: American Samoa, the Commonwealth of the Northern Mariana Islands (CNMI), and Guam. The Pacific territories are critical to the U.S. national security strategic posture in the region and have high U.S. military enlistment rates.

The DOI, through the OIA, administers, monitors, and manages federal relations with the U.S. territories in accordance with applicable law.¹ It has the same responsibility for the economic assistance and federal programs for the FAS under the COFA agreements.²

The OIA plays a leading role in supporting the economic health of the territories within its jurisdiction by administering grant programs benefiting the territories. As the Pacific territories rely heavily on U.S. federal assistance, the fiscal impact of OIA grant programs cannot be overstated. For example, in fiscal year 2024, federal funding represented approximately 34.6

¹ P.L. 90-497, Sec.12(a), September 11, 1968 (82 Stat. 847; 48 U.S.C. 1421a) and Executive Order 10264 of June 29, 1951, appear at 16 FR 6417, 3 CFR, 1949-1953 Comp., p. 765 and Executive Order 12572 of Nov. 3, 1986, appear at 51 FR 40401, 3 CFR, 1986 Comp., p. 239.

² Executive Order 12569 of Oct. 16, 1986, appear at 51 FR 37171, 3 CFR, 1986 Comp., p. 234.

percent of the budget for 28 of Guam’s local agencies.³

Fostering prosperity in the territories enables them to become more self-sufficient and equips them with the resources they need to resist the maligned activities of the PRC and the DPRK in their communities. The PRC, in particular, targets economically weak communities to attempt to coerce local political and business elites. Fostering prosperity in the territories improves resilience against these threats.

Additionally, the OIA plays a leading role in advocating for the Pacific territories within the federal government. OIA is the primary office working with the territories and relevant agencies such as the Departments of Defense and Homeland Security to seek solutions to the threats they face.

U.S. Territories in the Pacific

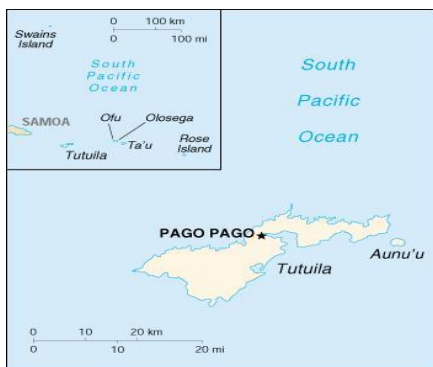


Figure A: Map of American Samoa. Source: PEACESAT

American Samoa: American Samoa is an unincorporated territory of the United States comprising islands of the eastern Samoan archipelago. American Samoa is in the Polynesian region of the south-central Pacific Ocean. It includes the six eastern Samoan islands of Tutuila, Tau, Olosega, Ofu, Aunu'u, the Swains Island, and the uninhabited Rose Atoll. The capital is Pago Pago, on Tutuila, which is the main port and commercial center of American Samoa. The elected and traditional leaders seek to preserve a customary way of life as “nationals but not citizens,” which is reflected in their allegiance to the U.S., strong patriotism and a high rate of U.S. military service.⁴



Figure B: Map of CNMI. Source: PEACESAT

Commonwealth of the Northern Mariana Islands (CNMI): The CNMI is an unincorporated territory of the United States composed of 14 islands and islets in the western Pacific Ocean, 100 miles north of Guam. The Mariana Islands are a chain of volcanic mountain peaks and uplifted coral reefs. The principal inhabited islands in the CNMI are Saipan, Guguan, Tinian, and Rota. The northern, largely uninhabited islands include Farallon de Medinilla, Anatahan, Sariguan, Gudgeon, Alamagan, Pagan, Agrihan, Asuncion, Maug Islands, and Farallon de Pajaro.⁵

³ Joe Taitano, “Report: Feds paid for 34.6% of 28 GovGuam agency budgets in fiscal 2024.” Pacific Daily News. https://www.guampdn.com/news/report-feds-paid-for-34-6-of-28-govguam-agency-budgets-in-fiscal-2024/article_8f4a235a-b390-11ef-945c-b7cd690bb5d3.html.

⁴ For more information on American Samoa see “American Samoa.” Encyclopedia Britannica. <https://www.britannica.com/place/American-Samoa>.

⁵ For more information on the Commonwealth of the Northern Mariana Islands (CNMI). Accessed May 14, 2023. <https://www.coris.noaa.gov/portals/cnmi.html#:~:text=The%20principal%20inhabited%20islands%20are,Islands%2C%20and%20Farallon%20de%20Pajaro.>



Figure C: Map of Guam. Source: PEACESAT

Guam: Guam is a U.S. territory in the northwest Pacific. It is the largest, most populous, and southernmost island of the Mariana Archipelago. It is governed under the Organic Act of Guam, passed by the U.S. Congress and approved by President Truman on August 1, 1950.⁶ The development of Guam into an important home for U.S. military bases after World War II profoundly changed the island’s agricultural patterns, and Guam now imports most of its food.⁷ Guam has a vibrant tourism sector, drawing visitors from many Asian nations, and a robust local and regionally interconnected economy, with commerce ties to the Philippines, South Korea, and Japan. Most of Guam’s population, 170,000, are of native Chamorro heritage. Guam has been a part of the United States since the close of the Spanish-American War and today resembles the mainland United States in terms of language, business practices, and patriotic sentiments.⁸

Strategic Value of the U.S. Pacific Territories

The Pacific territories have been a national security priority for the U.S. since WWII. The CNMI and Guam are along the Second Island Chain, and American Samoa is along the Third Island Chain. These island chains informally represent the lines of access and egress for economic and defense purposes between the PRC and the Indo-Pacific and, thereby, the continental U.S.

In World War II, the Empire of Japan used the islands as a vital base and anchorage for its air and naval forces when launching attacks against the U.S.⁹ Given the historical context, the U.S. has a particular interest in the region's security to prevent the FAS from ever again being used as a platform or controlled region to attack the U.S. or its allies.

The U.S. holds military bases and installations in the Pacific territories that are in proximity to the PRC and the DPRK.

In Guam, Andersen Air Force Base (AAFB) and its annexes are concentrated at the island's northern end. Naval Base Guam has facilities around the island, including a naval air station, a naval base with a ship repair yard, communication centers, and a military hospital. The U.S. officially opened Marine Corps Base Camp Blaz (MCBCB) on January 25, 2023, located directly south of AAFB.¹⁰ Naval Base Guam, AAFB, and MCBCB operate under the command and support of Joint Region Marianas.

⁶ P.L. 117-286.

⁷ “Challenging Residents to Grow Produced, Reduce Imported Foods.” The Guam Daily Post, January 5, 2022. https://www.postguam.com/news/local/challenging-residents-to-grow-produced-reduce-imported-foods/article_b75ea9aa-6c63-11ec-89b4-e78919e1742d.html.

⁸ For more information on Guam see “Guam.” Encyclopedia Britannica. <https://www.britannica.com/place/Guam>.

⁹ Myers, Lucas. “Legacy of the Pacific War.” August 2020. https://www.wilsoncenter.org/sites/default/files/media/uploads/documents/AP_2020-08%20Legacy%20of%20the%20Pacific%20War%20-Lucas%20Myers.pdf.

¹⁰ Rosenfeld, Maj. Diann. “Marine Corps Base Camp Blaz Holds Ribbon Cutting Ceremony for Sabánan Fadang Memorial.” United States Marine Corps Flagship, January 25, 2023. <https://www.marines.mil/News/News-Display/Article/3277036/marine-corps-base-camp-blaz-holds-ribbon-cutting-ceremony-for-sabnan-fadang-mem/>.

In the CNMI, the U.S. Air Force (USAF) is in the process of upgrading a World War II-era airfield, North Field, on the island of Tinian.¹¹ The USAF is restoring the runway in North Field so that it can serve as a “power projection platform.”¹²

Additionally, the U.S. Coast Guard (USCG) holds an active presence in the region as USCG cutters and patrol boats tend to be better suited than U.S. Navy vessels for patrolling the waterways surrounding the U.S. Pacific territories.¹³ The USCG 14th District regularly performs maritime safety and security missions, prevents illegal unlicensed fishing, protects natural resources, and responds to emergencies in the region.¹⁴

Hacking and Spying Attempts

In May 2023, the United States National Security Agency (NSA), the Cybersecurity and Infrastructure Security Agency (CISA), and the Federal Bureau of Investigation (FBI), issued a joint Cybersecurity Advisory regarding a cluster of activity of interest associated with a PRC¹⁵ state-sponsored cyber actor.¹⁶ The actor, also called “Volt Typhoon,” is a PRC-sponsored hacking group focused on espionage and information gathering.¹⁷ Volt Typhoon targeted critical infrastructure and used “built-in network administration tools” to evade detection and perform its objectives,¹⁸ allowing them to blend in with normal Windows systems and network activities to avoid endpoint detection while triggering response products that alert the host.¹⁹ Volt Typhoon also intentionally limited the amount of activity captured in default logging configurations to further reduce the likelihood of detection.²⁰

Volt Typhoon installed the evasive computer code in telecommunications systems in Guam and other areas in the United States. The activity in Guam is noteworthy because “Guam, with its Pacific ports and vast American air base, would be a centerpiece of any American military response” to an invasion or blockade of Taiwan or American assets in the Indo-Pacific region.²¹

¹¹ Cagurangan, Mar-Vic. “Pacific island governor backs \$800m US military upgrade amid China threat.” November 19, 2024. <https://www.theguardian.com/world/2024/nov/20/northern-mariana-islands-governor-tinian-us-military-upgrade-plan-china-threat>

¹² “USAF senior leaders visit Mariana Islands on ACE trip.” Air Force. April 5, 2024. <https://www.af.mil/News/Article-Display/Article/3732110/usaf-senior-leaders-visit-mariana-islands-on-ace-trip/>.

¹³ Maritime challenges and opportunities - Daniel K. Inouye Asia-Pacific ... Accessed June 7, 2023. <https://dkiapcss.edu/wp-content/uploads/2022/09/Blue-Pacific-Security-11-Long-Turvold-McCann-MaritimeChallenges-1.pdf>.

¹⁴ “United States Coast Guard Pacific Area: Strategic Intent.” United States Coast Guard, January 2016. <https://www.pacificarea.uscg.mil/Portals/8/Documents/PACAREA%20Strategic%20Intent%20-%202016%20-%20final%20for%20release.pdf>.

¹⁵ People’s Republic of China (China)

¹⁶ NAT’L SEC. AGENCY et al., *People’s Republic of China State-Sponsored Cyber Actor Living off the Land to Evade Detection* (May 24, 2023) https://media.defense.gov/2023/May/24/2003229517/-1/-1/0/CSA_Living_off_the_Land.PDF.

¹⁷ MICROSOFT THREAT INTELLIGENCE, *Volt Typhoon targets US critical infrastructure with living-off-the-land techniques* (May 24, 2023), <https://www.microsoft.com/en-us/security/blog/2023/05/24/volt-typhoon-targets-us-critical-infrastructure-with-living-off-the-land-techniques/>.

¹⁸ NAT’L SEC. AGENCY, *supra* note 55.

¹⁹ *Id.*

²⁰ *Id.*

²¹ David E. Sanger, *Chinese Malware Hits Systems on Guam. Is Taiwan the Real Target?*, N.Y. TIMES (May 24, 2023), <https://www.nytimes.com/2023/05/24/us/politics/china-guam-malware-cyber->

The PRC's targeting of Guam takes increased importance given their ongoing efforts to gain influence over U.S. territories in the Pacific.²²

In November 2023, the DPRK launched what it claims is its first military spy satellite, which flew over and surveilled U.S. military installations in Guam.²³ Kim Jong Un, the dictator of North Korea, personally inspected images taken of Guam and expressed interest in launching "many more" spy satellites to monitor U.S. troops in the region.²⁴ The DPRK has since continued to monitor Guam and U.S. presence in the Pacific.²⁵

An area of concern particularly for the DOI is the high risk of espionage that comes with use of unmanned aerial systems (UAS), commonly known as drones, equipment or software manufactured or developed by PRC-linked companies. Companies based in or linked to the PRC are legally obligated under PRC domestic law to comply with the CCP.²⁶ As the distinctions between private sector and government become blurred in the PRC, there is increasing potential for PRC-linked drones and UAS software being vectors for spying by the CCP.

The DOI continues to include drones manufactured by Da-Jiang Innovations (DJI), a PRC company, in its UAS fleet.²⁷ DJI has faced high scrutiny as research conducted by independent cybersecurity firms revealed that DJI drones had hidden coding that allowed for access and transmittal of sensitive data without user knowledge and consent.²⁸ Another area of high concern is the DOI's list of approved UAS software including software developed by Autel Robotics.²⁹ The Department of Defense recently listed Autel Robotics as a People's Liberation Army (PLA) affiliated entity.³⁰

[microsoft.html?campaign_id=190&emc=edit_ufn_20230524&instance_id=93396&nl=from-the-times®i_id=210828370&segment_id=133817&te=1&user_id=979bb1ccbe6564c599925c6e448cad29](https://www.microsoft.com/en-us/campaigns/2023/05/24/instance-id=93396&nl=from-the-times®i_id=210828370&segment_id=133817&te=1&user_id=979bb1ccbe6564c599925c6e448cad29).

²² See generally STAFF OF THE S. COMM. ON INDIAN AND INSULAR AFFAIRS, H. COMM. ON NATURAL RESOURCES, 118TH CONG., *Memo. for Oversight Hearing Preserving U.S. Interests in the Indo-Pacific: Examining How U.S. Engagement Counters Chinese Influence in the Region* (May 16, 2023),

https://naturalresources.house.gov/uploadedfiles/hearing_memo_sub_on_ii_a_ov_hrg_on_the_indo_pacific_051623.pdf.

²³ William Gallo, *State Media: Newly Launched North Korean Satellite Snaps Photos of US Base in Guam*, Voice of America (November 22, 2023), <https://www.voanews.com/a/newly-launched-north-korean-satellite-snaps-photos-of-us-base-in-guam-state-media/7365540.html>.

²⁴ Id.

²⁵ "North Korea Military Power." Defense Intelligence Agency. October 15, 2021.a

https://www.dia.mil/Portals/110/Documents/News/North_Korea_Military_Power.pdf.

²⁶ Jerome Doyon, "Influence without Ownership: the Chinese Communist Party Targets the Private Sector." Institut Montaigne. January 1, 2021. <https://www.institutmontaigne.org/en/expressions/influence-without-ownership-chinese-communist-party-targets-private-sector>

²⁷ DOI UAS Fleet. Department of the Interior. <https://www.doi.gov/aviation/uas/fleet>

²⁸ John Venable and Lora Ries, "DJI Placed on the Entity List for Human Rights Abuses, but Concerns About Data Security Should Not Be Overlooked." The Heritage Foundation. January 7, 2021. <https://www.heritage.org/cybersecurity/commentary/dji-placed-the-entity-list-human-rights-abuses-concerns-about-data>.

²⁹ *DOI UAS Approved Payloads, Sensors and GCS Software Applications* spreadsheet accessed on the Department of the Interior's website, <https://www.doi.gov/aviation/uas/fleet>.

³⁰ Entities Identified as Chinese Military Companies Operating in the United States in Accordance with Section 1260H of the William M. ("Mac") Thornberry National Defense Authorization Act of Fiscal Year 2021 (Public Law 116-283), <https://media.defense.gov/2025/Jan/07/2003625471/-1/-1/1/ENTITIES-IDENTIFIED-AS-CHINESE-MILITARY-COMPANIES-OPERATING-IN-THE-UNITED-STATES.PDF>.

It is alarming that the Biden administration continued to allow for drones produced by PRC-linked companies in U.S. government UAS fleets despite being aware of the national security concerns. Congress should work with the Trump administration to ensure these concerns are addressed and that they do not pose a threat to the U.S. homeland, including the Pacific territories.

Missile Threats

The DPRK and the PRC actively seek advanced missile capabilities that directly threaten the security of the U.S. homeland. The Pacific territories are particularly vulnerable to these threats, given their proximity to Beijing and Pyongyang. Guam, in particular, is seen as a high-value target for the DPRK and the PRC given its strategic importance for the U.S.³¹

Guam is within range of several of the PLA ballistic and nuclear-capable missile systems, including the Dongfeng-26 (DF-26) ballistic missile, which some PRC-based media reports have dubbed as the “Guam killer” missile.³² The PLA recently increased their DF-26 ballistic missile stockpile with efforts to rapidly expand their arsenal to include 1,000 warheads by 2030.³³ In 2020, the PLA Air Force released video footage of what appears to be a simulated attack on AAFB in Guam.³⁴ The video depicts the PLA’s nuclear-capable Xi’an H-6 bombers launching a missile on a runway that seemingly mirrors the layout of AAFB.

Furthermore, the PRC conducted a test using a “dummy” intercontinental ballistic missile (ICBM) warhead³⁵ that flew over the vicinity of the Pacific territories and into the Pacific Ocean in September 2024.³⁶ ICBMs are a particular concern as these missiles are primarily designed to deliver nuclear warheads. There are also growing concerns regarding the PLA’s newest missile project, the Dongfeng-27 (DF-27), which will include a “hypersonic glide vehicle”³⁷ that allows

³¹ For more information, see Senate Committee on Armed Services, “United States Indo-Pacific Command,” hearing video, March 9, 2021, at <https://www.armed-services.senate.gov/hearings/21-03-09-united-states-indo-pacific-command>. See also Mark Montgomery, Riki Ellison and Bradley Bowman, “Guam Needs Better Missile Defenses—Urgently,” *Defense One*, May 23, 2022, at <https://www.defenseone.com/ideas/2022/05/guam-needs-better-missiledefensesurgently/367275/>.

³² Lee Jeong-ho, “China Releases Footage of ‘Guam killer’ DF-26 Ballistic Missile in ‘Clear Message to the US’,” *South China Morning Post*, January 28, 2019, at <https://www.scmp.com/news/china/military/article/2183972/chinareleases-footage-guam-killer-df-26-ballistic-missile-clear>.

³³ Bill Gertz, *China increases number of DF-26 ‘Guam killer’ nuclear missiles in arsenal, DIA says in new report*, *The Washington Times* (October 28, 2024) <https://www.washingtontimes.com/news/2024/oct/28/china-increases-number-df-26-guam-killer-nuclear-m/>.

³⁴ “China Air Force Video Appears to Show Simulated Attack on U.S. Base on Guam.” *Reuters*, September 21, 2020. <https://www.reuters.com/article/us-china-usa-security/china-air-force-video-appears-to-show-simulated-attack-on-u-s-base-on-guam-idUSKCN26COEI>.

³⁵ Laurie Chen and Ben Blanchard, *China’s PLA conducts rare publicized test launch of intercontinental ballistic missile*, *Reuters* (September 25, 2024) <https://www.reuters.com/world/china/chinas-pla-launches-intercontinental-ballistic-missile-into-pacific-ocean-2024-09-25/>.

³⁶ Island Times Staff, *U.S. on target in Guam with first Marine redeployment and missile test*, *Island Times* (December 20, 2024) <https://islandtimes.org/u-s-on-target-in-guam-with-first-marine-redeployment-and-missile-test/>.

³⁷ Gerry Doyle et al., *Island in the crosshairs*, *Reuters* (December 10, 2024), <https://www.reuters.com/graphics/USA-CHINA/GUAM/myvmbqngnpr/>.

for the missile to “evade being intercepted.”³⁸ According to a leaked Pentagon report,³⁹ the intended goal of the DF-27 is to “penetrate U.S. ballistic missile defenses”⁴⁰ and threaten the PLA’s targets, such as the Pacific territories.⁴¹

The DPRK’s missile program also poses a significant threat to the Pacific territories, as they have tested medium-range, intermediate-range, and intercontinental ballistic missiles capable of striking the islands, including the Hwasong-12 “Guam-killer” ballistic missile.⁴² It appears that the Pacific territories are high-value targets for the DPRK as U.S. military activity at AAFB in August 2017 triggered provocative threats from the DPRK.⁴³ The DPRK has also claimed to have successfully developed a successor to the Hwasong-12, the Hwasong-16B, that includes a hypersonic glide vehicle.⁴⁴

IUU Fishing

The PRC has increased its economic activity within the U.S. territories. In American Samoa, Guam, and CNMI, PRC Illegal, Unreported, and Unregulated (IUU) fishing has continued to impact the local economies as PRC fishing fleets illegally overfish within U.S. territorial waters.⁴⁵ The PRC “wants to access natural resources in the Pacific...[as] the South China Sea is practically devoid of fisheries, Chinese fishing trawlers have increasingly turned to far-flung locales to make up the difference, including off the coasts of American Samoa, CNMI, and Guam.”⁴⁶

IUU fishing by PRC fishing vessels has had a particular impact on the economy of American Samoa, as canned tuna exports account for approximately 99.5% of the total value of the island’s exports, and the tuna industry provides 83.8% of American Samoa’s private industry

³⁸ Id.

³⁹ Zuzanna Gwadera, “Intelligence leak reveals China’s successful test of a new hypersonic missile.” IISS. <https://www.iiss.org/online-analysis/online-analysis/2023/05/intelligence-leak-reveals-chinas-successful-test-of-a-new-hypersonic-missile/>.

⁴⁰ Curtis Stiles – Chief of Staff, *DF-27*, Missile Defense Advocacy Alliance (April 2023), <https://missiledefenseadvocacy.org/missile-threat-and-proliferation/todays-missile-threat/china/df-27/>.

⁴¹ Id.

⁴² Congressional Research Service, *Guam Defense Infrastructure and Readiness* (August 3, 2023), <https://crsreports.congress.gov/product/pdf/R/R47643> - p. 16

⁴³ “U.S. Should Be Prudent under Present Acute Situation: Spokesman for KPA Strategic Force,” North Korea Ministry of Foreign Affairs, August 8, 2017, accessed on NKNews’ KCNA Watch. <https://kcnawatch.org/newstream/278480/u-s-should-be-prudent-under-present-acute-situation-spokesman-for-kpa-strategic-force/>.

⁴⁴ Hyung-Jin Kim, *North Korea claims progress in developing a hypersonic missile designed to strike distant US targets*, AP News (March 19, 2024), <https://apnews.com/article/north-korea-missile-solidfuel-hypersonic-af9f8c69e4ff004cd04592d2c80cda47>.

⁴⁵ Southerland, Dan. “Chinese Overfishing in the South Pacific Devastates Some Islands’ Livelihoods.” Radio Free Asia, April 7, 2021. <https://www.rfa.org/english/commentaries/china-pacific-fishing-04062021143253.html>, and “Three Vessels Caught Fishing Illegally in NMI’s EEZ.” Saipan Tribune, August 20, 2008. <https://www.saipantribune.com/>.

⁴⁶ Derek Grossman. Testimony presented before the U.S. House of Representatives Committee on Natural Resources, Subcommittee on Indian and Insular Affairs hearing titled “Preserving U.S. Interests in the Indo-Pacific: Examining How U.S. Engagement Counters Chinese Influence in the Region” on May 16, 2023. https://naturalresources.house.gov/uploadedfiles/testimony_grossman.pdf.

employment.⁴⁷ IUU fishing activities have “depleted tuna stocks within [American Samoa’s] EEZ and disrupted the local economy, even to the point of forcing a tuna cannery there, which is one of the island’s largest employers, to temporarily suspend operations due to lack of tuna availability.”⁴⁸

In 2024, the American Samoan government requested additional U.S. Coast Guard assistance in combatting IUU fishing as there are more than 540 PRC-flagged vessels reportedly active in the water around American Samoa.⁴⁹

Vulnerabilities Posed by Tourism Loopholes in the CNMI

Recently, there has been a rise in the number of PRC-nationals illegally entering into PRC nationals illegally entering Guam via the CNMI by taking advantage of a fourteen-day visa-waiver program that permits PRC nationals to enter the CNMI without first obtaining a tourist visa.⁵⁰ The importance of this issue was highlighted by a recent bicameral congressional letter to then-Secretary of Homeland Security Mayorkas to bring awareness to this matter.⁵¹ Since 2022, there have been 118 reported attempts of PRC nationals illegally entering Guam.⁵² However, these are just the illegal entries that have been caught, as hundreds of PRC nationals were said to have entered Guam successfully without being caught in the span of a couple of months alone according to a September 2023 report.⁵³

Several PRC nationals caught illegally entering Guam were identified as being potential security threats on federal watchlists.⁵⁴ As of December 20, 2024, seven PRC nationals were arrested for illegally entering Guam during a U.S. Missile Defense Agency missile interception test where a

⁴⁷ Lemanu P.S. Mauga. Testimony presented before the U.S. House of Representatives Committee on Natural Resources, Subcommittee on Oversight and Investigations hearing titled “Examining Barriers to Access in Federal Waters: A Closer Look at the Marine Sanctuary and Monument System” on September 16, 2023.

<https://www.congress.gov/118/meeting/house/116363/documents/HHRG-118-II15-20230919-SD025.pdf>.

⁴⁸ Derek Grossman. Testimony presented before the U.S. House of Representatives Committee on Natural Resources, Subcommittee on Indian and Insular Affairs hearing titled “Preserving U.S. Interests in the Indo-Pacific: Examining How U.S. Engagement Counters Chinese Influence in the Region” on May 16, 2023.

https://naturalresources.house.gov/uploadedfiles/testimony_grossman.pdf.

⁴⁹ Kevin Knodell. “American Samoa wants more help from the Coast Guard as Chinese fishing effort grows.” Star Advertiser. March 25, 2024. <https://www.staradvertiser.com/2024/03/25/hawaii-news/american-samoa-wants-more-help-from-the-coast-guard-as-chinese-fishing-effort-grows/>.

⁵⁰ Embassies.net, *Northern Mariana Islander visa for Chinese citizens* webpage, <https://embassies.net/northern-mariana-islands-visa-for-china-citizens>.

⁵¹ Letter to Secretary of Homeland Security Mayorkas from Congressman Dunn et al., dated November 30th, 2023

<https://dunn.house.gov/cache/files/a/7/a7be6e9c-aa2c-4c5b-844f-0f9477022930/5C3DD18E5C7728487178D0D0CFACAAAD.20231130152328384.pdf>.

⁵² Alex Wilson, *Chinese citizens use Northern Marianas as illegal pathway to Guam, authorities say*, Stars and Stripes (February 27, 2024), https://www.stripes.com/theaters/asia_pacific/2024-02-26/guam-china-illegal-entry-northern-marianas-13130497.html.

⁵³ Cleo Paskal, *Northern Mariana: Time to close Chinas backdoor into the U.S.*, Foundations for Defense of Democracies (September 3, 2023), <https://www.fdd.org/analysis/2023/09/03/northern-mariana-time-to-close-chinas-backdoor-into-the-u-s/>.

⁵⁴ Joe Taitano II, *Security concerns over 118 Chinese nationals’ illegal entries to Guam; Tenorio says feds ‘underperforming’*, Pacific Daily News (April 7, 2024), https://www.guampdn.com/news/security-concerns-over-118-chinese-nationals-illegal-entries-to-guam-tenorio-says-feds-underperforming/article_37fcdff4-f327-11ee-a395-07e88eb8e46d.html.

new radar was deployed.⁵⁵ Authorities confirmed that all seven “Chinese nationals arrived on the same boat”⁵⁶ from the CNMI.⁵⁷ Even more concerning, at least four of the PRC nationals were found “in the vicinity of a military installation”.⁵⁸

Furthermore, there is rising concern about the flow of fentanyl and other illicit drugs into the Pacific territories via PRC tourists.⁵⁹ For example, two PRC nationals were caught illegally possessing “over 50 grams of Methamphetamine with the intent to distribute”⁶⁰ in the CNMI.⁶¹ As recently as this year, a PRC national “came to Guam via boat”⁶² from Saipan and was arrested with the intent to sell Methamphetamine while possessing approximately 2,000 grams of the drug.⁶³ One of the cooperating defendants in the case stated that there are Chinese nationals located in the CNMI and Guam who are running a “drug distribution network”⁶⁴ in the territories.⁶⁵

The Department of Homeland Security Secretary, Kristi Noem, has recently raised concerns over illegal entry into Guam by PRC nationals and emphasized the Trump administration’s prioritization of securing U.S. borders and protecting the American people.⁶⁶

A related issue is the continued concern over “birth tourism” in the CNMI by PRC nationals, where tourists enter the CNMI for the reason of giving birth as a newborn will automatically obtain U.S. citizenship.⁶⁷ Birth tourism continues to thrive in the CNMI as the first baby born in the CNMI in 2025 was from a PRC national.⁶⁸

OIA’s Responsibilities

As the office charged with managing federal relations with the territories, the OIA is a leading player in the overall economic health of the U.S. territories. The OIA must continue to engage with the Governments of American Samoa, CNMI, and Guam to ensure that threats are

⁵⁵ Gerry Doyle, *Seven Chinese nationals tried to illegally enter Guam as U.S. tested missile, authorities say*, Reuters (December 20, 2024), <https://www.reuters.com/world/asia-pacific/seven-chinese-nationals-tried-illegally-enter-guam-us-tested-missile-authorities-2024-12-21/>.

⁵⁶ Id.

⁵⁷ Id.

⁵⁸ Id.

⁵⁹ Id.

⁶⁰ Id.

⁶¹ Pacific Daily News Staff, *Chinese nationals sentences in NMI for roles in 2022 mailed meth case*, Pacific Daily News (Dec 9, 2023), https://www.guampdn.com/news/chinese-nationals-sentenced-in-nmi-for-roles-in-2022-mailed-meth-case/article_7fb17992-965f-11ee-ac98-b77dfc8f9830.html

⁶² Id. (GDP Jan 11, 2025).

⁶³ Shane Tenorio Healy, *Unsealed warrant: Chinese national from Saipan came to Guam by boat, sold meth*, The Guam Daily Post (January 11, 2025), https://www.postguam.com/news/unsealed-warrant-chinese-national-from-saipan-came-to-guam-by-boat-sold-meth/article_5334f046-cefe-11ef-b584-7755b7332b98.html.

⁶⁴ Id.

⁶⁵ Id.

⁶⁶ Haidee Eugenio Gilbert, “DHS’s Noem: Critical to secure Guam’s borders from unlawful Chinese entry.” Pacific Daily News. https://www.guampdn.com/news/dhss-noem-critical-to-secure-guam-borders-from-unlawful-chinese-entry/article_2eb780f0-efef-11ef-ab07-83483e10ebf6.html.

⁶⁷ Mark Rabago, *Birth tourism continues in the Marianas*, Pacific Daily News (January 6, 2025),

https://www.guampdn.com/news/birth-tourism-continues-in-the-marianas/article_591135f2-cb3d-11ef-a74c-c3b18bb72c6e.html.

⁶⁸ Id.

addressed within its jurisdiction while working with territorial governments to promote self-sufficiency.

The OIA plays an important role in supporting the energy needs of the Pacific territories through the Energizing Insular Communities (EIC) program. This program, which received \$15.5 million in fiscal year (FY) 2025, is intended to strengthen the foundations for economic development by addressing the energy needs of the territories.⁶⁹ However, the Biden administration had repurposed this program to serve its political objectives by prioritizing funding for renewable energy projects and electric vehicles.⁷⁰ The Biden administration's disastrous energy policies ignored the realities facing the territories and did little to help economic development in insular communities.⁷¹ The OIA must ensure the Energizing Insular Communities program supports an all-of-the-above energy approach.

The Capital Improvement Project (CIP) grants administered by the OIA are also intended to promote economic development by addressing the territories' infrastructure needs.⁷² By supporting critical infrastructure projects, the OIA has an opportunity to foster growth in the territories. CIP grants should be prioritized for critical infrastructure projects and directly promote economic development in the territories.

Furthermore, the OIA should increase coordination with agency partners and the U.S. Congress to ensure that the U.S. government is appropriately responding to attempts by the PRC and the DPRK to threaten peace and spread malign influence in the territories.

The Interagency Group on Insular Areas (IGIA), organized annually by the OIA, is among the ways in which the OIA can facilitate interagency coordination.⁷³ This annual meeting solicits information and advice from the elected leaders of the U.S. Insular Areas of Guam, American Samoa, the CNMI, and the U.S. Virgin Islands to make recommendations on the establishment or implementation of federal programs concerning the Insular Areas.⁷⁴ In 2022, the IGIA convened to discuss key issues such as economic development, energy and infrastructure, and education.⁷⁵ Agencies included in the 2022 meeting were the Departments of the Interior, Energy, Commerce, Veterans Affairs, and others.⁷⁶ While the Biden-Harris administration did not publicly release readouts for the 2023 and 2024 meetings, these meetings were mainly focused on the administration's political priorities such as the Inflation Reduction Act and

⁶⁹ "FY 2025 Office of Insular Affairs Greenbook." Department of the Interior. <https://www.doi.gov/media/document/fy-2025-office-insular-affairs-greenbook>.

⁷⁰ Id.

⁷¹ For more information on the impact of the Biden administration's prioritization of renewable energy in the territories, see Subcommittee on Indian and Insular Affairs April 11, 2024, hearing titled "Energizing the Territories: Promoting Affordable and Reliable Energy Sources for the U.S. Insular Areas."

⁷² "FY 2025 Office of Insular Affairs Greenbook." Department of the Interior. <https://www.doi.gov/media/document/fy-2025-office-insular-affairs-greenbook>.

⁷³ "Interagency Group on Insular Areas (IGIA) Documents and Archives." Department of the Interior. <https://www.doi.gov/oia/igia/documentsandarchives>.

⁷⁴ Id.

⁷⁵ "Biden Administration Focuses on Bipartisan Infrastructure Law in First Meeting of the Interagency Group on Insular Areas." Department of the Interior. February 1, 2022. <https://www.doi.gov/oia/press/Biden-Harris-Administration-Focuses-on-Bipartisan-Infrastructure-Law-in-First-Meeting-of-the-Interagency-Group-on-Insular-Areas>.

⁷⁶ Id.

climate resilience.⁷⁷ It is critical that the OIA raises the concerns and issues highlighted by the Pacific territory leaders with relevant agencies.

The OIA is also charged with regularly consulting the CNMI government on matters affecting the relationship between the federal government and the CNMI. This consultation is known as “Section 902 consultations” and is mandated under the CNMI’s establishing Act.⁷⁸ The objective of these consultations is to provide an avenue for high-level discussions on the issues of immigration, labor, and U.S. national security interests between the U.S. and the CNMI.

The House Committee on Natural Resources will continue to exercise its oversight authority over the OIA to ensure the office is carrying out its responsibilities in the manner that Congress intended, that the OIA budget is fiscally responsible and that the office executes programs in a manner reflective of the interests of the American people. Critical to its purpose and role is ensuring the Pacific territories are strong partners in abating threats to peace and security in the Pacific and on the mainland.

⁷⁷ “Examining the Office of Insular Affairs’ Affairs’ Role in Fostering Prosperity in the Pacific Territories and Addressing External Threats to Peace and Security.” Department of the Interior. February 8, 2023. <https://www.doi.gov/pressreleases/biden-harris-administration-announces-move-reduce-financial-burden-us-territories>.

⁷⁸ See “The Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America.” [https://uscode.house.gov/view.xhtml?req=\(title:48%20section:1801%20edition:prelim\)](https://uscode.house.gov/view.xhtml?req=(title:48%20section:1801%20edition:prelim)).