

**Committee on Natural Resources**  
**1324 Longworth House Office Building**  
**February 11, 2020 at 2:00 p.m.**

Oversight Hearing  
*Policy Priorities for the Administration's FY 2021 Budget for the Insular Areas*

**Questions from Rep. Sablan** for The Honorable Arnold I. Palacios, Lt. Governor,  
Commonwealth of the Northern Mariana Islands

1. The Interagency Group on Insular Areas was created to “solicit information and advice from the elected leaders of the U.S. Insular Areas” and make recommendations to the President to address appropriate issues regarding federal programs. Do you believe the Executive Branch is doing enough to address your concerns?
2. Are there any specific issues you think Congress needs to address?
3. Congress passed the FY 2020 appropriation with \$6.25 million for the formulation and implementation of energy action plans to reduce the cost of electricity, stop the loss to island economies from purchase of imported fuels, and increase the efficiencies of your distribution systems. This a long over-due down payment on PL 113-235. The House has shown we are willing to invest much more. Our FY 2020 bill had \$12 million for all of you, but the final bill cut that in half. We need to hear from you. Are you interested in more help to cut the cost of electricity for your constituents and modernize your electrical systems?
4. How is Interior and the Office of Insular Affairs helping your administration combat and prepare for the effects of climate change?
5. On February 7, 2020, the House passed legislation that would provide funding for the Earned Income Tax Credit in Guam, the U. S. Virgin Islands, American Samoa, and the Northern Marianas. That is worth \$11 million per year for the Marianas. But the White House says the President will veto the bill. President Obama came out in favor of EITC for the insular areas at the end of his second term. Where do you stand on this issue? Should we provide federal funding to pay our low-income working families?

6. Congress helped you avoid the Medicaid cliff with passage of Public Law 116-94 on December 20, 2019. The Marianas is getting \$60 million this year and \$60 million next year – 9 times more than we would otherwise have received and more than we have ever received before. Public Law 116-94 also reduced our local share of Medicaid from 45 percent to 17 percent – better than the matching amount for any state. Can you tell us how you are using all this new money to improve delivery of health care to our constituents?
7. Congress provided \$20.8 million for technical assistance to the insular areas last year. The administration keeps trying to cut technical assistance. The President's FY 2021 budget proposes \$14.67 million. OIA hands out that technical assistance money in response to requests from governors and others. Congress gives OIA free rein to decide. Would you prefer more control of that money? For instance, would you like some of that technical assistance slush fund put it into specific programs?
8. The Pacific governors know that the federal government made an error in how it counts the number of FAS immigrants in Hawaii. Because of their error, OIA has proposed cutting what American Samoa, Guam, and the Northern Marianas get in compact impact funding to make up for what Hawaii did not get in past years. Hawaii needs that money, but I do not think that the other insular areas should have to pay for the Census Bureau's and OIA's mistake. Do you think we should reduce the administrative budget of OIA to make up for their mistake, rather than making you pay? Does your Administration provide reports on the costs of hosting compact migrants?
9. A key feature of the U.S. Workforce Act (PL 115-218) is the annual spending plan the Governor puts together for the training fees that employers of CW workers must pay. The money is supposed to train local workers to replace foreign workers. Is the Governor's plan working as projected? How many local workers are being added to the workforce?
10. Another key feature of the U.S. Workforce Act is that OIA must report to Congress on what that agency is doing to help economic development in the Marianas. Do you agree with their first report? Are you satisfied with what OIA is doing to identify

economic development opportunities for the Northern Marianas? Can you give us an example of how OIA is helping you?

11. I included several set-asides for the Northern Marianas in last year's Disaster Recovery Act, Public Law 116-20: \$56 million for solid waste, \$36 million for Medicaid, \$25 million for the Nutritional Assistance Program, \$10.4 million for water and sewer, \$2 million for financial management. How is that money helping you?
12. EPA was recently in the Marianas to plan for using the \$56 million for solid waste. Can you tell me what the plan is? Will Rota and Tinian finally get modern, environmentally appropriate solid waste systems?
13. How is the additional Nutritional Assistance Program funding being used? Do you have enough money to keep benefits at the same level as Guam?
14. What are you doing with the water and sewer money?
15. How is the \$2 million for financial management being used?
16. Are you having any problems accessing these funds that I put into the Disaster Recovery Act for the Marianas?
17. What are your thoughts on the Prior Service Trust Fund? Should OIA continue to bankroll the fund? Should OIA keep using Technical Assistance Program grant funds?
18. Recently imposed austerity measures include 32-hour work weeks for government employees because of the significant downturn in economic revenue. How will this impact employees who are paid with federal program funds? How will cutting their hours help with the financial challenges?

**Questions from Rep. Sablan** for The Honorable Lou Leon Guerrero, Governor, Guam

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**Questions from Rep. Sablan** for The Honorable Albert Bryan Jr., Governor, U.S. Virgin Islands

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