



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

DEC 20 2024

The Honorable Harriet M. Hageman  
Chair  
Subcommittee on Indian and Insular Affairs  
Committee on Natural Resources  
U.S. House of Representatives  
Washington, DC 20515

Dear Chair Hageman:

Enclosed are responses to questions for the record submitted to the Department of the Interior's witness, Carmen Cantor, Assistant Secretary for Insular and International Affairs, following her appearance before your Subcommittee at an oversight hearing on May 8, 2024. These responses were prepared by the Office of Insular Affairs.

Thank you for the opportunity to respond to you on these matters.

Sincerely,

Pamela L. Barkin  
Legislative Counsel  
Office of Congressional and  
Legislative Affairs

Enclosure

cc: The Honorable Teresa Leger Fernández  
Ranking Member

Questions for the Record  
House Committee on Natural Resources  
Subcommittee on Indian and Insular Affairs  
Oversight Hearing on “*Examining the President’s FY 2025 Budget Request for the Bureau of Indian Affairs, Indian Health Service, and Office of Insular Affairs*”  
May 8, 2024

**Questions from Chairman Westerman**

**1. The budget justification for the OIA continues to pick winners and losers in the energy sector by promoting taxpayer money for renewable energy, which is clearly seen through the OIA’s Energizing Insular Communities program. The Biden administration is bypassing an all-of-the-above energy strategy by electing to prioritize renewables over more reliable sources.**

**a. Do you agree that the territories should have access to reliable energy?**

**Response:** Yes.

**b. Do you agree that the territories should be able to have self-determination in choosing the right energy options that fit their needs?**

**Response:** Yes, the territories have unique energy needs and the Department supports the territories’ self determination to choose energy options that meet those needs.

**c. Are you aware that U.S. territories such as the USVI continue to suffer from frequent outages despite transitioning to solar and wind energy?**

**Response:** Yes, we are aware, although the outages are not due to one singular cause, and the integration of solar and wind energy in the USVI has not yet reached a threshold that would otherwise compensate for reductions in conventional energy provision.

Energy security and reliability are both critical to the insular areas’ future economic development and viability. Considering the high costs of energy in the insular areas, supporting renewable energy efforts will allow these communities to reduce their dependence on imported fuel and transition to domestic energy sources.

**d. Will you commit to expanding energy options for the territories and not just the ones that the Biden administration deems as politically favorable?**

**Response:** Part of OIA’s mission is to support self-sufficiency and self-determination in the Insular Areas. If stakeholders in the territories choose to pursue renewable energy technologies or otherwise, and then approach OIA for funding in support of that pursuit, OIA will consider that proposal.

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**2. The budget requests an increase in discretionary funding to American Samoa Operations, Capital Improvement Projects, the Office of Insular Affairs, Technical Assistance, Brown Tree Snake Control, the Coral Reef Initiative, Natural Resources, and Energizing Insular Communities grants. According to your written testimony, these increases reflect an increase in costs to carry out these programs. However, it is not clear how the OIA calculated the funding levels in its request.**

**a. Can you please elaborate on how the OIA came up with these costs?**

**Response:** Some of OIA’s requested increases are tied to fixed costs as detailed on page 12 of both our 2024 and 2025 budget requests. Requested increases related to our grant programs generally reflect the fact that requested assistance from our territories far exceed the resources we have available.

Over \$1 million in increased costs comes directly from our fixed costs request, which went unfunded in fiscal year 2024 and which we are again requesting in fiscal year 2025. Those changes are explained in our budget justification by line item. Additionally, our professional services contractors are also experiencing similar increasing costs for staff salaries, travel, and their own operational costs.

The funding level for CIP has stayed flat at \$27.7 million since 1996. In today’s dollars, the program would need to be funded at \$52.9 million for the territories to have the same purchasing power as they did in 1996. This small request for discretionary funding does not make up for the loss in purchasing power but allows us to chip away at the larger issue of unfunded infrastructure needs.

For our Brown Tree Snake Control program, costs for the USDA APHIS Guam Interdiction program have increased 85 percent, and the CNMI interdiction program has experienced a 21 percent increase in costs. These increases are due to inflation-based increases for costs of services and supplies. Without additional funding, successful interdiction efforts may be at risk and OIA may be unable to meet its 100% inspection target, which could result in the spread of the Brown Tree Snake outside of Guam.

For our Coral Reef Initiative and Natural Resources program, demand for the grant funding far exceeds our available funding. This year, we received \$6.8 million in proposal requests for \$2.6 million in funding. OIA is requesting a small increase of less than 10 percent for this program to account for rising costs of supplies and labor related to these projects.

For our Technical Assistance program, we are requesting \$1 million to offset the costs for groundwater monitoring at Runit Dome. Per the Insular Areas Act, OIA is legally required to pay for this activity through our Technical Assistance program (48 U.S.C. 1921b(f)(1)). To date, OIA has provided over \$4 million to the Department of Energy to drill boreholes to access water samples, and we know that ongoing monitoring will result in continuing costs. We are requesting the \$1 million to offset the decrease in funding available to the territories when our TAP funding

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is otherwise diverted to our Runit Dome monitoring costs.

- b. Were these increases requested by outside agencies? If so, what has the OIA done to ensure that these increases are justified and are fiscally responsible?**

**Response:** OIA is constantly evaluating the balance between available financial resources and our mission to ensure that OIA maintains adequate levels of funding to maintain our levels of mission execution. Coordination with our Federal and insular partners is necessary for thoughtful budgetary requests.

As noted in the prior response, OIA staff, along with Federal and local partners, have found that actual costs for supplies, equipment, contracts, and labor have risen at a rate that outpaces increases in our program funding. Over the past couple years, OIA has been tracking the costs needed for the execution of mission-related activities, such as infrastructure projects, Brown Tree Snake interdiction efforts, and Runit Dome groundwater monitoring in the RMI.

Considering many of these programs have not had significant increases in funding for many years, these programs will require increases to their budgets to maintain current levels of mission execution.

- 3. There have been recent reports that the Federated States of Micronesia’s (FSM) government signed ten memorandums of understanding (MOUs) with the People’s Republic of China’s (PRC) government. The PRC pledged to support the FSM with \$14 million (USD) to fund multiple projects. This is especially concerning as several of these MOUs are for cooperation on infrastructure and economic development, areas that the COFAs are meant to address. There are serious concerns about how COFA funds could be used, directly or indirectly, to fund the PRC and PRC-linked entities for carrying out projects under these MOUs.**

- a. Is the Secretary of the Interior and the OIA aware of this news and agree that this is alarming?**

**Response:** Yes. The Secretary of the Interior and the Office of Insular Affairs are aware of the reports of the FSM-PRC MOUs. We are tracking this issue closely.

- b. Has the DOI approached the FSM government about this news and raised its concerns with how they could affect COFA implementation?**

**Response:** The United States Embassy in Pohnpei, FSM has received copies of the reported MOUs. Ambassador Johnson has been assured by President Simina that the United States-FSM relationship is the FSM’s number one relationship, and that the FSM has a 35-year friendship with the PRC.

- c. How will the DOI ensure that COFA funding is not going to be used to fund the PRC**

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**and any PRC projects?**

**Response:** The Fiscal Procedures Agreement between the Government of the FSM and USG explicitly prohibits the use of COFA funds for Covered Telecommunications Equipment and Services and prohibits award of contracts to non-USG and GFSM enterprises that have more than a 50% owned share by a State. Close oversight and monitoring by the Office of Insular Affairs of the use of COFA economic assistance provided to the FSM will help ensure that COFA funds are not used to fund the PRC and any PRC projects.

**4. On May 1, 2024, Secretary Haaland stated that the DOI is working to appoint their required members to the Compact’s Economic Management and Trust Fund committees.**

**a. Can you provide us with an update on the appointment process?**

**Response:** All USG representatives to the Compact’s Economic Management and Trust Fund Committees have been appointed. Assistant Secretary for Insular and International Affairs Cantor has been appointed by Secretary Haaland as the DOI representative for the JEMCO (FSM) and JEMFAC (RMI). DOI-OIA Director Mr. John Brewer has been appointed by Secretary Haaland as the DOI representative to the Compact Trust Fund Committees for the FSM and RMI. Mr. James Heller, Director, Office of ANP, EAP has been designated by Secretary Blinken as the Department of State representative to the JEMCO, JEMFAC and Trust Fund Committees. USAID Assistant Administrator Michael Schiffer has been appointed by the Interagency Group on the Freely Associated States to the JEMCO. Mr. Joseph Dickson has been designated by Secretary Yellen as the Department of Treasury representative to the Trust Fund committees.

**b. Can the DOI commit that they will appoint highly qualified, senior-level members who have strong expertise in financial and economic management to these committees.**

**Response:** DOI representatives ASIIA Cantor and Director Brewer are appropriately qualified to serve on the JEMCO, JEMFAC and Trust Fund committees, respectively.

**5. The renewed COFA’s included provisions for the authorization of veterans’ services to the FAS. As Co-chair of the Interagency Group, the Secretary of the Interior is tasked with coordinating federal agency implementation of the COFA provisions. You mentioned in your testimony that OIA has been collaborating with members of the Interagency Group to provide veterans access to these services.**

**a. Can you provide us with an update on the status of the implementation of veterans’ services provisions?**

**Response:** DOI has coordinated with Department of Veteran’s Affairs and is aware that they are

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actively working to adapt their programs to serve veterans residing in the freely associated states.

- b. Can you confirm that the Secretary of the Interior has begun coordination with the Secretary of Veterans Affairs to ensure that these provisions are carried out in the manner they were intended?**

**Response:** Yes. DOI has already engaged with the Department of Veterans Affairs to comply with the change in law.

- 6. In the new Compact legislation, Congress mandated the formation of the Interagency Group on Freely Associated States. The purposes of the Interagency Group are to coordinate federal activity in or relating to the FAS, and to provide policy guidance and oversight to federal agencies with respect to COFA implementation. The Secretary of the Interior, as Co-Chair of the group, holds the responsibility to co-lead regular meetings of the group and to facilitate and coordinate the group’s work. You mentioned in your testimony that the Interagency Group had their first meeting, and that the DOI appointed their representatives to the Interagency Group.**

- a. Who are the representatives that the DOI appointed to the Interagency Group?**

**Response:** Assistant Secretary for Insular and International Affairs Cantor has been appointed as the DOI representative to the Interagency Group.

- b. Can you confirm that these representatives are at a senior-level and appropriate for the group? It is important that these representatives are at the most senior level possible in order to ensure proper coordination and to provide a clear signal to our FAS allies that we remain committed to the COFA.**

**Response:** Yes. We agree and confirm that the representatives are at senior level and appropriate for the group.

- c. Does the group plan to meet more than once this year? If so, when?**

**Response:** The Interagency Group will meet no less than once a year and plans to meet as often as needed to address COFA related issues. The second meeting of the Interagency Group occurred on September 12, 2024.