



**Testimony of Lemanu Palepoi Sialega Mauga
Governor of American Samoa**

**Before the
U.S. House of Representatives
Committee on Natural Resources
Office of Insular Affairs**

For a Virtual Oversight Hearing Entitled *How the Biden Administration's Build Back Better Plan can benefit the U.S. Territories.*

March 24, 2021

Honorable Chairman Grijalva, Vice Chairman Sablan and Distinguished Members of the Full Committee on Insular Affairs:

Talofa lava and good morning from American Samoa. I am Lemanu Palepoi Sialega Mauga, Governor of the only U.S. Territory, south of the equator.

I am humbled by the opportunity you've given me to share with you how U.S. Territories like American Samoa can benefit from the Biden Administration's Build Back Better Plan.

We must acknowledge the help and support of the Honorable members of this committee through congressional legislation, the Department of the Interior and its Office of Insular Affairs. We thank you for your commitment to the Insular Areas in the Full Committee as well as other subcommittees in providing guidance in

the areas of our Ocean and Fisheries, National Parks and the Land and Water Conservation Fund, Oversight and commitment to Indigenous Peoples. We thank you for your efforts for Equity and Justice for the Insular Areas. We also want to thank our Congresswoman Aumua Amata Radewagen for her work in the committee, not only for our territory, but all territories within the purview of the Insular Affairs committee.

While there are common interests and benefits among U.S. Territories, I must acknowledge that American Samoa also has its unique needs and challenges.

American Samoa is home to the only COVID-19 free U.S. Territory with over thirty-two percent (32%) of its residents who have received full vaccination to date. Our swift and aggressive response since late 2019 to the measles outbreak in the Pacific region led into our direct transition to a declared state of public health emergency against the Coronavirus (COVID-19) pandemic in early 2020. Our borders remain closed since March of 2020 to prevent the possibility of such deadly virus from entering our islands. Meanwhile, the American Samoa Government (ASG) worked simultaneously with limited resources to build quarantine facilities and to retrofit its one and only hospital in preparation for COVID-19.

In two months since taking office in January 2021, we have successfully completed two repatriation flights for returning residents from the U.S. mainland. We knew the risks and financial demands of such lengthy operations, but reuniting families and loved ones after a year was critical to the mental health and well-being of our people. During the course of one year since our border closures, we had 16 suicide cases among our youth, and the highest suicide rate we've ever had in a single year. Domestic violence began to increase

concurrently around the time when our local education system underwent adjustments to remote and virtual learning. I share these key unforeseen circumstances to the health and social distress of the pandemic on our shores, regardless of the fact that we remain COVID-19 free today.

For a territory that is geographically isolated and over two thousand miles away from the nearest state, closing our borders was a huge risk to our fragile economy. Nonetheless, we feared losing people's lives as we carefully monitored the coronavirus across the globe. The alarming rate of COVID-19 deaths around the world meant that it could possibly wipe out our local population and significantly impact our way of life within a short period of time.

The Biden Administration's Build Back Better Plan as we have learned has healthcare as a top priority along with infrastructure goals for our security now and moving into the future.

We have made health care as one of our top priorities. Medicaid is vital to our healthcare system. Medicaid is the only health insurance plan that is available to the Medicaid eligible residents of American Samoa. Non-eligible residents do not have access to any private health insurance and their health care is subsidized by the local government. Military personnel whether active or retired have access to Tricare, approximately half of the seniors eligible for Medicare have both Part A and Part B, federal employees have access to their insurance providers, but the general population have no access to any other health insurance plan. Thus, Medicaid is critical and the only health insurance safety net for the people of American Samoa.

The biggest problem that American Samoa continues to face together with our sister territories, is the historical insufficient Medicaid annual block grant with a stiff Federal Medical Assistance Percentage, or FMAP, that is applied to our Medicaid programs. The Further Consolidated Appropriations Act (Dec. 2019) provided a historical increase to U.S. territories capped annual allotments and increased the FMAP to 83% for FY2020 and FY2021. The Families First Coronavirus Response Act (FFCRA, Mar. 2020) provided an additional \$2.3 million in funding and 6.2% to the FMAP increasing the FMAP to 89.2%—essentially lowering the local match requirement to 10.8%. Even though our local matching requirements have been reduced, it is still a challenge for us when facing budget shortfalls. The threat we now face is the looming expiration in September 2021, of this annual funding increase and the increases in the FMAP that provided tremendous medical relief for our people and financial assistance to our government during the economic hardships in the context of COVID. American Samoa cannot afford to go back to the insufficient funding levels and reduced FMAP of 2018. We cannot continue to administer our Medicaid program with financial uncertainty and insufficient funding because Medicaid is the only lifeline for our territory's health care system.

It is essential that Congress extends and continues the funding levels provided under the 2019 Further Consolidated Appropriations Act and the 83% FMAP---Permanently. My commitment as the new Governor is to increase our local match funding for our Medicaid program and to increase our provider network so we can fully provide the mandated comprehensive services required by the Social Security Act.

As indicated earlier, American Samoa's fragile economy has taken risks to strictly protect its people from the global pandemic. Accordingly, it is my belief that the alignment of education,

workforce and economy are equally important on all aspects to attract new investments with a skilled workforce. I am pleased to know that the Build Back Better Plan aims to building a stronger economy that encourages manufacturing and sustainable infrastructure.

American Samoa aims to diversify its island economy through industry and workforce development opportunities with an emphasis in Science, Technology, Engineering, Arts, and Mathematics. This will drive local, innovative opportunities across U.S. Territories like American Samoa as a contributor to “Made in America” products.

However, the federal minimum wage remains a concern with respect to the \$15 per hour minimum wage that is proposed in the Build Back Better Plan. It may be a feasible rate in many states with bigger economies, but not for US Territories like American Samoa. The last Government Accountability Office report on the economic impacts of the federal minimum wage in American Samoa revealed the need for our voices to be heard and included in the determination of a feasible minimum wage rate that our island economy can withstand. Moreover, we proposed the need for a Specialized Industry Committee consisting of local and federal stakeholders to determine a federal minimum wage for the Territory.

Building and strengthening our critical infrastructure is key in this day and age of COVID-19. From healthcare, to transportation, information communication and technology, American Samoa recognizes the need to rebuild and strengthen our critical infrastructure for a sustainable economic future. Our current broadband capacity will enable us to maximize access to virtual learning opportunities, telehealth and other technological driven industries.

The need to attract foreign investors remain challenging due to our geographic location, but we remain hopeful in the Biden Administration to see us through our economic struggles due to cabotage laws, which have made it difficult to attract more airline carriers to the Territory. Small businesses and entrepreneurs continue to face shipping delays, which often lead to inflation costs and high cost of living in these trying times.

Our critical infrastructure is dependent on our natural resources, our environment. Natural disasters have become more prevalent in the Pacific region, and we have experienced damages to our critical infrastructure as a result of sea-level rise, severe floods and mudslides. Hazard mitigation is imperative as well as pre-and post-disaster preparedness against the impacts of climate change. We are all stewards of the environment, and it is our shared responsibility to protect and conserve it for future generations, while investing in sustainable and resilient infrastructures for economic growth.

For an island territory that depends on imported goods, especially fuel, the Build Back Better Plan is an opportunity for U.S. Territories to invest more in clean and affordable energy. We can all agree that the Build Back Better Plan aims to improving the quality of life of everyone who make the great United States of America and its territories their home. Furthermore, I wish to acknowledge the federal funding assistance from the Office of Insular Affairs through its Technical Assistance Program, Maintenance Assistance Program, and Capital Improvement Program that helped us address some of our urgent needs throughout the pandemic. These funding opportunities have allowed us to prepare in a timely manner.

In closing, U.S. Territories like American Samoa could benefit greatly from the Build Back Better Plan in many aspects, specifically in addressing our healthcare and economic development needs, to building sustainable and resilient infrastructures to minimize the devastating impacts of climate change in our communities.

Fa'afetai tele for the opportunity to speak before you all today, and I yield my time to answer any questions you might have.