

Thank you, Chairman Sablan.

Today, we intend to analyze the President's FY 2023 budget request for Insular Affairs.

The Office of Insular Affairs, within the Department of the Interior, is responsible for carrying out responsibilities for the territories of American Samoa, the Northern Mariana Islands, Guam, and the U.S. Virgin Islands.

In addition to providing assistance to these territories, the Office of Insular Affairs is charged with overseeing Federal assistance under the Compacts of Free Association, which the United States has signed with the three, independent Freely Associated States—the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau.

Given the geographic location and size of the U.S. territories and Freely Associated States, each face many unique challenges.

These can be in the form of economic, health care, quality infrastructure and many others. My hope is that we can work together to address each island's priorities in an efficient way that is beneficial to the taxpayer.

The FY 2023 budget request for the Office of Insular Affairs is \$125 million for current discretionary appropriations and \$610 million for permanent funding. This represents an increase of nearly \$14 million from the FY 2022 level.

Half of this requested increase, \$7 million, is attributed to the “energizing the territories” line item, with an emphasis on renewable energy and grid infrastructure.

As I’ve stated before, it is crucial that we help the territories diversify their energy sources to address high electricity costs that hamper economic growth.

We must increase our use of renewables and I’ve introduced legislation like the Offshore Wind for Territories Act to achieve this. Puerto Rico has also published a \$1.5 billion RFP for renewables and storage.

However, I also support an all-of-the-above energy approach. I am a strong proponent of upgrading the existing plants to liquefied natural gas, which is cleaner and more reliable.

Reliability is key to all of our Insular Areas, especially to support and expand key industries.

Affordability is also critically important, and the individual needs of each Island must be considered before we started mandating renewable energy projects in the territories.

With a debt of \$23 trillion, we must be diligent with the expenditures, while living up to commitments we have made.

I do want to turn to a topic that I believe is very relevant to today’s hearing given the Department provides funding to the Freely Associated States, and is engaged in the management of the Compact Trust funds.

In recent years, China has continued using military and economic coercion to bully its neighbors in the Indo-Pacific region, advance unlawful maritime claims, threaten maritime shipping lanes, and destabilize territory along the periphery of the People's Republic of China.

While China's influence in the Indo-Pacific region is growing, its engagement has been relatively limited in the Freely Associated States as a whole, primarily due to the U.S. security and economic presence to the PRC's lack of diplomatic relations with the Marshall Islands and Palau.

Among the Freely Associated States, China's engagement is greatest in Micronesia, where it is a major provider of economic assistance and investment.

Recent actions by the PRC underscore the need for continued attention on compact renewal with the Freely Associated States before they expire in 2023 and 2024, as they could have wide ranging impacts on the U.S. influence and control in the Indo-Pacific region.

Congress should also examine compact trust funds as their envisioned health to provide long-term sufficiency for the F-S-M and the R-M-I has not been realized.

I want to thank the witnesses and I look forward to their testimony.

I yield back.