

**STATEMENT OF CONGRESSWOMAN MADELEINE Z. BORDALLO
MEETING OF THE INTERAGENCY GROUP ON INSULAR AREAS (IGIA)
FEBRUARY 25, 2014**

Hafa Adai Secretary Jewell, David Agnew from the White House, Acting Assistant Secretary Faeth, Governors, colleagues, and federal agency representatives:

I thank you all for your continued involvement in the IGIA and your efforts to improve federal policies that uniquely affect the U.S. territories. I appreciate the White House's leadership with the IGIA, and the leadership provided by the Department of the Interior in strengthening and improving the IGIA's role in formulating favorable policies for the territories. The IGIA is important not because we solve problems today but because we gain a commitment from our federal partners to resolve many of our issues over the coming year.

Realignment

I appreciate the Administration's continued commitment to our strategic rebalance to the Asia-Pacific region, to which Guam and the Marianas are critical. I am heartened to see the Administration's investment of federal resources to the rebalance and realignment. I look forward to working with my colleagues in Congress and with the Administration—and I encourage cooperation among the agencies involved-- to build on the progress we have made and ensure that the realignment is positive for our island, nation, and the region. In particular, I hope our partners in the Department of Defense will work closely with local leaders when the supplemental E-I-S is released later this spring. It's important to get this realignment right for our military and our civilian community.

Natural resources

Secondly, regional security must take into account economic security and the sustainable management of the Western Pacific's and the territories' natural resources. I remain committed to working with federal agencies on ensuring that our fisheries are sustainable and secure, and that our coral reefs are managed successfully to continue providing shelter for our ocean life and our shores. I also will work with my colleagues in Congress to advance critical legislation to combat illegal, unregulated, and unreported fishing which has significant impacts on our regional security.

Visa Waiver

An important issue for Guam's economic future is expansion of the Guam-CNMI visa waiver program to include visa-free travel for Chinese visitors. Our island has worked diligently with federal authorities to meet Congress's intent. Now that Jeh Johnson has been confirmed as the next Secretary of Homeland Security, I hope that our federal partners can re-engage in discussions with us on this issue. I believe there are ways to address security concerns so that we can truly expand our tourism industry.

Compact Impact

I hope the Administration will take a closer look at the costs to our local jurisdictions as a result of the Compacts of Free Association. I continue to support the intent of the Compacts and understand the benefits these agreements have for our nation; however the costs borne by our

local governments for providing social services to Compact migrants is unsustainable, and we cannot continue to rely on the affected jurisdictions to assume a greater majority of these costs. Federal assistance for compact-impact costs has been stagnant at \$30 million per year and, given the fiscal challenges that face the federal government, we must find alternative solutions to reducing these costs.

While COFA migrants make positive contributions to our respective jurisdictions, there is no question that insufficient integration of migrants causes a significant socioeconomic strain to our island communities. One of the key setbacks to analyzing how to move forward with addressing Compact impact is the lack of guidance from the Administration on how the affected jurisdictions are to account for the true costs of these services. The GAO underscored this point in their study on the Compacts, and I have consistently urged the D-O-I to develop such a metric.

Support for war claims

I also appreciate the Administration's continued support for the Guam World War II Loyalty Recognition Act. As you know, the bill currently before the Congress represents a compromise aimed at addressing past objections by fiscal conservatives. I hope the Administration will continue to support this compromise language so that we can finally resolve this longstanding injustice for our people.

Strategies for implementation of ACA on Guam

I also look forward to our discussion on the Affordable Care Act and the challenges the Government of Guam and local stakeholders are facing in implementing this law. I appreciate that DOI made an effort to ensure that there is specific time to discuss implementation issues. The unique way in which this bill impacts the territories has created a number of challenges and I believe the IGIA is the most appropriate venue to address these matters. I continue to strongly support the intent of health reform and benefits that millions of Americans, including many of my constituents in Guam, have received because of the ACA. However, I am very concerned that certain aspects of the law will force insurance companies on Guam to raise rates significantly and ultimately make health insurance coverage unattainable for many of my constituents.

In this regard, I hope that we can have a full discussion on paths forward that will ensure that the intent of health reform are realized in all the territories. Specifically for Guam, I hope that we will be able to revisit the challenges that are being felt by our insurance industry in implementing the current essential health benefits plan in force on Guam. While I understand that the current E-H-B plan defaulted to the federal plan because we did not set one ourselves, I hope to work with H-H-S and C-M-S to amend this plan to one that more adequately addresses the needs of my constituents while ensuring that important protections remain intact.

I also hope to discuss the option of establishing risk adjustment, reinsurance, and risk corridor programs on Guam similar to those authorized under section 1341-1343. While I recognize that these programs are intended to be used by qualified health plans offered through an insurance exchange, the territories were given the unique option of opting-out of establishing exchanges and were precluded from having federally facilitated exchanges established if they couldn't. These programs are intended to stabilize the market by protecting against adverse selection and stabilizing premiums while reforms were implemented. I hope that we will be able to discuss

extending these programs to Guam to counter increases in premiums while we work to improve the ACA for the territories.

Lastly, I hope that we can begin a dialogue between the Government of Guam and H-H-S to determine the best way forward in leveraging the additional \$268 million in Medicaid funds that were provided to Guam through the A-C-A. I'm particularly interested in exploring implementing a pilot program on Guam that uses Section 11-15 Medicaid demonstration waiver authority that would enable Guam to establish a private option similar to programs in Arkansas, Iowa and Pennsylvania. I believe that such a program could allow many of my constituents to receive premium assistance through Medicaid to purchase private insurance. I would hope that such a program would be able to draw down on the A-C-A's additional Medicaid funding for Guam without triggering an F-map cost-sharing component.

Conclusion

Again, I appreciate for all of us to come together to discuss these important matters. Thank you and I look forward to a productive session. Si Yu'os Ma'ase.