



EXECUTIVE CHAMBERS

HONOLULU

BENJAMIN J. CAYETANO
GOVERNOR

January 14, 1997

Mr. Allen Stayman
Director, Office of Insular Affairs
U.S. Department of the Interior
1849 C St. N.W.
Washington, D.C. 20240

Dear Mr. Stayman:

Thank you for your December 20, 1997 letter, requesting my views on the impact of the Compact of Free Association on the State of Hawaii.

We regret that the Department of Interior (DOI) has not fulfilled its statutory duty to submit an annual report to Congress on the impact on the State of Hawaii of the Compact of Free Association with the Federated States of Micronesia (FSM), the Republic of the Marshall Islands (RMI), and Palau.

As you know, the Compact of Free Association Act of 1985 requires the President to report to the Congress at one-year intervals, beginning January 14, 1987, "on the impact of the Compact on the United States territories and commonwealths and on the State of Hawaii." Pub. L. No. 99-239, 99 Stat. 1770, 48 U.S.C. § 1904(e)(2). Although DOI prepared what it termed an annual Compact Impact report in 1989, it did not do so again until September 1996, months after the State and the Commonwealth of the Northern Mariana Islands joined a civil action against DOI brought by the Territory of Guam. Moreover, the report does not even purport to examine the impact of the Compact on Hawaii. It states:

This report examines the impact of Compact migration on Guam and the CNMI. Until recently, these were the only two areas expressing any concern with the impact of such immigration. Just recently, Hawaii has also raised the issue of Compact impact, so preliminary statistics on Micronesians in Hawaii have also been included.

(p. 11, emphasis added)

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The only other discussion of Hawaii in the report's description of Compact impact is a brief statement of the above "preliminary statistics on Micronesians in Hawaii":

Hawaii: Data from the 1990 census show that there were 1,296 FSM and RMI-born persons in Hawaii in 1990. Of these, 700 arrived after Compact implementation. Extrapolating to 1996 would give about 1200 arrivals since the Compact. These numbers are probably too low and should be improved through a census of Micronesians.

(p.11)

The report's 34-page appendix, entitled "Micronesian Migrant to Guam and the Commonwealth of the Northern Mariana Islands," contains only a brief mention of Hawaii on page three ("Most of the emigration from the RMI is to Hawaii and the U.S. mainland, so for this report, no further geographic differentiation is made...Micronesians had settled in Hawaii and the mainland United States even before implementation, but only sporadically and in small numbers"), and a half page on page thirteen, showing estimated and projected Micronesian migrants in Hawaii, based on 1990 census data.

A report which fails to differentiate between Hawaii and the mainland in discussing RMI emigration can hardly be said to constitute a Compact impact report as to Hawaii. Nowhere does the report mention, let alone "pay particular attention to matters relating to trade, taxation...labor laws, minimum wages, social systems and infrastructure, and environmental regulation" as matters affecting Hawaii.

The available statistics do not adequately portray the Compact's impact on the State. However, we do know that the rights granted by the Compact to citizens of the FSM, the RMI, and Palau to enter, hold employment, and establish residence have had a serious impact on the State.

The public health impact is now our most pressing concern. There has been a recent outbreak of Hansen's Disease (leprosy) among a community of 222 Marshallese in Kona. Approximately 75% of that community arrived in Hawaii within the last five years, with a steadily increasing number each year. The State needs to screen, diagnose, and possibly treat other similar communities of Marshallese in the State. Estimates made by leaders of the Marshallese community, by the University of Hawaii faculty who have lived and worked in the Micronesian area and are acquainted with the Hawaii situation, and by others involved with medical and social services indicate that there are groups of similar individuals in Hilo, Kohala, Puna on the Big Island, Maui, and a large group on Oahu. These estimates suggest that the Marshall Islands immigrants alone number between 2000 and 3000. The Marshall Islands have a high incidence not only of

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Hansen's disease, but also of tuberculosis, hepatitis B, sexually transmitted diseases, parasitosis, and malnutrition. The pattern of immigration suggested by the Kona Marshallese community suggests that there will be at least 10,000 Marshallese immigrants by the year 2000. South Pacific immigrants account for about 80% of the tuberculosis cases diagnosed in Hawaii each year.

Immigration from the former U.S. trust territory has had a substantial impact on our educational costs. Although our records do not differentiate between various areas of the former trust territory, our preliminary review of the records reveals that we have about 800 public school students from that area. At an estimated per pupil cost of about \$5800, the annual impact cost is about \$4.5 million.

Although we have not quantified the Compact's impact on our criminal justice system, we do have some data on arrests and convictions which suggest a significant impact. Since 1986, 3836 citizens of the RMI and FSM have been arrested for various offenses and 1368 have been convicted. These statistics indicate that a more in-depth analysis is necessary.

We have limited statistical evidence about Compact impact on programs administered by the Hawaii Department of Labor and Industrial Relations. However, citizens of the RMI and FSM received social services and legal services from the Office of Community Services' immigrant service providers and participated in our employment and training programs.

Until recently, the Department of Human Services did not have a mechanism in place to identify persons from the RMI, FSM, and Palau, so we lack data on social services that we have provided this group. However, we do have anecdotal evidence of this group's use of social services and of its need for services relating to domestic violence.

We expect to see an increased number of RMI and FSM citizens establishing residence in Hawaii because of increased emigration from the RMI and FSM attributable to the substantial decrease in Compact funding during the last five years of the Compact. It is imperative that the federal government fulfill its statutory duty to prepare meaningful Compact impact reports. The Compact of Free Association Act of 1985 stated, "[i]n approving the Compact, it is not the intent of the Congress to cause any adverse consequences for the United States territories and commonwealths or the State of Hawaii." 48 U.S.C. § 1904(e)(1). While we welcome our Micronesian neighbors, we take most seriously the commitment of Congress to "act sympathetically and expeditiously to redress...adverse consequences," as set forth in section 1904(e)(4).

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As you know, the Compact impact reports are statutorily required to “pay particular attention to matters relating to trade, taxation, immigration, labor laws, minimum wages, social systems and infrastructure, and environmental regulation.” The 1996 report makes no effort to address these matters as they relate to Hawaii. DOI needs to investigate, study, and report on these issues, and we urge it to do so. We will cooperate and assist in every way we can, but the State’s efforts cannot and should not substitute for the federal government’s fulfilling its statutory duties.

Thank you for transmitting these views to Congress.

With warmest personal regards,

Aloha,


BENJAMIN J. CAYETANO