

September 23, 2008

Donna M. Christensen
Committee on Natural Resources
Subcommittee on Insular Affairs
Room 1324 Longworth House Office Building
Washington, D.C. 20515

Hafa Adai and Good Morning Madam Chair and Members of the Committee

I am Robert Underwood, President of the University of Guam, and I am testifying on behalf of my home institution on "Identifying Labor Solutions for the Guam Military Buildup." I thank the Subcommittee on Insular Affairs and the leadership of Congresswoman Christensen for addressing this very important issue for Guam.

The next decade, the 2010s will bring enormous changes to Guam and we know that it will be a time of tremendous opportunity and significant challenges. Guam will witness the arrival of as many as 20,000 military personnel and dependents plus another 20,000 individuals who will be working in the new economy that Guam will have. We know that \$10-15 billion will be expended and an unknown millions of square feet of floor space will be constructed. The anticipated scale of the change is so enormous that even the Department of Defense, America's largest bureaucracy, cannot manage the changes within its existing units. Special units, special legislation, special purpose entities and special arrangements have been established and more are being contemplated as the build up is implemented.

The people of Guam will have many new employment opportunities, the island's infrastructure will be taxed beyond its current capacity. The land will be paved over and turned over. The subsurface water resources will be explored and exploited. Even the utilization of the air space above us is being reconfigured to accommodate dramatic increases in military traffic. Many people welcome the opportunities that these changes will bring. Some are afraid of the changes that will occur. All are concerned that the challenges will not be met and the opportunities will not be fairly distributed to the people of Guam. It is clear that we need special effort, special plans and special arrangements to ensure a successful transition to the new economy. These plans must simultaneously protect the land, enhance the quality of life and provide new opportunities for our young people. The 2010s will shape the nature of the society and economy of Guam for the balance of this century.

The challenge before us today is the need for labor. To date, most of the attention about labor has been focused on the need to train for the construction trades and related

technical fields. In anticipation of the need for 15,000 (perhaps more) construction workers, federal caps on H-2 workers for Guam have been lifted by Congress and federal funding will be directed towards workforce development programs and increased resources for institutions like the Guam Community College, the Guam Department of Labor and private efforts like the Guam Construction Trades Academy. Everyone acknowledges that it is important that these needs be met locally and regionally first before we bring in workers from foreign or even U.S. mainland sources. Collectively, these efforts and a “local first” policy merit your support.

But I believe that we must look at Guam’s labor needs in a much larger framework. The anticipated build up will not only require thousands of new workers in the trades, it will require hundreds of professionals and managers in a wide variety of fields. The pace of the build up, the challenge to the environment, the growth of the population require new professionals to work in the educational, health care, social welfare and environmental regulatory infrastructure of the island. This is in addition to the accountants, engineers, construction managers and information technology professionals who will be needed to manage the build up and sustain the new infrastructure for the foreseeable future. But unlike the construction trades and technical fields, there are few federally resourced apprenticeship programs for professional fields and little legislation is being contemplated in helping an insular area take advantage of these opportunities.

As the President of the only baccalaureate and master’s degree granting institution in Micronesia, I know where the majority of the apprenticeship programs for professionals lie. They are located on the campus that I now oversee. The University of Guam, through our 35 majors and 15 masters represents the island’s major institutional effort to train the professionals who will provide the capacity needed both before and after the buildup.

We are not sure of the exact numbers of professionals needed for the coming new economy. Based on extensive discussions with fellow educators, government planners, corporate representatives and military officials, we have some preliminary numbers. For example, we know that we will need 60 nurses, 200 teachers and 50 business managers every year for the next decade. This will respond directly to the changed circumstances, the new economy and the need to replace an aging professional workforce. The University can currently keep pace with perhaps 50% of these needs. Within five years, we also know that we will need 25 special education teachers, 5 vocational rehab professionals, 50 environmental specialists, 20 planners and 130 technologists and 5 biologists for the Government of Guam alone. We understand that the federal government will be hiring 40 environmental specialists in the next few years.

These numbers are preliminary and are based more on projected population increases rather than the specific demands of the new economy. We know that the U.S. based corporations will bring in hundreds of managerial, administrative and engineering personnel to fulfill contract obligations. We believe that many if not most of these positions could be filled by local talent. Unlike the case of the construction trades and the need for imported labor, no one is forcefully advocating a policy to “hire local” or provide resources to train local residents to fill these positions. We do not propose a

specific policy in this regard. But we do ask for four things that will help us respond to the military build in a way that builds up all of Guam, expands opportunities and enhances our lives as islanders and Americans:

1. First, we ask the Congress to help us by expanding the analysis of future labor needs to include the need for professionals and degree holders. We request that a specific study by the Government Accountability Office of professional needs for Guam and the region will help us prepare for the future and, more importantly, prepare our young people for the future. This report must review the demands of the new economy of the 2010's taking into account public and private sectors and existing federal policy on the funding of and hiring of professionals in federal contracts.

2. Second, we ask the Congress for "balance" in the allocation of resources for training the labor force of the 2010s. We do not know what the appropriate balance is between investing in the training for trades and technical fields and for degree programs. There are many complicated issues to address. Currently, there is little attention to training opportunities for professional fields. Today, there is clearly no balance whatsoever. The University of Guam needs resources to meet the challenges of the new economy. We ask that existing and new training programs be given the flexibility to address the needs for professionals and that all federal efforts be required to specifically address how professional needs will be met in Guam as a result of massive federal spending. We need to get started now, as it takes four years or more to train these critically needed professionals.

3. Third, Guam is a very special place ecologically. The anticipated changes for an island 220 square miles in size will create enormous environmental challenges. We want to preserve our impressive coral reefs, unique plants and trees and special connection to the land. We do not want at some future date to be the subject of a clean up process that we can avoid through careful planning today. We ask that the federal government work with the University in environmental science and marine biology to develop the solutions necessary for the protection of the environment.

4. Fourth, we ask that the military look to the University to meet the specialized and professional education needs of their personnel. Currently, we are not given this opportunity on military bases because of the region wide contracting arrangement of educational services by the Department of Defense. We are available for Guam military facilities and personnel and we can work together to fashion a curriculum that will promote joint learning experiences that will strengthen civilian-military relationships.

As Guam rides the economic and social roller coaster of 2010s, the pattern of labor needs is clear. The construction jobs will rise quickly at the beginning of the next decade and almost as quickly decline before the end of the decade. The number of jobs that will be needed on a permanent basis in the new economy will be only a small fraction of that needed to build up the infrastructure. While we must ensure that the people of Guam should be given every opportunity to take these positions, the overwhelming majority of these jobs will leave the island.

On the other hand, the professional positions that are needed will be of longer duration and offer more permanent opportunities for the people of Guam. The professional positions will be the backbone for a new and stronger economy in which the people of the island are full participants and will have taken full advantage of the opportunities. They will teach, they will nurse, they will manage the environment, they will plan the economy, they will manage new businesses and they will provide the basis for a healthy and robust economic and social structure. But they can only do so if they are trained and educated and if they are given the opportunity to enter expanded and new university-level programs. If they are not given this opportunity locally, they will leave the island and they may still become accountants and nurses and engineers. Unfortunately, they will likely practice these professions elsewhere as newcomers take up these opportunities in Guam.

There can be no alternative. An economy which is based on bringing in workers from foreign sources and importing professionals from the outside on a short-term basis can be legitimately defended, but is inefficient and unsustainable. However, if we know in advance that we can do something today that will ensure the fair distribution of opportunities in the next decade while we build a strong military-civilian relationship, then we must act. I trust that we will act in partnership and provide these professional opportunities for the people of Guam.

Si Yu'os ma'ase' put I atension-miyu. Thank you very much.
I am prepared to answer any questions you may have.