

Testimony of the Honorable Lourdes Leon Guerrero  
Governor of Guam  
U.S House of Representatives - Financial Services Committee  
September 11, 2020

Chairwoman Waters, Ranking Member McHenry, members of this distinguished Committee; Hafa Adai and hello from the People of Guam--and Thank you for this opportunity to appear before you and provide testimony.

Today I join other Governors throughout the union in seeking immediate federal relief from the acute, extraordinary, and global financial impacts of COVID-19.

Throughout Guam's history, the island's central value to our nation's defense has been its strategic position in the Western-Pacific. Indeed, Guam remains one of the few pieces of American soil occupied by a foreign power in a time of war.

Now, from Anderson Air force Base Guam or Naval Base Guam respectively--America and its allies are able to project power and humanitarian aid on a global scale.

For these reasons, Guam is no stranger to the impacts of global conflict or the unity of purpose that must rise to meet it.

Let me be clear, without a single bullet fired, the loss of life and economic treasure caused by COVID-19 has been profound, and it demands an exceptional response.

Prior to the COVID-19 pandemic, Guam's tourism industry broke visitor arrival records on a nearly monthly basis. 88% of Guam's visitors came from South Korea and Japan...

That number is now zero.

Prior to COVID-19, unemployment on Guam barely rose to 4%. Now nearly half of all private Sector employees qualify for the Pandemic Unemployment Assistance (PUA) and Federal Pandemic Unemployment Compensation (FPUC) Programs this Congress has established.

Madame Chair, I thank you and your colleagues for Guam's inclusion in these programs. Your actions helped people you may never meet in ways you may never know. But rest assured, they will remember that you helped them.

Additionally, while Guam all but contained the spread of COVID-19 on island from March thru June—our positive case numbers rose exponentially as our economy reopened. To preserve life and prevent doctors from choosing which patients should be treated with limited resources, I issued a second “stay at home order” that remains in effect today.

Now, government revenues which rose enough in fiscal year 2019 to cut our deficit in half may see a 7.2% decline in FY2021.

This means dangerous cuts to our local Public health agency operations, drastic cuts to public safety, and potentially draconian cuts to local education.

This story isn't new. And it is not unique to Guam. It's being told in every state and territory throughout the country.

That is why bold Congressional action is required.

As businesses close and people lose their jobs, the most dangerous deficit of all begins to take hold. It is a deficit of hope - the belief that no one shares your pain and that nothing can be done to challenge a problem so great.

While Guam benefits from continued Department of Defense investments, I join other Governors throughout the country in seeking direct grants in aid to our communities -- especially those grants that allow us to offset government revenue losses or further invest in our COVID response.

Congress took serious bipartisan steps forward with the Economic Injury Program, the Paycheck Protection Program, and Education Stabilization funds - but these are temporary economic backstops that are already beginning to fade.

As we join others in seeking robust federal aid in these uncertain times, we know that we must also be good stewards of the aid we have received. For that reason, we have worked to follow all federal guidance in relation to federal monies—even when such guidance is revised often, or more nuanced guidance delays the expenditure of these funds. At every juncture we have tried to match earnestness with speed, trying to never sacrifice integrity in the use of these funds.

For this reason we have welcomed review by Guam's Office of Public Accountability, other independent reviewers, and our federal partners.

As you act in the days ahead, I ask that you treat your fellow citizens residing in our nation's territories with continued fairness and that:

1. We are included equitably in any federal relief package;
2. That this package continues direct unemployment assistance to the people of Guam and the other U.S. territories;
3. That direct aid to small businesses operating during the Covid-19 era be a central component of any relief package, along with rental and Homeowner's assistance;
4. That a program be created to provide grants to assist jurisdictions whose economy relies primarily on tourism; and
5. That States and territories be allowed the flexibility to use funds for budget shortfalls caused by this pandemic.

While these steps will help Guam and other similarly situated jurisdictions build a bridge over times of trouble, we must also confront a world in which tourism will stagnate in the absence of a vaccine, which will stagnate our ability to make economic progress.

This scenario will demand that old problems find new solutions.

This includes finally addressing 100% coverage of the \$60 million dollars in annual federally mandated Earned Income Tax Credit payments that comes directly from Guam's coffers, and an H2-B policy that recognizes Guam's civilian construction demands as well as upholding U.S. military construction requirements.

Finally, I am supportive of securing eligibility for the government of Guam to participate in and have access to the Municipal Liquidity Facility (MLF) Program as a safety net.

Unfortunately, as I understand it, the language as adopted leaves out the U.S. territories, including Guam. Because of this, I immediately wrote to the Chairman of the Federal Reserve, Jerome Powell, and U.S. Treasury Secretary Steven Mnuchin on April 13<sup>th</sup>, and Congressman Michael San Nicolas on April 14<sup>th</sup> to request Guam's inclusion in the program. I am certainly pleased to hear that this request is now being considered.

It has been said that in times of great conflict or struggle we cease being individual American states and territories—we simply become the United States of America.

I believe that now is one of those times. Thank you again for this opportunity.

