



31ST GUAM LEGISLATURE

I MINA'TRENTAI UNU NA LIHESLATURAN GUÅHAN

April 25, 2011

Honorable Ken Salazar
Secretary
U.S. Department of the Interior
1849 C Street, NW
Washington, DC 20240

Re: Ike Skelton Act and it's "Admission of Liability" for Compact Impact Reimbursement

Dear Mr. Secretary:

Hafa Adai (Greetings)! A legal analysis of a provision in the Ike Skelton Act, more commonly known as the National Defense Authorization Act of 2011 (Public Law 111-383), relative to the transfer of water and wastewater systems has prompted me to write this letter. Subsection (3) of Section 2822 of the Act reads as follows:

(3) **ACCEPTANCE OF IN-KIND SERVICES** – The consideration required by paragraph (1) may be paid in cash or in-kind, as acceptable to the Secretary of Defense. The Secretary of Defense, in consultation with the Secretary of the Interior, shall consider the value of in-kind services provided by the Government of Guam pursuant to section 311 of the Compact of Free Association between the Government of the United States and the Government of the Federated States of Micronesia, approved by Congress in the Compact of Free Association Amendments Act of 2003 (Public Law 108-188; 117 Stat. 2781), section 311 of the Compact of Free Association between the Government of the United States and the Government of the Republic of the Marshall Islands, approved by Congress in such Act, and the Compact of Free Association between the Government of the United States and the Government of the Republic of Palau, approved by Congress in the Palau Compact of Free Association Act (Public law 99-658; 100 Stat. 3672).

Based on the language of the provision, there appears to be an "Admission of Liability" by the United States government on the amounts owed to the Government of Guam for costs associated to the Compacts of Free Association. As a result, there is currently a discussion on the possibility of filing suit for the costs and damages relating to the unreimbursed amounts.

Mr. Secretary, a lawsuit may not be necessary if there exists a prioritized and committed effort to address and resolve this issue. I believe that this effort can be initiated in advance of the completion of a Government Accountability Office study on compact impact reimbursement because it is further believed that the study will affirm our claims.

SENATOR FRANK F. BLAS, JR. Minority Leader
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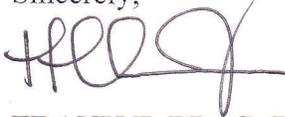
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The necessity to aggressively employ means to recoup our compact impact costs is predicated on our need to address those quality of life issues for our residents that can no longer be marginalized or ignored.

As you know, it has been my contention for a number of years now that Guam has never been adequately reimbursed for its costs associated with the Compacts of Free Association. I have been consistent and undeterred in my efforts to discuss and resolve this issue, and with the opportunity presented by the NDAA provision that admits to a substantial unreimbursed amount, I encourage an immediate means to an amicable resolution.

Thank you for your time and I will anxiously await your favorable response.

Sincerely,

A handwritten signature in black ink, appearing to read 'FF Blas', written over a horizontal line.

FRANK F. BLAS, JR.

cc: Governor of Guam
Assistant Secretary for Insular Affairs, U.S. DOI
Guam Delegate to the U.S. House of Representatives
Speaker and all other Senators, 31st Guam Legislature
All Media