

U.S. Senate Committee on Energy and Natural Resources
Full Committee Hearing to Examine the Impact of COVID-19 to U.S. Territories
Statement Submitted by Rep. Aumua Amata Radewagen of American Samoa
Jun 30, 2020

Opening

Thank you, Chairwoman Murkowski and Ranking Member Manchin, for holding this hearing today. I appreciate the work the ENR committee does on behalf of the territories, and I am thankful for the opportunity to testify here today.

Let me begin by saying that the initial response to the COVID 19 Pandemic, at least in American Samoa, has been very positive. Both Congress and the Trump administration have made great efforts to include the territories in these massive response efforts the past few months.

I have included the full funding highlights along with my written testimony, but suffice it to say, American Samoa has received over \$100 million in relief funding and grants thru direct aid to our local ASG operations, stimulus checks, PPP and EIDL loans and forthcoming PUA and unemployment assistance payments. All of for which we are extremely grateful.

By swift Bi-Partisan Congressional funding and rapid implementation of these new programs by President Trump's Administration, American Samoa and the Country have avoided a much worse fate in this 2 sided COVID-war on both the health and economic fronts, and thank God American Samoa is still currently virus free.

But we are hardly immune to the economic fallout –we are in the same boat as the rest of the country with major economic disruptions to our churches, schools, small businesses and local government revenues as a result.

While I am happy to say that American Samoa has had no confirmed cases of the virus so far, we stand vigilant. A primary reason for this was our Governor's rapid response in quarantining the entire island and banning travel since March 23. Pre-testing before flights, screening and tracing make sense and some quarantining in certain circumstances are still warranted. But we can't stay closed forever.

Our remote location, which is usually a negative, put us in the unique position to avoid the more devastating effects of this disease so far, as we did with the Spanish Flu of 1918 where we were similarly spared any infections or deaths.

Unfortunately, this situation has only compounded the other more negative aspects of our isolation especially our economic growth and access to off island resources. We have had no commercial air travel to and from the island since March.

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Due to these logistical problems distribution of aid has lagged some. While I am deeply thankful to Treasury, DOI, SBA, HHS and the other agencies for working to overcome these challenges, I especially want the federal government to keep our isolation in mind going forward since we are nearly 7000 miles away.

As Congress considers additional measures in response to the ongoing pandemic and to promote economic recovery, there are several points regarding my district that I want to highlight.

Healthcare

First is healthcare resiliency, both in direct relation to COVID 19 and long term. We have been fortunate the virus has not reached our islands; however, this will be completely undone without continued support in the areas of monitoring and testing as American Samoa plans to reopen its ports of entry. Included with my written statement is data compiled by American Samoa's Medicaid Director highlighting what we have received so far, and continued support and funding for CDC initiatives to this effect are vital.

American Samoa is grateful to this Committee for directing DOI to study the cost of repairing and replacing our only hospital, LBY Tropical Medical center which according to the Army Corps report provided to Interior and the Congressional Committees will require tens to hundreds of millions for modernization so some long term funding mechanisms need to be looked at by this committee and others as congress looks at providing long term essential emergency healthcare capabilities and funding throughout the Country to prepare for other health events.

Aside from infrastructure projects like our hospital, one of the other ways we can achieve healthcare resiliency in the territories is through equitable treatment under federal healthcare programs. I am requesting your support of H.R. 6495 Insular Area Medicaid Parity Act introduced by Mr. Sablan of CNMI on behalf of myself and the other territorial members. This legislation would repeal the Medicaid cap for the territories and contribute greatly to our long-term healthcare needs.

Keep in my mind we have been in an emergency state for most of 2018 for Cyclone Gita, then we had a severe measles outbreak last year in Samoa, and now we have the COVID19 crisis. It had been a triple whammy these past 2 years. We are thankful for what we have received, and I hope we can continue to count on you going forward.

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Unemployment Extension

As you know Madame Chairman, the PUA, Pandemic Unemployment Assistance, payment of \$600 expires July 31 but the local benefit of \$182 will remain through the year.

Our PUA applications locally are just now being processed-since we had no local unemployment program, and I thank Secretary Scalia and the USDOL team for their implementation efforts.

Please include American Samoa in any modification that extends and expands the PUA payment to all valid workers in American Samoa under local law.

30A Extension

As for other economic challenges, I encourage you to support continuation of the American Samoa economic development credit (section 30A). As you know, 30A is an essential credit that encourages investment in the territory and create jobs by reducing federal taxes on earned income in the territory.

Our sole remaining tuna cannery—2 have left for cheap foreign labor--is nearly 20% of the workforce at 3000 jobs – and it relies heavily on the tax credit-- but we cannot diversify our local economy without a 5-year minimum extension. No business will invest in developing territory when a job creation credit expires every year and is always uncertain of being renewed.

Current stimulus discussions include allowing some select businesses to monetize unused credits immediately using a list of General Business Credits under IRC Section 38 but section 30A, however, is not listed as a GBC under section 38.

This means that relying solely on the GBC designation to define the universe of eligibility still would have the result American Samoa's cannery as losing out on this needed benefit so please insure that the Senate Finance Committee includes us in any such tax credit stimulus provisions.

EB-5

Similarly, technical correction is needed to include U.S. Nationals as eligible workers for purpose of the EB-5 investment program. We are the only jurisdiction in the Nation without an eligible program with our local government having been turned down thus forfeiting millions of potential local investments because in 1993 someone forgot to add National after Citizen in drafting the bill.

We need this technical correction to allow further diversity of investment in the local economy. My bill HR 3892 makes that technical correction and I ask you both to support it as well and will provide the committee with additional information as needed.

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Conclusion

These are some of the key items and I look forward to working with the Committee in the coming weeks on these and other issues to help aid American Samoa and our Country both heal and prosper.