

6th Western Micronesian Chief Executives' Summit

JOINT COMMUNIQUÉ of the SIXTH WESTERN MICRONESIAN CHIEF EXECUTIVES' SUMMIT

**The Territory of Guam, the Commonwealth of the Northern Mariana Islands, the State of Yap
within the Federated States of Micronesia, and the Republic of Palau**

Introduction

The Chief Executives of the Government of the Territory of Guam, the Commonwealth of the Northern Mariana Islands, the State of Yap, within the Federated States of Micronesia, and the Republic of Palau held their Sixth Western Micronesian Chief Executives' Summit to follow up the Fifth Summit, held in Yap in January 2006. This Summit resulted in the adoption of regional programs of action in the focus areas of Invasive Species, Regional Renewable Energy, the Environment, Transportation, Workforce Investment, Health and Tourism.

The Summit reaffirmed the commitment of each of the participants, on behalf of their people and their governments, to establish closer ties, enhance existing ties, expand future discussions and agree on beneficial initiatives for the benefit of the entire Western Micronesian Region.

The Honorable Governor Robert A. Ruecho' of Yap extended his warmest welcome and greetings to President Tommy E. Remengesau, Jr. of Palau, Governor Felix P. Camacho of Guam, and Governor Benigno R. Fitial of CNMI, expressing his appreciation for their attendance and active participation in the Sixth Western Micronesian Chief Executives' Summit (WMCES).

Regional Invasive Species Council

The continuing threat of invasive species throughout the region is a critical issue that, if left unresolved, will result in severe consequences to the natural and human resources of member states. Consequently, diligent awareness and swift action by each government to potential problems remain the most important courses of response.

The Chief Executives congratulate the Regional Invasive Species Council (RISC) on the completion of their organization's charter. The Chief Executives endorse this charter and commit to continued support of the Council.

The Chief Executives agree that they will continue to send their RISC representatives to one workshop-style meeting between Summits in order to collaborate on invasive species issues and priorities.

The Chief Executives direct the RISC to develop a five-year strategic plan, in which the organization is to identify specific goals and to set timetables for the completion of those goals. A draft of this plan is to be prepared for the Chief Executives' review at the next Summit.

The Chief Executives agree to provide \$2,500 from each jurisdiction by September 30, 2006, to fund RISC's priority projects. Those projects include the production of printed materials, including the fliers mentioned above, a 2007 calendar, and a publication detailing the most dangerous invasive species in the region. The money will also be used to maintain the RISC website (<http://gisac.guam.net>), and to fund facilitation of the development of RISC's five-year strategic plan.

The Secretariat for the Pacific Community (SPC) has produced and printed brochures detailing quarantine risks and regulations for the Pacific region. The Chief Executives direct the agencies within their governments responsible for authorizing travel to attach one brochure to documents issued to government travelers.

The Chief Executives agree to identify and provide a total of \$2,000 to fund training in monitoring and sampling for live and dead birds for H5N1 avian influenza for Yap State.

The Chief Executives direct the RISC to continue in its efforts with PIRRIC and the Transportation Committee of the WMCES to prevent the movement of invasive species within Micronesia.

The Chief Executives renew their commitment, recognizing the urgent threat of invasive species, to strengthen preventive measures, and to require invasive risk analysis of any proposed introduction of marine and land species by the importer to ensure that they do not create economic and/or environmental risks, prior to allowing any introductions.

Regional Renewable Energy

The Chief Executives recognized that the development of Renewable Energy alternatives to fossil fuels has become a critical issue due to the rapid increase in fuel prices in the region. This being the case, they agreed that greater effort must be undertaken on the sub-regional level to develop renewable energy programs and projects.

The Chief Executives further recognized that past efforts within the context of the Summit have not achieved their intended goal. Unlike the areas of solid waste management and invasive species, where the Pacific Islands Regional Recycling Initiative Committee (PIRRIC) and the Regional Invasive Species Council (RISC) have been created and have responded with strong regional cooperation, teamwork between the member states on issues of renewable energy has been very limited and needs improvement.

The Chief Executives therefore recommend that greater effort, coordination and cooperation is needed to begin to make real headway in the area of enhanced renewable energy programs.

The Chief Executives noted that The U.S. Departments of Interior and Energy are working with Palau, Guam, the CNMI, the FSM and the RMI to update the 1982 Territorial Energy Assessment and, just recently, an energy assessment draft was submitted to the Department of Interior and, after further comment, should be completed by September/October. Governor Camacho further noted that based upon this assessment and pursuant to the Insular Areas Energy Assistance Program, significant funding (\$2 million per insular area) will be made available to fund appropriate energy enhancement projects.

Taking this assessment and funding opportunity into account, the Chief Executives agreed that a unique opportunity exists to activate, enhance and expand the regional effort. The Chief Executives therefore recommend that a more formal and active committee, like the PIRRIC and the RISC, be established. Official membership in the Committee, as with PIRRIC and RISC, is critical to the follow-through of this Committee. They agreed with the Committee recommendations that this enhanced committee initially meet at least two times a year in order to jump-start its regional renewable energy program effort. Within the context of these meetings, the Chief Executives direct that at least one sub-regional renewable energy project be recommended by the enhanced Committee to the Department of Interior under the Assistance program. They suggested the development of a Regional 'Center of Excellence' might be an appropriate regional project for funding by the DOI. To achieve these goals, the Chief Executives committed to fund the attendance at these recommended sub-regional meetings.

Regional Tourism Council

The Chairman of the Regional Tourism Council reviewed the highlights of the Fifth Western Micronesian Chief Executives' Summit and outlined the conferences and shows attended as well as other activities in conformance with the previous summits' stated goals.

The Regional Tourism Council continues to recognize the importance of continuing the promotional and marketing activities, while recognizing the need to further develop this work by raising international awareness of the Micronesia region as an inclusive destination package. The Chief Executives agreed to continue its regional awareness (branding) program (to include the rest of FSM and the Republic of the Marshall Islands). This will foster "complete" regional awareness, spread the cost among the region, enlarge critical mass of our regional destinations and increase the size and diversity of regional attractions. The Chief Executives also agreed to

pursue funding for the awareness campaign and where possible, to seek U.S. federal funding to assist in the funding objective as well as to ensure that such regional awareness campaign funding be separate from the national and state visitor bureaus' appropriations.

The Council continues to focus on expanding tourism in the region and noted that international competition is a challenge for us and that a regional brand/awareness marketing program is desirable, and recommended expansion of "Magnificent Micronesia." This effort would hopefully allow our region to be more competitive. The campaign will also provide Micronesia with more global awareness and allow for market diversification by presenting Micronesia as a regional destination.

The Chief Executives accepted the Council's recommendation that it should work toward encouraging the US Department of Homeland Security to negotiate or approve an alternate policy to its current "One Visa Per Visit" rule for tourists.

The Chief Executives agreed to initiate, continue or encourage the establishment and development of Cultural and Historical Museums in all regional entities.

The Chief Executives accepted the Council's recommendation that it should continue to seek national or international funding sources for regional branding and product development to include electronic marketing.

The Chief Executives accepted the Council's recommendation that it should continue to work together to promote tourism education throughout the region, in both high schools and colleges and at the village and community level to increase the pool of qualified employees for the tourism industry.

Transportation

The Chief Executives continue to agree that security and safety compliance of our air and sea ports is critical to our economic development. The Chief Executives also urged for uniform pilot rates and regulations at all Micronesian sea ports.

The Committee noted that there was no established group for work in this area and suggested establishment of one for regular communication and work. The Committee reported the goals of the Fifth Summit and the results of contacts with the U.S. Department of Homeland Security and resulting information on understanding and complying with changes to law, and that substantial progress has been achieved in the area of transportation.

Maritime Matters

Regional compliance with the U.S. Maritime Transportation Security Act of 2002 has continued to date by meeting ISPS Code and MTSA requirements and achieving and maintaining certification. Since July 1, 2004, when this came into effect, all the ports of the member

jurisdictions have been in compliance and are certified. Each port continues to implement efforts to improve security and maintain compliance and certification.

The Freely Associated States (FAS) have achieved the standardization of regulations implemented for and among regional ports and vessels, with assistance and cooperation from ATSCOM, MSC, and the Secretariat of the Pacific Community Maritime Programme. The Secretariat was instrumental in review and revision of port regulations and security plans, assisted with inspection of the ports and updates on the port security plans, and continues to provide periodic security training to meet certification requirements. ATSCOM and MSC have enlisted their support in having all vessels meet the security requirements and the port operators assist in the implementation of the regulations and security plans.

What remains outstanding is technical assistance from the United States Coast Guard in retention of compliance and certification. For the FAS, although the Pacific Islands Maritime Secretariat has been helpful, it has been conducting training in Fiji and the training has become costly in terms of time and money. With assistance from the US Coast Guard, such costs can be drastically reduced as training can be done on site or in Guam -- much closer to the FAS.

The Chief Executives agreed to issue a formal letter of request addressed to the US Coast Guard as a combined regional request, with the Subcommittee to prepare the draft letter for the signature of the Chief Executives.

The Committee's review of compulsory pilotage indicated that it is still not consistent among the ports in the region. The pilotage rate is basically uniform throughout the ports with the exception of Chuuk, which approximately doubled other ports' rates. Enlisting the support of the ATSCOM/MSC may still be needed.

One of the overriding reasons why pilotage has not become compulsory in some of the ports, especially the FAS ports, is the lack of qualified port pilots. In this regard, the idea of universal licensing throughout the region was introduced so pilots from any one of the ports can assist another port when certified pilot is not available for that particular port.

The Chief Executives agree to designate their respective transportation directors to develop universal licensing for piloting throughout the region and mandate pilotage in all ports.

Finally, the Chief Executives directed members of the Committee and governmental representatives to continue to work towards the passage of legislation currently pending in the U.S. Congress that would citizens of Palau, the FSM and the RMI to become licensed merchant seamen that can become crew members of American flag ships.

Aviation Matters

Governor Camacho reported to the Chief Executives on communications with the U.S. Department of Homeland Security and reported that no satisfactory response has been obtained regarding issues related to the Transportation Security Administration (TSA). While security

improvements are taking place both in CNMI (Tinian and Rota airports) and at Guam Airport, the inconvenience of “de-planing” and other unnecessary procedures continue to harm tourism.

The Chief Executives agree to follow up and make a more forceful formal request to the US Department of Homeland Security. The Chief Executives have agreed to jointly sign a follow-up letter to address the issues on deplaning procedures and funding for improvements including increased staffing. The Chief Executives further agreed to direct their respective representatives in Washington, D.C. to initiate a comprehensive meeting with TSA and Continental Airlines officials to address these issues.

The Committee had no new information to report on Continental providing daily jet services between Guam and Saipan and to increase daily operation to the FAS.

Regional Health Council

The Council reported to the Chief Executives its activities resulting from the five recommendations from the Chief Executives at their Fifth Summit.

The Chief Executives support the Guam proposal to create a tertiary health care center on Guam. The health center would not only provide direct benefits to the people of Guam and its increasing military population, it will also provide an opportunity to improve and expand on regional tertiary health care services. The Council noted that the lack of eligibility for Palau and Yapese citizens for Medicare/Medicaid and the relatively high price of services in Guam are a barrier to access. A regional memorandum of agreements to establish Guam as a tertiary health care services destination that provides competitive cost with other tertiary centers within the region, e.g. the Philippines, may address this barrier. One example of such agreements is the exhibited memorandum of agreement between Yap and Palau. The memorandum of agreement could be expanded to include bulk purchasing of essential medical supplies and pharmaceutical in the attempt to contain cost. The Chief Executives later discussed considering alternative locations due to Guam’s licensing regulations, or otherwise collaborating on such health referrals elsewhere. This issue has been forwarded to the Pacific Island Health Officers Association (PIHOA) for their deliberation at their meeting in Pohnpei, FSM, in August 2006.

The Chief Executives recognize that the four entities each have functional medical licensing processes, although at different developmental stages. There is a need for the Western Micronesian Region to include other FSM states and the Republic of the Marshall Island in the creation of a medical licensing data bank, primarily to prevent exploitation by people who lack or have lost medical credentialing elsewhere and seek to practice in the region. This could be accomplished through memorandum of understanding among the various Medical Licensing Boards within the region that also provides for temporary licensing during declared emergencies. This also has also been forwarded to PIHOA for discussion.

To continue with the Chief Executives’ support of temporary licensing in emergencies, Palau has become a member of the United States Medical Volunteer Corps (USMVC). Its membership

allows for providers in Palau to volunteer their expertise in event of emergencies. This also allows Palau to receive expertise from the U.S. to assist if there is a declared emergency in our region. There is an effort, through the Pacific Emergency Health Initiative of the U.S. Centers for Disease Control (CDC), to have all the jurisdictions in the region join the USMVC.

In response to Chief Executives' request to have PIHOA create an inventory of all the efforts that have been carried out based on the 1998 Institute of Medicine (IOM) Report, the Council has not taken action on this recommendation as they have been going through transition in the recruitment of the new PIHOA Executive Director. The issue should be discussed in the PIHOA meeting in Pohnpei in August 2006.

There has been a renewed effort through the Office of Senator Inoue of the State of Hawaii to initiate another IOM Report, as the 1998 report has become outdated. Since that time, there are various issues that have become of great concern such as terrorism, emerging and re-emerging diseases, diseases of modernity and also the review of health policy for the territories, commonwealth and the freely associated states within the region.

The Chief Executives' recommended an elevated level of preparedness for influenza plans. In this area, the recommendation has been successfully implemented and all four jurisdictions now have a Pandemic Influenza Plan and are now running drills. Guam recently hosted a meeting on Pandemic Influenza that brought the Surgeon General of the U.S. to the region. This meeting was attended by representatives from all the jurisdictions and moved the pandemic influenza issue to the forefront of discussions within the region. The positive results of the recent pandemic influenza drills held by CDC for CNMI, FSM and Palau shows the efforts that have been placed on preparedness in the region.

There need to be continued efforts in the area of animal health and improvement of laboratory capabilities. One example would be a proper response to potential cases of avian flu in the region. There are legal and practical restrictions on transporting potentially-diseased livestock, and the airline carriers, for example, may refuse to transport them. Binding legal agreements may remove these barriers in the future. The Chief Executives have authorized the Regional Health Council to initiate drafting and discussions regarding a memorandum of agreement with airlines.

The Chief Executives hereby support the creation or enhancement of 24-hour early warning systems in case of disaster within the region. Our location near the Ring of Fire, the typhoon belt, the recent tsunamis in Indonesia and threats of terrorism all require the governments in the region to be able to communicate with one another on an expedited real-time basis. It is recognized that National Emergency Management Systems in the region are at various developmental stages. However, with the assistance of Pacific Emergency Health Initiative (PEHI) and the Bioterrorism funding from CDC a simple, responsive and reliable early warning system could be developed in the region. This will allow of the jurisdictions to respond expediently and quickly to regional disasters.

Pacific Workforce Investment Workgroup

The Workforce Strategy Taskforce Team and the Regional Workforce Development Council created in the Fifth Summit were furthered in Workgroup discussion and reported to the Chief Executives on activities since being created and strategic goals for the future.

The Workgroup identified the following key areas: 1) Collaboration on regional networking of educational systems, linkages across local, state, federal, national, international and private sectors, and open communication systems; 2) Learning continuum or life-long learning through Manpower development & capacity-building (apprenticeships & training programs), Occupational and vocational instruction and career counseling for youth and adults, Online learning (Distance Education), and Localizing best-practice training programs (e.g., Job Corps, etc.); 3) Regional workforce database and needs assessment through Regional listing of priority fields of study for post-secondary education, Regional institutional research and Updating manpower needs and strategic plans; 4) Marketing and branding of our regional workforce; 5) Economic development priorities, such as Sector development (Tourism, Aquaculture, Fisheries, etc.), Private sector initiatives, Entrepreneurial support, and Regional tax incentives for intra-regional investments; 6) Incentives & Scholarships, including Regional scholarship programs and Regional internships; 7) Leveraging scarce resources available to us; and 8) Accountability, outcomes & review of program delivery, including Program evaluation and potential outsourcing for greater efficiency, the proper privatization initiatives and Regional workforce accountability teams.

The Workgroup continues to work on prioritizing from among these following Capacity Building elements for its plans for the first two years. Its goals are to develop a young and older youth Pipeline for recruitment in needed areas in apprenticeship programs (e.g., allied health, construction, or manufacturing). The objectives include identification of a curriculum pilot appropriate for the region, increasing support and training for career counseling, endorsement of partner development and tracking of participants through an Individual Strategy Plan, and obtaining pipeline data. The Workgroup also intends to encourage Locality-Based Entrepreneurship by working with partners toward the objective of curriculum-pilot delivery. The Workgroup also stressed use of economic data, i.e., Gross Domestic Product, and the update of existing strategic plan (e.g., for land use, manpower, health, etc.). Finally, the Workgroup will seek stakeholder input in the form of surveys, focus groups, scans and advisory groups.

The Chief Executives have accepted the Workgroup's recommendations and have appointed representatives to the Regional Workforce Development Council. The Council will oversee the guidance and development of the Regional Workforce Strategic Plan.

The Chief Executives have accepted the Workgroup's recommended adoption of the framework of the Power of E3: Education, Employment and Economic Development from the U.S. Department of Labor's framework guiding employment and training programs to include appropriate initiatives as recommended by the Council. The Council will be tasked with

developing its organizing rules and framework. The E3 = Education, Employment to Economic Development may be amended to include Ethics per the suggestion of Governor Fitial.

The workgroup also endorses the creation of a regional Data collection strategy to include but not limited to community and economic development. This Western Micronesia Data collection system for Regional and Community and economic Development will be aligned to E3. This strategy will include the appointment of a regional workgroup that will prepare and develop an action plan based on stakeholder input and needs assessment of the Western Micronesian data environment. The Chief Executives endorses the establishment of a Regional Data for Economic and Community Solutions (DECS) workgroup as it aligns to the power of e3. Through a shared, open and timely collection of data critical for the region's overall development, the Chief Executive's recognize the importance of building on current programs and expanding best practices of data collection throughout the Western region. The workgroup will be appointed and will begin the work effort to formalize the DECS plan of work and will present this DECS program at the Seventh Western Micronesia Chief Executives Summit.

The Chief Executives have acknowledged the future needs to decrease government sector employment.

Environment

The Pacific Islands Regional Recycling Initiative Committee (PIRRIC) Chairman presented its long-term goals and reported the results of the 3rd PIRRIC meeting in Yap in March 2006 and its goals for its upcoming meeting in Guam in August 2006. The region-wide metallic waste removal program continues to work with partners (International Hilfsfonds, Germany, and Ms. Petra Campbell, Hua Mei Enterprises, Guam Inc.) on its scrap removal as a model for other recyclables. The Chairman also requested the formal endorsement of the Chief Executives of PIRRIC's authority to establish its own Secretariat and independent organization, and to expand its membership.

President Remengesau reported that the Presidents of the Republic of the Marshall Islands and the Federated States of Micronesia had agreed in principle to join PIRRIC. The Chief Executives sought to ensure the attendance of the shipping partners in the upcoming Guam meeting and urged PIRRIC to present concrete steps to implement the region-wide scrap metal Pilot Program. The Chief Executives also encouraged increased cooperation with private partners in waste removal as they have knowledge and experience in operating the markets in these areas.

The Chief Executives encouraged PIRRIC to continue toward the creation of a Comprehensive Regional Solid Waste Action Plan, to include comprehensive national and regional waste assessments; the development of national institutional controls; development of improved waste management systems; improvement of environmental monitoring; improvement of infrastructure capacity; identification of regional funding opportunities; prioritization of metallic scrap removal

over the next year; and expansion of these initial pilot projects to the RMI, Guam, Saipan and the other states of the FSM over the next year, as appropriate and needed.

The Chief Executives authorize PIRRIC to establish its own Secretariat, Charter, headquarters and offices as a non-governmental organization in its own right, and to adopt its own Articles, by-Laws and such policies as it sees fit, and hereby designates the Guam Environmental Protection Agency to take the lead in this effort.

The Chief Executives formally authorize PIRRIC to invite other entities to become members, including non-governmental organizations, e.g., South Pacific Regional Environment Program (SPREP) and regional governments.

The Chief Executives authorize PIRRIC to work with regional shipping companies in its recycling and waste management planning and coordination, and specifically encourage and authorize PIRRIC to negotiate and formalize agreements to ship recycled materials from our various islands.

The Chief Executives authorize the Guam EPA to represent PIRRIC and the Western Micronesian Chief Executives at the 2nd Intergovernmental Review of the Global Programme of Action for the Protection of the Marine Environment from Land-Based Activities in October 2006 in Beijing, China.

The Chief Executives agree to continue their support of PIRRIC by appointing delegates and funding travel to regional meetings. The Chief Executives accepted Governor Fitial's appointment of a representative to the Task Force.

The Micronesian Challenge

Representatives from The Nature Conservancy (TNC) updated the Chief Executives on the Micronesian Challenge, providing a background synopsis, a review of the current status of the Challenge, and making recommendations regarding potential future action that would lead towards national and regional implementation. TNC representatives expressed the organization's commitment to assist all of the members of the Challenge to fund its implementation, recognizing the unique political status and associations of each member. In line with this commitment, they presented a number of unique funding and technical assistance opportunities for Guam and the CNMI, as political entities of the United States.

President Remengesau reported recent discussions on the same subject at the 6th Micronesian Presidents' Summit, held earlier this month and attended by the Presidents of Republic of Palau and the other two partners in the Micronesian Challenge, the Federated States of Micronesia and the Republic of the Marshall Islands.

The Chief Executives agreed that the success of the Micronesian Challenge will depend on the long-term commitment and planning of the five member states. They therefore agreed to accept

an invitation by President Remengesau to send representatives to a planning meeting to be held in Palau in December 2006. To achieve this commitment, they further agreed to appoint national coordinators to collaborate with one another and the TNC regarding the implementation of the Challenge, the proposed December planning meeting and related issues of sub-regional funding.

Pacific Islands Forum

President Remengesau indicated that the Presidents of the Freely Associated States (FAS) had further agreed to host a side event at the next Pacific Island Forum Leaders meeting to be held in October of this year and invited the CNMI and Guam to attend. The President indicated that attendance would be greatly facilitated by formal requests by the Governors of Guam and the CNMI, to the Forum, to gain 'Observer Status' in the Forum. Such requests would need to be finalized by the end of August to allow for attendance at the October Forum meeting. The Chief Executives agreed to send their requests for observer status in a timely fashion and to send representatives to attend the event.

Education

President Remengesau reported that the University of Hawaii -- Manoa had announced a tuition increase. The Chief Executives agreed to determine how many students from the Western Micronesian jurisdictions would be adversely affected, and agreed to jointly execute a resolution or letter to the university and to consider using other contacts and resources that may be available to help present the case for the students.

Conclusion

Governor Benigno R. Fitial was elected to Chair the Seventh Summit. The next meeting of these Chief Executives will be the Seventh Summit and is now scheduled for a date to be determined in February 2007 in the Commonwealth of the Northern Mariana Islands.

The Chief Executives closed their summit and stressed the need to adopt practical regional initiatives to protect and preserve the natural resources of each participant while also striving to strengthen the economic development of each of the participants. They agreed that greater coordination and communication among the participants and outside entities was necessary to accomplish this goal. They also committed to better integrating regional issues into ongoing national governmental planning and budget processes.

Governor Ruecho' thanked all of the participants for their attendance and attention to these pressing issues before the Conference.

/s/ Benigno R. Fitial
Governor of the Commonwealth
Of the Northern Mariana Islands

/s/ Felix P. Camacho
Governor of Guam

/s/ Robert A. Ruecho'
Governor of Yap State
Federated States of Micronesia

/s/ Tommy E. Remengesau, Jr.
President of the Republic of Palau