



**Association  
of  
Pacific  
Island  
Legislatures**

American Samoa  
Commonwealth of the Northern Mariana Islands  
FSM, State of Chuuk  
FSM, State of Kosrae  
FSM, State of Pohnpei  
FSM, State of Yap  
Island of Guam  
Republic of Kiribati  
Republic of the Marshall Islands  
Republic of Nauru  
Republic of Palau  
State of Hawaii

**A RESOLUTION**

**Resolution No. 26-GA-12, CDI**

**“EXPRESSING THE STRONG SUPPORT OF THE ASSOCIATION OF PACIFIC ISLAND LEGISLATURES AND JOINING THE EFFORTS OF AMERICAN SAMOA AND THE COMMONWEALTH OF THE NORTHERN MARIANAS ISLANDS TO LIMIT THE ESCALATION OF THE MINIMUM WAGE STANDARD SET BY THE U.S. CONGRESS.”**

1           **WHEREAS**, American Samoa, the Commonwealth of the Northern Marianas Islands (CNMI),  
2 Federated States of Chuuk, Federated States of Kosrae, Federated States of Pohnpei, Federated States of Yap,  
3 Island of Guam, Republic of Kiribati, Republic of the Marshall Islands, Republic of Nauru, Republic of Palau, and  
4 the State of Hawaii have associated themselves to advance initiatives that will improve the quality of life of their  
5 respective peoples by sharing their successes and experiences; and

6           **WHEREAS**, despite the combined effort for advancement, the economies of the island microstates in the  
7 Pacific remain very fragile because of their small sizes, geographic location, and lack of natural resources. All  
8 island countries are constantly struggling to expand their economic bases by enticing foreign investment to  
9 improve their economic diversification initiatives. All island countries are also constantly engaging in efforts to  
10 improve their competitive advantage by minimizing, to any extent feasible, the cost of doing business within their  
11 respective islands; and

12           **WHEREAS**, the island countries must also constantly contend with economic barriers due to vast  
13 distances from markets for raw materials and final products, inability to capture proper operational economies of  
14 scales, substantially higher wage rates than the neighboring countries, and ineffective transportation networks; and

15           **WHEREAS**, realizing the challenges faced by less developed states and territories, the U.S. government  
16 afforded special concessions to American Samoa and the Commonwealth of the Northern Marianas Islands  
17 (CNMI) to set their minimum wages at a rate lower than that prescribed for the entire country. This arrangement  
18 would continue until such time that the two possessions were able to meet the expense of providing wages at the  
19 national standard; and

20           **WHEREAS**, the lessened wage standard for American Samoa and the CNMI has not only allowed  
21 the two countries to develop its labor force, it has made them very attractive to large foreign corporations.  
22 American Samoa has large tuna canning plants and the CNMI has a budding garment industry. The growing  
23 success of the two countries in these respective industries has also provided benefits for their neighboring island  
24 nations. Employment opportunities have opened, trade and commerce is beginning to grow, and more  
25 importantly, a spirit of cooperation is intensifying among the governments. It is evident that the success of one  
26 nation is a success for all. However, the same can be expected of their demise; and



1       **WHEREAS**, the Congress of the United States recently legislated minimum wage hikes for American  
2 Samoa and the Commonwealth of the Northern Mariana Islands of fifty cents (\$0.50) to commence July 25, 2007,  
3 and fifty cents (\$.50) every year thereafter until the proposed federal minimum wage of seven dollars and twenty-  
4 five cents (\$7.25) is reached; and

5       **WHEREAS**, the immediate impact of increasing the U.S. hourly minimum wage applicable to the States  
6 will devastate the economies of American Samoa and the Commonwealth of the Northern Mariana Islands due to  
7 anticipated massive layoffs and insurmountable financial difficulties. The fish canning and garment industries in  
8 the two islands have already indicated that such an increase will result in their likely departure; and

9       **WHEREAS**, it is expected that the collapse of both economies will cause an immediate mass exodus of  
10 residents, possibly to neighboring islands and the U.S. mainland. The sudden strain on the new host countries will  
11 devastate their economies and resources; and

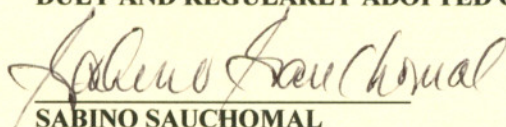
12       **WHEREAS**, social, religious, and cultural facets of Pacific island life will also be overwhelmed.  
13 Change will be swift and if solutions are prolonged, the affected states may never recover; and

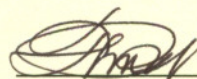
14       **WHEREAS**, American Samoa and the CNMI have expressed strong opposition to the increase in the  
15 minimum wage for their respective islands. The Association of Pacific Island Legislatures joins their efforts and  
16 prays the U.S. Congress to amend section 8103 of the *U.S. Troop Readiness, Veterans' Care, Katrina Recovery,*  
17 *and Iraq Accountability Appropriations Act of 2007*, and eliminate the annual escalation of the minimum wage  
18 until such time that a proper plan is in place to curtail its devastating effects;

19       **NOW THEREFORE, BE IT RESOLVED** by the Association of Pacific Island Legislatures, 26<sup>th</sup>  
20 General Assembly, June 21-23, American Samoa, that the APIL offers its strong support and joins the efforts of  
21 American Samoa and the Commonwealth of the Northern Marianas Islands to protect its island economies from  
22 the effects of recent action by the U.S. Congress to increase the minimum wage.

23       **BE IT FURTHER RESOLVED** that the APIL President shall certify and the APIL Secretary shall  
24 attest to the adoption thereof and copies of the same shall thereafter be transmitted to the appropriate oversight  
25 Committees of the United States Senate and House of Representatives; to the Honorable Dirk Kempthorne,  
26 Secretary of the U.S. Department of the Interior and to the Presiding Legislative Officers and the Chief Executive  
27 Officers of all members of the Association of Pacific Island Legislatures.

**DULY AND REGULARLY ADOPTED ON THE 23<sup>RD</sup> DAY OF JUNE, 2007.**

  
SABINO SAUCHOMAL  
APIL PRESIDENT

  
JUDITH T. WON PAT, Ed. D.  
APIL ACTING SECRETARY

