



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. 27-GA-08, CD1

“Expressing the strong support of the Association of Pacific Island Legislatures for the position of the Legislature of American Samoa in its support for the United States Congress H.R. 5154 to amend the procedure for escalating the minimum hourly wage rate for American Samoa and for the Commonwealth of the Northern Mariana Islands and further resolving that if the provisions of H.R. 5154 are not approved by the United States Congress, APIL urges and supports an emergency supplemental appropriation by the United States Congress.”

1 **WHEREAS**, with very limited resources and a remote location, American Samoa has been
2 heavily dependent on two major tuna canning plants and the American Samoa Government to support its
3 economy as its three largest and major employers; and

4 **WHEREAS**, as privately owned enterprises, success or failure of the tuna canneries depends, in
5 large part, on their ability to compete in a global market and a major component effecting their ability to
6 compete is their hourly wage bill; and

7 **WHEREAS**, recognizing the limitations of the Territory’s resources and its most fragile
8 economy, Congress devised a system to set the minimum wage for American Samoa in Sections 5, 6, and
9 8 of the Fair Labor Standards Act. The system allowed for the U.S. Department of Labor to conduct
10 hearings by a Special Industry Committee every two years to determine wage increases. Both the
11 Department and the Territory complied with this process since 1956, which has resulted in a mutually
12 beneficial association between the Territory and the canneries, allowing the canneries to sustain profitable
13 operations while providing thousands of jobs for residents of American Samoa; and

14 **WHEREAS**, in 2007, the Congress passed and President George W. Bush signed into law Public
15 Law (P.L.) 110-28, which eliminated the minimum wage review by Special Industry Committees and
16 increased the Territory’s minimum wage by fifty cents per hour on July 24, 2007. Significantly, P.L.
17 110-28 also mandated an automatic increase, or “escalator clauses”, of fifty cents per hour every year
18 thereafter until 2014; and

1 **WHEREAS**, during the brief deliberations in Congress, P.L. 110-28 was strongly opposed by the
2 Territory. Both the government and the canneries expressed concerns that the sudden wage increase,
3 without proper plans in place to absorb its negative impact, would cripple the local economy. The
4 government warned of massive layoffs of employees and the canneries revealed that they would be forced
5 to curtail operations, furlough their workforce, or even shut down production and leave the Territory; and

6 **WHEREAS**, the first fifty cent increase in the minimum wage has been implemented and both
7 industries have managed to maintain their production levels. However, both have appealed to local
8 government leaders that neither can survive the effects of future increases with the next scheduled for July
9 of this year; and

10 **WHEREAS**, the tuna canning industry employs over one-third of the Territory's work force and
11 the departure of one or both companies would be devastating to the American Samoa's economy.
12 Already, executives from both companies have indicated that they cannot maintain its current workforce
13 if the automatic annual increases continue. Also at jeopardy is the survival of support services for the
14 tuna canning plants which will also suffer. The ripple effect of losing this large industry without any
15 other to replace it will be devastating to American Samoa; and

16 **WHEREAS**, the resulting loss of income tax revenues will force the American Samoa
17 Government, the largest single employer in the Territory, to layoff and furlough its employees and
18 commensurately reduce services to the public. With the expected downward spiral in the local economy,
19 it is predicted that significant numbers of residents will relocate from American Samoa as historically
20 occurred when the Naval Administration departed and a large percentage of American Samoa residents
21 flocked to the states of Hawaii and California searching for work. The strain alone on the social services
22 for these states is cause for serious concern; and

23 **WHEREAS**, American Samoa's Delegate to the U.S. Congress, The Honorable Eni
24 Faleomavaega, has introduced in Congress H.R. 5154, a bill which would amend the Fair Labor
25 Minimum Wage Act of 2007 and condition further increases in minimum wage applicable to American
26 Samoa and the Commonwealth of the Northern Mariana Islands (another U.S. jurisdiction affected by
27 P.L. 110-28), on a determination by the Secretary of Labor, in consultation with the Secretary of the
28 Interior and the governments of American Samoa and the Commonwealth of the Northern Mariana
29 Islands, that future increases will not have an adverse impact on these islands' economies; and

30 **WHEREAS**, because the proposed amendment would allow more focus and attention to be
31 placed on American Samoa's economy and provide for more cooperation between federal and territorial
32 entities, the American Samoa Legislature adopted Senate Concurrent Resolution S.C.R. No. 30-20 which

1 expressed its full support of H.R. 5154 and endorsed the efforts of Congressman Eni F.H. Faleomavaega
2 toward its passage and approval; and

3 **WHEREAS**, APIL, in its 26th General Assembly, held June 21-23, 2007 in American Samoa,
4 adopted Resolution No. 26-GA-12, CDI, which expressed its strong support for the efforts of American
5 Samoa and the Commonwealth of the Northern Mariana Islands to limit the escalation of the minimum
6 wage standard set by the U.S. Congress; and

7 **WHEREAS**, to further assist American Samoa and the Northern Mariana Islands in avoiding
8 potential economic calamity, to recognize its efforts to continue developing a self-sustaining economy on
9 its own terms, and to encourage greater cooperation between federal and island governments, it is
10 appropriate that APIL, likewise, join with the Legislature of American Samoa in its support of H.R. 5154
11 and the efforts of Congressman Faleomavaega toward its passage and approval, and as the legislation may
12 apply to similar problems being encountered by the Commonwealth of the Northern Mariana Islands;
13 now, therefore,

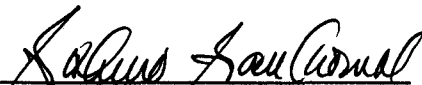
14 **BE IT RESOLVED** that that the Association of Pacific Island Legislatures, 27th General
15 Assembly, Island of Guam, May 5-7, 2008, that the Association of Pacific Island Legislatures hereby
16 extends its full and strong support to the position of the Legislature of American Samoa for U.S. Congress
17 H.R. 5154 and the efforts of Congressman Eni F.H. Faleomavaega to condition increases in the minimum
18 hourly wage for American Samoa and as it may apply to the Commonwealth of the Northern Mariana
19 Islands on a finding by the Secretary of Labor, in consultation with the Secretary of Interior and the
20 governments of American Samoa and the Northern Mariana Islands, that the increases will not adversely
21 impact the American Samoa or the Northern Mariana Islands economies; and

22 **BE IT FURTHER RESOLVED** that if the provisions of H.R. 5154 are not approved by the
23 United States Congress, APIL urges and supports an emergency supplemental appropriation by the
24 United States Congress of \$15 Million Dollars for each jurisdiction to be used to maintain essential
25 governmental services, provide incentives for sustainability of tuna and tourism industries, installation of
26 additional storage capacity for fuel supplies, emergency financial relief to affected employers, supplement
27 to local Medicare caps, increased data collection, and studies of the impact of increased minimum wage
28 on the local economies. These funds will provide necessary support for the local economies during this
29 period of economic crisis in each jurisdiction, and will create the base of information that will assist the
30 Congress Committees' interest in helping these jurisdictions attain a greater degree of economic
31 sustainability; and

32 **BE IT FURTHER RESOLVED**, that the President of the Association of Pacific Island
33 Legislatures certifies, and the Secretary of the Association of Pacific Island Legislatures attests to, the

1 adoption hereof and that copies of the same shall be thereafter transmitted to the Chairs of the appropriate
2 oversight Committees of the United States Senate and the United States House of Representatives; the
3 Honorable Dirk Kempthorne, Secretary of the Interior; the Honorable Elaine Chao, Secretary of Labor;
4 the Honorable Senator Daniel K. Inouye; the Honorable Senator Daniel Akaka; the Honorable Togiola
5 T.A. Tulafono, Governor of American Samoa; the Honorable Lolo M. Moliga, President of the American
6 Samoa Senate; the Honorable Savali Talavou Ale, Speaker of the American Samoa House of
7 Representatives; the Honorable Benigno R. Fitial, Governor of the Commonwealth of the Northern
8 Mariana Islands; the Honorable Pete P. Reyes, President of the Senate of the CNMI Legislature; the
9 Honorable Arnold I. Palacios, Speaker of the House of Representatives of the CNMI Legislature; and to
10 the Presiding Legislative Officers and Chief Executives of each of the APIL member jurisdictions.

DULY AND REGULARLY ADOPTED ON THE 7TH DAY OF MAY, 2008.


SABINO SAUCHOMAL
APIL PRESIDENT


WILLIAM NGIRAIKELAU
APIL SECRETARY

