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HAFA ADAI, IT'S THURSDAY

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75¢ on Guam



■ Don't forget to vote in today's Pacific Daily News poll. Today's question:

Do you think the Guam buildup agreement will fall through?

■ Results from yesterday's PDN poll are on **PAGE 2**

Japan: U.S. troops must go Gates warns buildup deal may fall through

TO THE POINT

▲ Defense Secretary Robert Gates said the Japan leadership's push for removing all U.S. Marine presence from Okinawa may give Congress a reason to halt the military buildup on Guam, but economists and political experts say Gates is posturing and that Congress would still follow through on the buildup.

By Amritha Alladi

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The U.S.-Japan deal to relocate U.S. Marines to Guam might fall through if Japan's new leadership forces U.S. Marines to move out of Okinawa completely, Defense Secretary Robert Gates said in Tokyo Tuesday.

But experts on Guam and in Honolulu said Gates is most likely just pos-

turing before President Obama's arrival in Japan next month, and that Congress likely will move forward with its expansions on Guam regardless of possible adjustments made to the bilateral agreement.

The United States and Japan agreed — before the new Japanese leadership came on board — to reduce the number of Marines stationed in Japan by about half. Under the agreement, Japan would pick up \$6 billion of the

more than \$10 billion cost to move the Marines to Guam.

The U.S. Congress must approve yearly funding for the U.S. share of the relocation cost, which will be funded annually beginning this fiscal year. This fiscal year, Congress is expected to approve more than \$700 million in military construction projects on Guam.

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Buildup: Gates plays Guam card

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On Tuesday, Japanese Foreign Minister Katsuya Okada told Gates he expected the United States to allow some room for flexibility regarding the relocation of the Futenma base, a major U.S. Marine hub. Referring to the 2006 agreement, Gates stressed the Obama administration would discourage any action by Tokyo to block a new runway at another base on Okinawa when Futenma is closed, The Associated Press reported. Gates further hinted that the entire deal to relocate troops to Guam might fall through if the Japanese leadership does not stick to the original agreement.

"It's hard for me to believe that the Congress would support going forward in Guam without real progress with respect to the Futenma replacement facility," Gates told reporters aboard his military jet on the way to Japan, according to a Pentagon transcript of the interview.

But a geopolitical expert at the East-West Center in Honolulu said Gates is probably using the Guam buildup card as leverage to demonstrate to the Japanese government that the agreement is a package deal.

East-West Center President Charles Morrison said Gates is indicating: if Japan "trumps" one part of the agreement, the United States could, in turn, "trump" its part.

According to Morrison, Futenma and the buildup are linked only because they are part of the same agreement—not because one cannot happen without the other.

However, Gates' statement could pressure Japanese officials to comply with the 2006 agreement as it is, as some members of the new Japanese leadership are pushing for the removal of all 50,000 U.S. military personnel from the country, the Associated Press reported. The Japanese leadership feels the troops' presence is disruptive to the civilian population, AP reported.

Stakes too high

Joseph Bradley, senior vice president and economic and market statistics officer at the Bank of Guam, said the stakes are too high for Congress to not go through with the buildup. Even if the agreement falls through, the United States would fund military housing for the buildup by "spending its own nickel," he said.

"If nothing else, I think the plans are so far along on this and so much vested on this that I think Congress would go ahead and do this anyway," Bradley said.

Guam is strategically located, and too many realtors and investors have "placed their bets" on the buildup for it to fall through now, according to Anthony Godwin, principal broker at Today's Realty. Planned construction projects would be put on hold, and properties bought for military use would have to be designated for other purposes, he said.

Additionally, failure to follow



"It's hard for me to believe that the Congress would support going forward in Guam without real progress with respect to the Futenma replacement facility."

Defense Secretary Robert Gates

through on the buildup would "drastically" curb residents' confidence in Guam's economy, added Steffen Niu, president of the Guam Association of Realtors. "There have been some real estate investments in the works, and even more that are poised to move forward but have not yet broken ground," he said.

'A collapse'

A lot of hope for Guam's economic future is based on the military buildup bringing billions of dollars in construction projects and creating as many as 20,000 in construction and other jobs.

"I think the word 'disaster' would probably be a mild way to put it," said Christopher Felix, president of Century 21 Realty Management. "Many, many millions of dollars has been spent by Korean and U.S. investors in preparations for this buildup over the last five years since

this was announced."

"If it's stopped, it would be a collapse," Felix said. "We'd go back to where we were in 2003—at the bottom of the bottom of the market."

But not all hope is lost.

Guam's economy would still be able to hold itself up as it's doing now, even if the buildup was halted, Niu said.

"It may not be devastating, as there realistically will continue to be some increase in military presence, and the buildup is not the sole source of Guam's economy," he said.

David Leddy, president of the Guam Chamber of Commerce, agreed that Guam's economy will pick itself up even if the buildup doesn't take place.

"There are other long-term strategic investments being made regardless of the buildup," he said, although he did not wish to disclose what those investments were.

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