

American Samoa National Emergency Grant (AS NEG)

Workforce Development Plan: Draft 3.30.2011

American Samoa Workforce Development Plan

Goal: Provide employment opportunities or training for employment or employment certification for all of the American Samoa National Emergency Grant participants.

Strategy: The ASNEG strategy is defined by the NEG requirements:

- (1) **Identify and Quantify Eligible Population** (those directly affected by the September, 2009 and the Long-term Unemployed) and determine their career interests.
- (2) **Identify the growth industries** (i.e. long term employment opportunities) in the area.
- (3) **Develop clear career paths** with multiple entry points consistent with the experience and training of each ASNEG participant.
- (4) **Set ASNEG participants on career paths** in growth industries that are consistent with their career interests.

Eligible Population

American Samoa Unemployment Post-September 2009

In 2009, American Samoa was hit almost simultaneously by two economic disasters: the closure of one of its canneries which had been anticipated for some time and a tsunami which came unexpectedly but with devastating effect. On September 29, 2009, the tsunami that hit American Samoa took 34 lives and displaced an estimated 2,200 individuals. The following day, the Chicken of the Sea (COS) tuna cannery, one of two large tuna canneries in American Samoa, ceased operations.

Some of the COS employees (200 est.) had been dislocated by the tsunami the day before, leaving the total number of displaced and out of work Samoans as a result of the events of September, 2009 estimated to be 4,430 individuals, or approximately **26.1%** of American Samoa's total employment (total employment was 16,990 as of 2008: $4,430/16,990 = 26.1\%$). (source: American Samoa Current Employment Fact Sheet thru 2008, DOC – Statistics Division, May, 2009). When this 4,430 dislocated workers is added to American Samoa's historical unemployment rate of **7%** the unemployment rate as of October 1, 2009 was a **33%** approximately. But this is merely the tip of an iceberg that is growing larger every day.

Since the tsunami in 2009, Starkist American Samoa has laid off 800 workers. This is widely interpreted as the precursor to the closure of the Starkist cannery in American Samoa along with COS that will eventually result in an additional 1,630 jobs lost (full employment at the Starkist cannery in 2008 was estimated to be approximately 2,430 employees).

In 2007, a report was commissioned by the US Department of the Interior and completed by Malcolm McPhee & Associates that estimated the economic impact of a cannery closure in American Samoa (*American Samoa's Economic Future and the Cannery Industry*, 2008). McPhee estimated that cannery jobs in 2008 in American Samoa supported an additional 2,285 jobs in the retail and service industries in American or .47 jobs for every cannery job.

When the retail and service jobs lost due to the Starkist layoff are added to the 800 jobs eliminated at Starkist, the projected impact to American Samoa's economy is 1,176 more lost jobs, raising the unemployment rate another **6.9%**.

To make matters worse, at the beginning of 2011, the American Samoa Government implemented a 20% reduction in hours for all ASG workers supported by local revenues to make up for an anticipated \$7.2 million shortfall in tax revenue in 2011, or the equivalent of 385 ASG FTEs. These reductions in hours will eventually have to be translated into reductions in actual jobs for another **2.2%** increase in unemployment.

	Unemployed	Rate
Historical Unemployment	1,279	7.0%
		% Increase
Tsunami Dislocated Workers	2,000	11.8%
COS Closure (direct impact in jobs lost)	2,430	14.3%
COS Closure (.47 indirect impact)	1,176	6.9%
Starkist Layoffs thru 1.2011 (direct impact)	800	4.7%
Starkist Layoffs thru 1.2011 (indirect impact)	376	2.2%
Total Unemployed	8,061	
Estimated Current (March, 2011) Unemployment Rate		46.9%

When Starkist closes its cannery completely, the impact on the unemployment rate is estimated to be another 2,396 jobs (1,630 direct; 766 indirect) raising the unemployment rate 14.1% . An eventual reduction of 385 jobs at ASG will increase the unemployment rate another 2.1%. By the beginning of 2012, the unemployment rate would be as high as 63.1 % (10,842 unemployed) if everyone who lost their job from September 29.2009 to December 31.2011 stayed in American Samoa. Of course, this will not be the case; there will be a significant out-migration to find employment. This has already begun and will continue until the economy in American Samoa changes.

Targeted Populations

Retraining and other forms of employment assistance are currently being provided the 2,200 people displaced by the September, 2009 tsunami as a result of funding from a National Emergency Grant that has provided funding to establish several career pathways (labor/construction, contact/call center, hospitality industry) for these individuals. The estimated 7,050 remaining people who were employed in American Samoa before September 2009 but will have lost their jobs by January 2012 have no assistance programs to address their retraining and employment placement needs.

Demographics and Academic Achievement of Targeted Populations

a. Cannery Workers

Prior to the cannery closure, the ASG Department of Human Resources did a survey of cannery workers at the Chicken of the Sea cannery that resulted in the following demographics, education and skill levels for those who were laid off:

Gender:

Male 60%

Female 40%

Age:

18 – 29 24%

30 – 39 26%

40 – 49 18%

50 – 59 13%

60+ 9%

Academic Level:

Bachelors and Higher 3%

Associates Degree 5%

Some College 5%

HS Diploma/GED 47%

Non-HS Graduates 40%

b. General Population affected by Cannery Closure

Demographics, education and skill levels for American Samoa in general based on the 2000 Census of Population and Housing: American Samoa:

Gender:

Male	51%
Female	49%

Age:

15 – 19	9%
20 – 34	23%
35 – 44	13%
45 – 54	8%
55 – 59	3%
60+	5%

Academic Achievement:

Bachelors and Higher	7%
Associates Degree	7%
Some College	13%
HS Diploma/GED	39%
Non-HS Graduates	34%

Median Earnings:

Male full-time, year round	\$9,332	(\$4.57/hr based on 2,040 hrs/yr)
Female full-time, year round	\$8,626	(\$4.23/hr based on 2,040 hrs/yr)

General Characteristics of Training and Placement Needs of the Target Populations

The need for job opportunities, training and Career Paths appears to be evenly divided between men and women. Consequently, there is a need for Career Paths and job opportunities appropriate for both genders.

The majority of both target populations has only a HS Diploma/GED or less (87% and 73%) and this group is split fairly evenly between those with a HS Diploma/GED and those without. Consequently, every Career Path and the associated training should assume the need for remediation in basic quantitative analysis, communication skills, and computer proficiency. Moreover, every Career Path must have a starting point that is at the most basic level of academic achievement and work experience. Nevertheless, it must lead to a genuine career opportunity.

Since between 40% to 50% of both population still have a potential 20 – 25 years of employment ahead of them before they reach retirement, the Career Path should allow for several levels of progressively specialized training.

A characteristic of the Samoan workforce that does not show up in standard demographic profiles but became evident from the intake interviews done with American Samoa's 2,200 NEG participants, is that few of them have given much thought to a career and consequently have not given any thought to career goals, much less how to achieve them.

This lack of career goals can be traced to a general lack of work experience as a result of growing up in an extended family in what is still very much a subsistence economy where most of the daily attention and effort are focused on the needs of the family and the village (especially for young people in their twenties). It is also the consequence of a general lack of full-time employment opportunities and career paths.

Military as Model: The only consistently available career opportunity for an American Samoan in his or her twenties and thirties has been military service. The cultural and social adjustments that military life requires are considerable for everyone, but these are considerably greater for Samoans coming from remote, rural, subsistence, hierarchical, traditional, Polynesian American Samoa. Yet, as a group and individually, Samoans have been remarkably successful in making this adjustment and excelling in the military. The Samoan military personnel, as well as the non-Samoan senior officers who have worked extensively with Samoan military personnel, attribute the success of Samoans in the military to the military's comprehensive package of support services from the moment the Samoan is recruited until their training is completed. In addition to housing and meals, this includes having Samoans train together under the supervision of Samoan trainers who know Samoan cultural values and Samoan social norms and can use both to motivate, encourage and guide new recruits in making the adjustment to military service and a successful military career. Something similar is required for all career paths for Samoans.

Growth Industries

Local In-Demand or Emerging Industries

An assessment of growth industries was done locally for American Samoa (AS) as part of the response to the cannery closure. (see American Samoa's Unified Strategic Territorial Plan Extension Recovery Act Plan, Attachment A: Modification Fiscal Year 09, pp.7-8; see also Appendix A: Analysis of the American Samoan Economy)

Not all of the industries identified as growth industries, however, are growing. Locally, some are clearly shrinking (fisheries, manufacturing and infrastructure) or are stagnant (visitor, handicraft) and some that have potential are not currently happening in American Samoa (telecommunication and information technology).

There are emerging opportunities in *agriculture and fisheries* as AS residents depend more and more on local food production. But the employment opportunities from fisheries and agriculture will address only a small fraction of the employment needs (est. 7,050 jobs).

Over the next few years, *construction* will be a growth industry as a result of the need to rebuild the houses destroyed by the September 29, 2009 tsunami and to construct the fiber optic infrastructure recently funded by an \$85 million grant to ASTCA.

Telecommunication will continue to be a growth opportunity. One developer in 2005 expressed an interest in establishing a 500 seat call center in American Samoa if its training costs can be subsidized.

There will continue to be a need for more *health care* providers (community health workers, EMTs, nurses and doctors). The September tsunami exposed a need for *disaster response workers (FEMA certified) who are trained to work in the Pacific*.

The AS Department of Education will continue to need *teachers, teachers' aids and people to work in the school lunch program*.

In addition to the assessment of growth industries done in the American Samoa's Unified Strategic Territorial Plan Extension Recovery Act Plan, ASNEG has aggressively publicized the availability of OJT contracts (90% NEG/10%employer) to determine which industries and which employers are looking for or anticipate a need for additional employees. As of April, 2010, the response from the AS Government and AS's private sector employers to the availability of 90/10 OJT contracts was as follows:

Requests for OJT Contracts (April, 2010)

Small Scale Agriculture	5
Small Scale Fisheries	50
Construction (Housing, etc)	55
Construction (ASTCA)	75
Telecom. (Call Centers)	600*
EMS (ASG)	20
Health Care (ASG)	5
Other ASG Departments	100
Total	910

* Contingent upon a subsidy for training

Note: As of March, 2011, approximately a year after the availability of 90/10 OJT contracts were publicized, ASNEG has received requests for : 84 construction OJT contracts (61 filled; 23 pending); 20 EMS OJT contracts (20 filled); 5 Health Care (ASG, 5 filled); ASG OJT contracts; 92 (92 filled). A project with a local fishing company to place 50 commercial fishermen using OJT contracts has been delayed by the owners of the fishing company. The two largest commercial farmers indicated a need for temporary employees only at this time. ASNEG has a proposal from a Call Center company to train 1,000 ASNEG participants and will be able to employ all of the successful trainees in a Contact/Call Center to be established in Tafuna, AS. (more detail on this project is provided below).

Regional Growth Industries

Despite the list of local growth industries and the progress to date in placing ASNEG participants in those industries, the fact remains that in the short run as well as the long run, the projected local employment opportunities from all of these growth industries will be insufficient to meet the employment needs (9,250 jobs) projected for American Samoa.

When one considers what is happening regionally, however, there are several emerging as well as rapidly expanding industries that residents of AS are eligible for.

- In Guam, there is a projected need for 20,000 – 30,000 *construction and service industry* workers;

- In Guam and Hawaii, there is a projected turnover in *hotel services employment* (housekeepers, cooks, etc.) as a result of an aging/ retiring workforce with no local replacements in sight.
- Also in Hawaii, there will be a growth in the demand for *Pacific island entertainers* (dancers, musicians, etc.) as the Chinese emerge as the next great wave of international travelers in the Pacific.
- There will also be a *growing demand for disaster response workers* from the Pacific.
- Finally, as the recent (2006) publication, *The Future of the Pacific Labor Market* edited by Neil Plummer, makes clear, the demographic trends in Australia and New Zealand (decrease in the local workforce while the demand for *seasonal labor* has increased rapidly) relative to those in Pacific Island Countries (populations rising at a rate that significantly exceeds the growth in the local island economy) have created an opportunity for a win/win partnership between labor recruiters in New Zealand and Australia and employment offices in the Pacific Island Countries. New Zealand's Recognized Seasonal Employer Program is a product of this opportunity. RSE links companies in New Zealand seeking seasonal workers with PIC labor departments who can screen potential PIC laborers interested in working in the New Zealand seasonal harvest.

The recent success of New Zealand's RSE program has forced a reconsideration of out-migration as a PIC (Pacific Island Country) development strategy. When properly coordinated and supported Pacific islanders from the Secretariat of the Pacific Countries (SPC) have successfully found long-term seasonal employment in New Zealand that allows them to earn a living in New Zealand part of the year and return home to their island state the rest of the year. This arrangement has had a dramatically positive effect on small, remote island economies while addressing the increasingly unmanageable number of economic refugees who have migrated from the PICs to New Zealand in order to find work but have been unable, on their own, to do so.

Obviously, in the short term, American Samoa's economy cannot produce the 10,000 plus jobs that are needed for all of its recently and projected displaced workers in the Territory, but regionally there appears to be more than enough employment opportunities for which trained American Samoans have a competitive advantage based on the fact that they can enter U.S. States and U.S Territories and work there. And right now, that is where the jobs are in the region.

Job Knowledge, Skills, Abilities and Credentials Required

Construction Employment

American Samoa:

The construction industry in American Samoa for the foreseeable future will be involved in rebuilding the infrastructure and homes destroyed by the September 2009 tsunami. There is also a large \$85 million project to lay a fiber optic grid on Tutuila, American Samoa's main island. There are also several ARRA funded alternative energy projects. The employment opportunities that the typical unemployed or dislocated worker in American Samoa can reasonably expect to take advantage of are entry level laborers jobs. Employers have been reluctant to hire locally in the past because they assume the skill levels of the workers in American Samoa are low; they do not know who is reliable and cooperative; they do not know who can take instruction and learn on the job, i.e. who will take orders and correction.

Industry construction industry representatives have said they do not need workers with HS Diploma/GEDs but they need some evidence that certifies a level of verbal and quantitative competence of applicants that suggests that the entry laborer will respond to orders and instruction.

Local construction companies in American Samoa are hiring those with skills and experience in the construction trades first but they do not expect to find many residing in American Samoa. That is why they are receptive to those who have the potential and desire to learn.

Guam:

The construction industry on Guam, where there is an opportunity to employ hundreds of Samoan workers over the next fifteen years, has a very positive memory of the Samoans who worked in Guam in the late 80s. They are not subject to the same requirements as H2 workers such as those typically brought in from the Philippines. Samoan construction workers have a reputation in Guam for working hard all day and in all conditions and following instructions and working cooperatively and efficiently together when they are directed and led by other Samoans.

Kind of work involved: It is not skilled labor; it is not particularly heavy labor; but it is physical and it is constant and it requires that people work as a team and be consistently productive. There is a need for crews involved in site preparation: crews to accompany backhoes and bobcats with shovels and clean up trenches and footings. There is a need for crews to assemble forms for concrete and tear the forms down and clean them so they can be reset. There is a need for crews to handle and set the re-bar for reinforced concrete beams and floors. This involves handling a lot of heavy steel re-bar: moving on to the site; setting in place; and tying it together.

This is all entry level work, but it comes with a career path. Black Construction on Guam hires entry level workers with the expectation that it is making an investment. Consequently, it encourages and will assist them in attending the *Guam Trades Academy and Guam Community College*. DCK Worldwide in Guam, provides on-the-job-training and will also coordinate with *Guam Community College and the Guam Trades Academy* on Guam to assist the American Samoan in getting additional training

Preparation: It has been recommended by various representatives of the industry that construction workers coming from American Samoa should come as teams or crews, not as individuals, with Samoan crew leaders who can serve as a bridge between foremen and laborers. Applications from Samoans with no visa issues will be viewed favorably if the internal supervision and support is there. It has also been recommended that the construction workers going to Guam from American Samoa take and pass the OSHA safety course and be familiar with the kinds of jobs they will be doing before they leave for Guam. *This preliminary screening, orientation and OSHA training is being coordinated through a partnership with ASCC.*

More important, all of the construction company employers wanted workers who could understand and take direction. Workers did not need to have a HS Diploma/GED but they needed to be screened to determine the level of their verbal (communication skills: comprehension as well articulation) as well as their quantitative skills (is need for evidence that they can do basic math). Workers who are not only capable of entry level work but have the ability to acquire and develop more advanced skills and capabilities

What Black likes about the Philippino workers that it typically brings in to Guam is that they are known quantities, that they are predictable and manageable. Workers going to Guam from American Samoa need to be just as reliable: they need to be screened for their work history and their reputation for reliability. Workers who have to be sent home are an expensive mistake for all involved. This will require some coordination (and a coordinator) on the Samoan end and probably some community support organized on Guam.

Like Black, what DCK wants are reliable, trouble free workers. Lou Lucena at DCK Worldwide likes the idea that ASG DHR along with ASCC Samoa will get people ready on the American Samoa end and will work together to make sure the recruits get prepped based on DCK's specifications. DCK will take it from there (come down and interview; provide airfare to Guam; provide initial housing; a job along.)

Contact/Call Center Employment

In 2006, the U.S. Department of the Interior vetted and brought to American Samoa a group of investors interested in starting a call/contact center in American Samoa. At that time the economic, commercial opportunity, as well as the competitive advantages, for a call center in American Samoa were first discussed. Since then the American Samoan Government and private companies have invested over \$25 million to install a fiber optic cable linking American Samoa to Hawaii. In 2007, the U.S. DOI commissioned a labor study (*American Samoa Government Labor Pool Study*, 2008, prepared by the Pacific Business Center Program, University of Hawaii) to determine if there was a qualified labor pool large enough to support the 3,000 – 6,000 job industry that was projected for American Samoa. The study determined that:

The qualified ALP (Available Labor Pool) identified in this study demonstrated the necessary analytic and verbal skills to satisfy the requirements of new

ventures in the knowledge industry. This included knowledge of computer usage, elementary mathematics skills such as elementary trigonometry, and importantly, adequate command of written and spoken English language usage. . . . a new venture in the knowledge industry, such as a call center, could find, at prevailing wage rates, at least approximately 1,500 to approximately 2,000 qualified available workers currently residing in the Territory. In addition . . . the new venture could offer wage rates higher than those prevailing in government service and thereby find qualified ALP of approximately 6,500 who are current residents of American Samoa”

(American Samoa Government Labor Pool Study, 2008, Executive Summary, pp. 10-12)

With the American Samoa Government reducing hours of employment by 20% along with the closure of the canneries and the shrinkage in all areas of the American Samoan economy, the ALP of qualified call/contact center workers in 2011 is probably well above the above estimates.

As part of the American Samoa NEG program an RFP was issued by ASG Department Procurement for proposals for call center training. The successful proposal was submitted by American Samoa Services Associates Corporation.

. . . it is ASSA’s intent to transition qualified candidates to employment with call center and medical transcription facilities that ASSA plans to establish during eighteen months training period. Because of the federal legislation regarding minimum wage requirements, ASSA will focus on attracting organizations that are prohibited from transitioning call center and medical transcription work “off shore”, and those entities, who for business reasons, do not want to mover their work off-shore. (p.3)

(“Proposal for the Development of a Call Center Training Facility in American Samoa”, September 2, 2010, by American Samoa Services Associates Corporation)

ASSA includes an experienced call center training team (Singha, Singh Roy & Associates Pvt.Ltd ,SSAPL) based in Calcutta, that has trained thousands of call center workers in India. The ASSA proposal includes detailed curricula and training schedule for both Contact Center (140 hrs.) and Medical Transcription (132 hrs.) training to be provided over an eight week training period.

As a prerequisite for receiving call center training, the American Samoa NEG program is requiring all ASNEG eligible participants to demonstrate that they are computer literate and have at least level three verbal and quantitative skills as measured by ACT’s WorkKeys testing program. ASNEG is also providing through the American Samoa Community College an introduction and computer basics course as well as remedial instruction (using ACT’s KeyTrain program) for those who either lack the computer skills or the verbal and/or quantitative skills to be eligible for call center training. This same requirement would also be applied to all non-ASNEG participants when the program can be expanded to this larger population. This includes

members of the target populations that will be covered by the Career Pathways Innovation Fund Grants Program grant being applied for here.

The career path envisioned for call center workers is not limited to only call center work, though employing as many local Samoans in call center and medical transcription jobs as possible is the immediate goal. As the contact/call center industry expands locally (to the 6,000 jobs projected for it) and regionally, the additional jobs and associated career paths (in trainers, supervision, management, marketing, computer repair, etc.) needed to support the industry's growth will necessarily develop. It is a goal of this program to train Samoan trainers to replace the expensive Indian training team that will be brought to American Samoa to train the initial 1,000 call center workers. *A framework is being developed for linking ASSA to ASCC so that ASSA training can be turned over to ASCC and ASCC can develop and administer the appropriate certification and educational support for certifying the call center trainees as well as the call center trainers on a continuous, sustainable basis.*

Hospitality Industry

In the 1960's, with American Samoa being the stop-over location for trans-Pacific flights, American Samoa had a vibrant tourism sector that was supported by the highly acclaimed Rainmaker Hotel and the aerial tramway over Pago Pago harbor. When the trans-Pacific flight patterns changed, tourism levels were not sustained and these iconic landmarks have deteriorated or been damaged so much that they no longer operate in their historic function. . . . (p.4)

While there may be many native Samoan dishes and recipes in existence, very few of these are available to the visiting tourist or business traveler. On occasions, a tourist may have the fortunate opportunity to taste palusami or food cooked the traditional umu style, but these would be rare. From a visitor's perspective, American Samoa has become very "Americanized" with fast food and chain restaurants, and has lost its native culinary culture. Part of the desired tourist experience is to taste the local foods and become immersed in the culture, which currently is rarely available in American Samoa. Options for promoting the native culture through traditional foods would be to offer these in restaurants, even with a modern flair as done in Bistro Tatau in Apia; additional *fia fia* nights; and/or even cooking classes that could be conducted as part of an overall agri-tourism initiative. . . . (p.21)

American Samoa Tourism Master Plan, 2010, by Resort
Consulting Associates

Due to its limited transportation infrastructure (one airline; 2 flights weekly from Hawaii), American Samoa is not a tourist destination. It attracts only a few visitors a year, most of which are family and friends. However, as the two quotes from the recently completed Tourism Master Plan for American Samoa indicate, American Samoa could be an attractive destination with a

local cuisine that it could showcase if its transportation service was improved. But for now, American Samoa only has a very few hotel rooms (256) that support relatively few hotel jobs (100 est.)

Restaurants, hotel restaurants, caterers, fast food restaurants, lunch wagons, night clubs and bakeries in American Samoa, however, support approximately seven times (701 est.) that many food service jobs. This does not include another 280 jobs in the School Lunch Program. Many of the restaurants and hotel managers complain that there are no local Samoans with even entry level skills that are eligible for these jobs which eventually go to trained, off-island cooks and chefs. This same scenario is expected to be played out – but with far greater numbers – on Guam as local Chamorros take the more lucrative jobs associated with the military build-up and leave entry level food service and other hospitality industry jobs to immigrants from the Philippines, Korea and Viet Nam. As U.S. Nationals, trained Samoans should have a competitive advantage in getting these jobs since employers will not have to be subject to the financial penalties for hiring foreign workers.

As part of the American Samoa NEG program, an RFP was issued by the ASG Department of Procurement for proposals for establishing a cooking school that would provide American Samoa NEG eligible participants with entry level skills for entering the food service industry as cooks. A contract was awarded to the Niu School of Culinary Arts which developed a fifteen week training program for entry level cooks that uses a standard community college level cook book and follows very closely the U.S. approach to culinary training.

A member of the committee that reviewed the proposal was Ron Takahashi, Chair of the Culinary Arts Department, Kapiolani Community College, Honolulu, Hawaii, the most outstanding culinary arts program in the Pacific. Mr. Takahashi has agreed to explore with American Samoa NEG a way to “develop a long-term collaborative relationship . . . to provide the citizens of American Samoa with quality education in culinary arts.” (Takahashi, email, 3.24.11) The tentative goal of this collaborative arrangement is to allow a resident of American Samoa to gain a certificate in culinary arts and an AA degree through KCC that would allow the which can be used to obtain higher level employment in the food service industry and lead to more specialized training. If the local resident does not choose to seek more training, he/she will be qualified with the certificate from the Niu School of Culinary Arts to obtain entry level cooking employment in American Samoa, Guam and Hawaii.

Career interests of the ASNEG participants:

An initial assessment was done (5/3/10 – 5/7/10) of approximately 80% (1771) of the 2,200 ASNEG participants displaced by the September 2009 tsunami. Based on this assessment the ASNEG participants were divided in five overlapping, but nevertheless distinct, groups:

OJT/Placement Candidates: These are people who have been in the workforce earning a living successfully for several years and want a job. They already possess the skills needed to move laterally into a job requiring similar skills, training and experience.

ASCC Degree Candidates: These are people who need a degree in order to pursue their career goals. This group also includes those who have attended ASCC or some other post-secondary institution and dropped out for some reason and need to return to ASCC to complete their degree.

Technical Certificate Candidates: These are people who were engaged in various technical tasks (welding, diesel repair, carpentry, etc.) in their previous job but lack the necessary certification to be hired as a technician (welder, diesel mechanic, etc.) in any of these areas. They need to become certified in order to be employed.

High School Diploma/No Work Experience: This group tends to be young (in their 20s). They have little or no work experience and few if any technical skills. For the most, they have not selected a career path. They need assistance identifying their interest and an appropriate career path.

Lack a HS Diploma: These people lack a HS diploma and certification in any technical area and typically have little work experience. They need a GED as first step in entering a training program that will qualify them for employment.

Each of the ASNEG participants was asked their job preference. For the most part, their job preferences were very generic (clerk, mechanic, laborer, agriculture, etc.) and did not indicate a specific industry or field (hotel maid, call center attendant, FEMA worker, etc.). In many cases, the employment provided by the NEG program was the person's first wage paying job. Several of these ASNEG participants expressed a desire to continue to be employed in the same job. This suggests that *they had given little thought to a career path or any career goals.*

Excluding the few who did have a definite career path in mind, the overall impression from the initial ASNEG assessment is that the ASNEG participants are, for the most part, primarily interested in just getting a job and with it a regular paycheck.

Link ASNEG participants with the employment opportunities in growth industries that are consistent with their career interests:

Linking ASNEG participants to employment opportunities must proceed simultaneously on two tracks that are necessarily linked.

(1) In most cases, the ***skills of the ASNEG participants have to be raised*** in order for them to be competitive in the shrinking economy in AS as well as in the increasingly competitive regional economy.

(2) While ASNEG participants are being trained, ***employers must be identified who are interested in hiring*** ASNEG workers .

For these two activities to be effectively linked, ***the training that ASNEG workers receive has to be directly related to specific job opportunities and specific employer needs***. Training in the absence of a real job fails to achieve the ultimate goal of the NEG program, which is long term employment for the NEG participant.

Raising the skills of the ASNEG Participants

Raising the skills of ASNEG participants needs to move forward on several different tracks simultaneously to address the various training needs identified in the initial assessment of the 1,771 ASNEG participants. These tracks are:

WorkKeys/Keytrain Program

- WorkKeys provides multi-level skills certification that is nationally recognized. Work Keys testing is to be offered through ASCC.
- KeyTrain provides an established curriculum with a wide array of training materials keyed to the skills assessed by Work Keys. A KeyTrain training center is planned for

ASCC and two other sites (if necessary). It will provide computer literacy and work place literacy training.

- An orientation workshop on WorkKeys and Keytrain was held in August (16-22)

ASNEG has an MOU with ASCC which includes reimbursing ASCC for the purchase of a one year WorkKeys site license. The MOU also identifies ASCC as the WorkKeys testing center for all ASNEG participants.

August 23, ASNEG received from KeyTrain a price quote for a one year regional KeyTrain license (to cover all of American Samoa) for \$45,000. This price was approved and a PO is being prepared. KeyTrain received payment in late November. The license with KT is in effect and testing and remediation can begin as soon as the contract with ASCC for WorkKeys Testing and KeyTrain Training is approved. (draft contract from ASCC is being reviewed by ASNEG).

ASCC will be responsible for training KeyTrain training center operators in AS (under contract to ASNEG) in the setting up, operating and troubleshooting a KeyTrain training center and for developing an operator's manual for a KeyTrain training center. New KeyTrain training centers will be needed as the demand for KeyTrain training from AS NEG participants increases.

It is still unclear how many additional (in addition to ASCC) training centers will be required for providing KeyTrain remediation training.

College Level Degree Programs

In the fall semester 41 ASNEG participants enrolled at ASCC as degree candidates. Another five ASNEG participants are expected to enroll in the spring 2011 semester bringing the total number of ASNEG participants enrolled at ASCC to 46. Pell Grants are expected to cover the tuition and books for these ASNEG participants.

GED Certification and Remedial Instruction

Remedial instruction in math, composition and English as a Second Language are being provided through the GED and tutoring programs at ASCC. Although approximately 100 ASNEG participants were identified as not having graduated from HS or having obtained a GED, only 27 ASNEG participants without a HS diploma or GED are currently pursuing their GED at ASCC.

Vocational and technical training in Partnership with ASCC

A proposed Vo-Tech training center (Budget: \$500,000) will provide vocational training that can address skill requirements of employers in short term and long term growth industries in AS and in the Pacific region (Guam, Hawaii, New Zealand, etc.).

A partnership is being developed with ASCC and ASDOE to develop this Vo-Tech center to be housed at the Nu Uuli Polytech HS which is currently administered by AS DOE. There have been preliminary discussions both with ASDOE and with ASCC (K. Kolhoff and S. Poloai) and both are receptive to the concept and is part of the MOU with ASCC.

The vo-tech training envisioned for the training center is a short course that will provide ASNEG participants with essential construction labor skills as identified by labor recruiters on Guam and by construction companies involved in construction projects in American Samoa.

Industry specific training and/or placement Programs

Interviews with ASNEG clients revealed an acute desire for jobs – rather than training – even though training is required in many instances before the AS NEG client will be able to compete successfully for the employment opportunities that are available in American Samoa and the Pacific region.

The focus of the AS NEG effort on behalf of its clients, therefore, is on finding employers who need workers with entry-level skills and who can provide employment opportunities where the AS NEG client can gain their training, skills and experience on the job.

This approach to training and placement – though it may appear intuitively to place the cart before the horse with respect to employment and employment training – is consistent with WIA’s use of OJT contracts.

OJT contracts recognize the central role of industry as trainers and allows the employer to tailor the training to the employer’s specific needs. Also, by directly linking training with employment OJT contracts give the trainee/employee a concrete incentive to get the most out of the training.

The primary difference between what ASNEG is attempting to do with its employer driven training partnership with the private sector is that *ASNEG has the training come before the job*. And, instead of supplementing employee wages, *ASNEG is paying the employer to provide the training in advance of employment*. Both the ASNEG approach and WIA’s OJT contracts require the employer to hire the employee if the employee successfully completes the training program.

ASNEG is working with industry to develop pre-employment training programs that are developed by industry under contract to AS NEG. These training programs include:

- Call Center Training Facility; ASSA’s proposal was accepted: the costs are being negotiated (12.1.10). The current proposal calls for ASSA to train 1,000 ASNEG participants at a cost of \$5,856,284 (\$5,856/ASNEG trainee) over twelve months (tentatively May 2011 – April, 2012) and will place all successful trainees in it Contact Center in Tafuna, AS.

- Hotel Services Training Facility; (this was placed on hold until an industry partner could be identified: 1.6.11)
- Cooking School; the Niu Culinary Arts (NSCA) proposal was accepted at the end of November; the contract was signed in February. The school is scheduled to open in early April. The NSCA will train 100 ASNEG participants from April 15, 2011 to May 30, 2012 at a cost of \$513,700. NCSA has committed to placing at least 60% of its successful trainees in either local or regional (Guam and Hawaii) restaurants.
- Commercial/subsistence farming extension agent; (This is included in the MOU with ASCC)
- Construction Worker Pre-employment course for construction laborers offered through ASNEG/ASCC Vo-tech facility in conjunction with construction companies in AS and Guam. (This is included in the MOU with ASCC Appendix C: Budget for ASCC et al. for WorkKeys and KeyTrain). Black Construction, DCK and Watts Constructors in Guam have been contacted and are in communication with ASNEG on this project. *A support center for ASNEG participants working on Guam has been planned and budgeted.*
- School for Pacific island entertainers (dancers, musicians, etc).: The contract with Tihati Productions to provide training and jobs that began at the beginning of November is the first step toward this school. 18 men were selected for three weeks of dance training. Four ASNEG participants were offered and accepted employment in January, 2011.

All of these training programs are either directly connected to employment opportunities (immediately available upon completion of the training: ex. construction labors course; hotel services training facility; Pacific island entertainers workshop; and call center training facility) or have a strong placement component (ex. cooking school).

ASNEG Participant Response to Career Opportunities

August 23-27, 2010 all of the ASNEG participants directly affected by the tsunami were contacted and asked which of the employment opportunities identified by ASNEG staff (see below) they were interested in pursuing. Their responses are in the far right hand column. (Note: 2,065 ASNEG participants were contacted; 127 of these had exited the program by either finding work or leaving American Samoa; 583 indicated that they were undecided; 130, -- of which 20 are with EMS – are working on OJT contracts with the American Samoa Government).

ASNEG Participants

Small scale farming (for subsistence and commercial use)	21	
Seasonal labor (harvest) in New Zealand (90% Independent Samoan Citizens)	186	
Small scale commercial fishing	19	
Local Construction (AS: FEMA housing; ASTCA fiber optic infrastructure)	0	
Off-Island Construction (Guam military build up)	72	
U.S. military	1	
Call centers	886	
Pacific Island Entertainment (Tihati Productions)	40	
Hospitality Industry (hotel housekeeping; front desk)	82	
Cooking School	25	
FEMA Emergency Response	5	
Community Health Care (for rural island communities)	15	
Local handicrafts (other entrepreneurial activities: sewing, food preparation, etc.)	0	
Total		1,352*

ASNEG Training & Placement Program: Budgeted Cost and Budget Narrative

OJT Contracts in American Samoa from March ,2010 to March ,2011

In March, 2010, there was a public announcement in the media that ASNEG was offering 50/50 OJT contracts to employers who had employment opportunities for ASNEG participants.

AS Government quickly took advantage of the 50/50 OJT Contracts and currently has 117.

There were initial contacts with the construction industry and ASTCA at the initiative of ASNEG and DHR. Nothing has come of this (12.1.10). There was very little interest shown by private sector employers in 90/10 OJT contracts, either, when they were made available.

Starting in early December, 2010, all of the employers in AS have or are being contacted by ASNEG case workers individually by phone and informed that there are 90/10 OJT contracts available for them if they can provide fulltime ongoing employment for ASNEG participants.

As of this update (3.2.11) 211 OJT contracts have either been filled or are pending for AS NEG participants: 117 with AS Government; 94 with the private sector, 84 of these are with construction companies. Projected OJTs for the purpose of budgeting are projected to be 352 (200 @ 90/10 and 152@ 50/50)

Core & Intensive Services

KeyTrain & WorkKeys at ASCC Initial Certification & Remediation (1,800)

Quarter 4: \$16,000

Quarter 5: \$45,000

Quarter 7: \$157,692

Quarter 9: \$45,000

Core & Intensive Services includes ASNEG's WorkKeys/Keytrain program at ASCC. WorkKeys provides multi-level skills certification that is nationally recognized. KeyTrain provides an established curriculum with a wide array of training materials keyed to the skills assessed by Work Keys. An orientation workshop to introduce WorkKeys and KeyTrain to the American Samoa education and business community was held in American Samoa in August, 2010 (\$16,000) and a site license for KeyTrain was purchased for American Samoa in December, 2010 (\$45,000). A contract (\$157,692) has been negotiated with ASCC to provide basic computer skills training, WorkKeys certification testing and KeyTrain remediation training leading to WorkKeys certification. This ASCC program is scheduled to begin in April, 2011. An additional training centers have been budgeted (\$45,000) if necessary.

Industry Specific Programs

Small scale farming (for subsistence and commercial use) (21)

Meetings have been held with members of the local farmers coop to determine the interest among local farmers in OJT opportunities. What they would prefer is a pool of short term labor that they could hire for special projects such as clearing land for expanding farms. Only a couple of the commercial farmers do enough consistent business to support any OJT contracts and they only need a few people (5).

There is a growing number of farmers who are increasingly selling their produce commercially. A large open air market in Pago was recently opened to support and stimulate this growth. As the American Samoa economy shrinks, it is anticipated that there will be a greater dependence on locally grown produce. But this should only produce more hours of part-time and intermittent employment; it should not increase the number of full-time employees.

To support the expansion of commercial agriculture, the AS NEG has been discussing with ASCC developing an additional Ag Extension position at the college tasked to work with AS NEG participants who want to develop small commercial farms and to work with the existing commercial farmers to assist them in expanding their operations in the areas of new crops, hydroponics and greater value added processing. ASNEG has spoke to Kathleen Kolhoff about this project and she supports it but has recommended that we work through the existing Ag Ext. agent before trying to hire an additional person. Since only 21 ASNEG expressed an interest in commercial farming, there appears to be no need to bring on an additional Ag Extension Agent to serve ASNEG clients.

Seasonal labor (harvest) in New Zealand (186)

NZ Consul General for Samoa in Apia was contacted. He has offered to assist ASNEG in becoming part of NZ's RSE (Recognized Seasonal Employee) program that sets aside a quota for island worker to work in the NZ seasonal harvest.

David Vaeafe, Executive Director of the American Samoa Visitor Bureau was also contacted (August 28, 2010). Before coming to ASVB David had been employed by the Pacific Cooperation Foundation in New Zealand. The PCF was very involved in the establishment of the RSE program in NZ (see *The Future of the Pacific Labour Market: Labour Mobility in the Pacific*, ed. Neil Plimmer, Pacific Cooperation Foundation, 2006). David provided ASNEG with a spreadsheet list of 129 farmers in NZ who contract for foreign seasonal labor. He recently highlighted some of the larger operations. David said that it is relatively easy for US passport holders to work in NZ without a visa; however, they need to enter NZ with US\$4,000. 90% of the 186 ASNEG participants who expressed an interest in working in the seasonal New Zealand harvest are from independent Samoa. They can work in the NZ seasonal harvest as part of the RSE quota for independent Samoa. David Vaeafe contacted Emily Fabling, the person in the NZ Labor Department who is responsible for the RES program, to see if either or both these restrictions could be lifted to make it possible for ASNEG participants (and other interested American Samoans) to work in the NZ seasonal harvest. David is optimistic because there is an acute labor shortage in NZ and the harvest season (Oct – March) is just around the corner. David is waiting for a response. On September 2, 2010, Ms. Fabling sent an email indicating that she is trying to get a response from the Minister of the NZ Department of Labor regarding the participation of American Samoa in the NZ, RSE program. At that time Ms. Fabling was informed that 90% of those ASNEG participants interested in participating in the seasonal harvest in NZ are from independent and are not US passport holders. On September 7, 2010 the following email was sent by Emily Fabling who is in charge of New Zealand's RSE program:

RSE is targeted at members of the Pacific Forum (Fiji excepted). Other countries' workers are eligible to participate under RSE in certain limited circumstances, if for example an employer can show a pre-existing relationship (the employer has been employing workers from that country since before RSE). In practice, approx 80% of workers come from the Pacific, and from six countries in particular - Kiribati, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. As you know, as an unincorporated and unorganised territory of the United States of America, American Samoa is ineligible to join either the Pacific Forum or New Zealand's RSE at the present time.

However, I have considered your most recent advice that up to 200 workers in American Samoa from "independent Samoa" are interested in joining the RSE scheme. The New Zealand Government already works closely with the Samoan Government under the RSE scheme, and given the nationality of the workers concerned (as from "independent Samoa") I propose that you contact our Samoan colleagues to discuss options for these displaced workers.

This has to be followed up at the Director/Minister level before anyone in Apia will provide the assistance needed to get ASNEG participants included in the Samoa program. In mid-October, 2010 the Samoan government announced that 100 people had been selected from Samoa to go to NZ. That would appear to take care of this season.

Small scale commercial fishing (19)

In May, one of the larger, local commercial fishing operations was approached by ASNEG to determine if there was any interest in using OJT contracts to employ ASNEG participants. The response was a request for (50) OJT contracts. *There has been a follow up meeting with Carlos Sanchez but nothing has been finalized.*

Construction

Vo-Tech Center (350)

Quarter 7: \$700,000

Quarter 8: \$327,250

The number of requests for local construction jobs by ASNEG participants (0) is misleading. This option was not included in the questionnaire: only construction work on Guam was listed as an option. Clearly, based on the OJT placements to date in the construction industry in AS, there is much greater interest in local construction jobs among ASNEG participants. The demand for construction workers is anticipated to come from the \$85 million ASTCA project for laying fiber optic cable and from the houses that will be rebuilt by FEMA as a result of the September 29th tsunami. ASTCA has been approached about OJT contracts and expressed an interest in (50) with the possibility of needing more. But this project has been slow in getting off the ground as far as on site construction or site preparation is concerned. All of the companies doing housing construction for FEMA have been contacted with regard to OJT contracts. This is where the OJT contracts have been focused. Altogether Construction is projected to need 150 OJT contracts.

Vo-Tech Center at ASCC is to set up and operate for one year to provide entry level instruction for a variety of construction jobs (safety, basic carpentry, reinforced concrete, plumbing, excavation and site preparation, etc.). Training would include instructors from construction companies involved in the construction of FEMA funded housing in American Samoa; ASTCA fiber optic project, an \$85 million project to lay fiber optic cable throughout Tutuila (main island of American Samoa); Guam construction companies involved in the \$10 billion military build up on Guam which is expected to last for the next 15 years. Approximately 200 ASNEG participants have expressed an interest in Guam construction work and three construction companies on Guam (Watts; DCK; Black) have expressed an interest in recruiting, training, relocating and hiring qualified entry level ASNEG participants (\$150,000) but only if there is support program on Guam (\$177,250) for them; another 100-150 construction ASNEG construction are expected to be placed in local construction jobs.

It has been recommended by people at Guam DOL and by potential employers on Guam, that ASNEG set up an office with a person who will be resident and actively involved on a fulltime basis finding employment opportunities for Samoans and being the liaison between these Samoans and employers and service providers when the Samoan workers arrive. Meetings have been held in Guam and Honolulu to connect with people directly involved in the Guam military build up. A liaison is being established with Guam's Department of Labor for the purpose of

identifying employment opportunities on Guam (primarily but not limited to jobs in the construction industry) for ASNEG participants.

ASNEG is also in the process of identifying and contacting some of the labor brokers who will be supplying the labor needs for several of the large construction companies that will be part of the Guam build up. Initial discussions with construction companies that used Samoan laborers in Guam in the 1980s when Guam's hotels were being built indicated that Samoan workers were very effective when they were directed and supported by Samoans and that there would be an interest in employing them in Guam for the build up if they were accompanied by an appropriate support network.

U.S. military (1)

The U.S. military has been successfully recruiting Samoans for the armed services for many years and there is a high level of interest in military service in American Samoa (70% of graduating high school seniors take the ASFAB qualifying test). ASNEG is prepared to assist all ASNEG participants who are interested in seeking employment in the U.S. military by coordinating meetings between recruiters and ASNEG participants and by providing tutoring services for ASNEG participants having difficulty passing their entry examinations. Currently, however, only one ASNEG participant has expressed an interest in pursuing a career in the US Army.

Call Center	Call Center Training (1,000)	Quarter 7 : \$2,635,332
		Quarter 7 : \$ 429,886
		Quarter 9 : \$1,756,888
		Quarter 11 \$1,464,074

Almost a thousand ASNEG participants expressed an interest in working in a call center (an industry that has been trying to get into American Samoa for the last five years). On January 4, 2011, ASSA submitted a proposal for training 1,000 trainees at a cost of \$5,856,294 over a fifteen month period and placing all of the successful trainees in Contact Center jobs with ASSA. ASSA is a new company made up of a group of partners currently involved in training call center personnel and operating Contact Centers internationally. The ASSA team includes owners from American Samoa and will operate out of American Samoa. Payments for training will be made in Quarters 7, 9, and 11. In Quarter 7, there will also be an expenditure for computers that ASNEG will purchase and own.

In March 2010, ASNEG staff held discussions with interested business owners in American Samoa who indicated that the cost of training was a major barrier to developing the call center industry in American Samoa. They also noted that if the cost of the call center training facility could be covered by the ASNEG, the prospects for starting a call center industry in American Samoa improve considerably.

Since ASNEG can use NEG funds to pay for training and equipment for call center workers if the training leads directly to employment for ASNEG participants, an RFP was issued (8.21.2010) for a proposal to develop a call center training facility that can train 1,500 call center workers (for a 500 seat call center in American Samoa) in years 2011-2012 and place them in call center jobs in American Samoa.

Three proposals were received on September 10, 2010. A review board was organized by ASG Procurement. At the request of Director Langford O.C. Hailey, who was recommended by NEG, was added to the review board. The proposals are currently under review. A preliminary review shows that only one of the proposals meets the requirement the proposal provide a plan for placing successful trainees. The ASSA proposal was accepted as the only one that could be considered. Questions were forwarded to ASSA and all of the questions were answered by the end of November. (November 24, 2010 correspondence to Pat Tervola, Office of Procurement. The responses are being reviewed.)

Questions have since been raised regarding whether or not the Call Center exists and is an American Samoan company. The principals at ASSA include Dave Haleck, owner of Haleck Enterprises in American Samoa. Mr. Haleck is an equity partner in ASSA and has built a \$1.9 million building for the purpose of training call center workers. The Halecks also own the Trade Winds Hotel and plan to empty the third floor of the hotel for the Call/Contact Center proper. Adjacent to the training facility is a four acre lot that will be used to expand the Call/Contact Center to its projected 500 - 1,000 seat size.

The principals at ASSA, Mark Hunsaker and Jack Dwyer, were vetted by the U.S. Department of the Interior and brought to American Samoa as early as August, 2006. At that time the economic, commercial opportunity for a call center in American Samoa was first discussed. Since then the American Samoan Government and private companies have invested over \$25 million to install a fiber optic cable to American Samoa. U.S. DOI also commissioned a labor study (\$180,000) that was completed by the Pacific Business Center Program in 2008 to determine the availability of a qualified labor pool in American Samoa and Independent Samoa for the call center to draw from. The study determined that there were between 5,000 and 6,000 qualified workers that a call center in American Samoa could draw from.

The team and the marketing strategy for the ASSA Call/Contact Center is outlined in a confidential letter sent February 28, 2011 to Colonel Evelyn Langford, GAR, American Samoa Government who is overseeing the AS NEG Program. The following excerpt from that letter outlines the involvement and commitment of the ASSA team to date in bringing a call center to American Samoa.

The financial costs and commitments to date by ASSA and its shareholders from the inception of the project in developing a BPO contact center in American Samoa include out of pocket development soft costs of approximately \$955,000; the development of a 1.22 acre lot in Ottoville, American Samoa, and construction of a new two story office building on that property at a cost for land and improvements of \$1.9 million; a commitment to develop a second 2.0 acre lot adjacent to the first and construction of a two story building at a cost for land an improvements of \$3.4 million; and, the lease of three furnished large homes in September 2010 at \$4,000 per

month each for total monthly cost of \$12,000. Ongoing operating cost, primarily local wages, of the Contact Center at various levels of MT and Contact Center Agents represent the major costs to ASSA. These costs to date do not include the costs paid for and financial commitments made by the U.S. Department of Interior, the American Samoa Government, Blue Sky Communications, the American Samoa Telephone Communications Authority, and others. It also does not include the efforts of ASSA in instigating and promoting the efforts of the U.S. Department of Interior, the American Samoa Government, and private entities that led to the development of the ASH Cable project that is now operational in American Samoa. Without this ASH Cable project, the contact center industry could not be introduced successfully into American Samoa.

Pacific Island Entertainment Workshop & Training (40) Quarter 5: \$32,400

Tihati Productions in Honolulu did a workshop for training interested ASNEG participants (40) who want to work as performers for Tihati Productions **Only 4 ASNEG participants were hired. This program will not be continued.**

Tihati Productions in Honolulu, which has recruited Samoans from American Samoa for its Pacific Island Review, was approached to include ASNEG participants in its next recruiting visit and to develop a workshop for training qualified and interested ASNEG participants who want to work as performers for Tihati Productions. An initial introductory, fact finding, recruiting and training visit is planned for late October, 2010. Tihati Productions has submitted some cost estimates for their initial training/recruiting trip but no formal RFP has gone out and no formal proposals have been received from Tihati Productions or any other performing companies expressing an interest in providing a program of training and employment for the entertainment industry for ASNEG participants.

A training recruiting trip occurred in November, 2010 and 18 men were trained. 6-8 are expected to be employed. Only 4 ASNEG participants were hired. This cost per ASNE hire is too high to fit the plan (\$8,600: includes a \$600 stipend per ASNEG participant for housing in Hawaii). The program which was to run for the entire year with three more recruiting trips has been discontinued in favor of exploring with Tihati an alternative approach in which ASNEG pays for an instructor based at ASCC (Sia Achica) to screen, train, and audition dancers on behalf of Tihati Productions thereby eliminating the cost of travel and housing for locating an instructor in Am Sam. This alternative approach needs to be explored with Cha Thompson at Tihati. (1.6.11) This was discussed with Cha in Honolulu in January, 2011. After endorsing this approach Cha said that Tihati copyrighted dance routines could not be taught at ASCC without compensation to Tihati. (email 1.23.11). This program will not be continued.

Hospitality Industry Hotel Training (100) Quarter 8: \$ 100,000

It was suggested by employers on Guam that ASNEG work with the large hotels on Guam the same way it is working with the construction industry on Guam to place ASNEG participants. The projected cost is for training, recruiting, relocating and providing support services for ASNEG participants who are

recruited and offered jobs. The current demand for entry level hotel staff in American Samoa (based on the industry response to 90%/10% OJT contracts) is not sufficient to place the ASNEG participants who have expressed an interest in working in hotels.

It was suggested that ASNEG issue an RFP to lease some hotel rooms (hotels are currently operating at 20% occupancy) as the training facility. Tom Drabble at Sadie;s by the Sea has expressed an interest.

Cooking School	Culinary Training (100)	Quarter 6: \$ 218,580
		Quarter 6: \$ 98,700
		Quarter 8: \$ 147,580
		Quarter 9: \$ 51,295
		Quarter 10: \$ 147,570

Only 25 ASNEG participants expressed an interest in cooking but another 85 expressed an interest in working in some capacity in the visitor industry. There is an acute shortage of entry level trained cooks both in American Samoa and on Guam. The Niu School of Culinary Arts is networked with the AS DOE School Lunch program, the hotel and restaurant industry in AS and the food service industry throughout the Pacific regionally (Guam, Hawaii, Saipan, etc.) and can place all of its successful trainees. It began setting up its training facilities in Quarter 6; \$98,700 is for equipment that ASNEG will retain ownership of. It will complete its second fifteen week course in Quarter 8 and its third and final fifteen week course in Quarter 10.

School Expenditure: Training cost: 100 ASNEG @ \$5,137/ASNEG Participant: The cost of equipment: \$98,700 as of 1.24.11 bids. Equipment will be purchased from K12 Services – Robert Schrenk’s company.)

Meetings were held with Chef Sualua Tepolo in May requesting a proposal for a cooking school. A follow up meeting was held in early August with Chef Sualua and some of his partners. An RFP was issued August 27th for a proposal (due September 27) for a cooking school that can be set up and be operational by beginning of 2011. Two proposals were submitted (9.29.2010) A review committee including Ron Takahashi, Chair of the Culinary Arts Department at Kapiolani Community College has agreed to be a member of the committee. Contract was awarded to the Niu Culinary Training Center at the end of November. NSCA will train 100 ASNEG participants and actively assist in placing all successful participants in finding entry level employment in the restaurant business or some related industry. Beginning date for training is April 15, 2011; completion date for the the third and last 15 week course is June 15, 2012.

\$51,295 has been budgeted to develop a partnership between NSCA, American Samoa Community College and Kapiolani College that will allow NSCA to offer certificates in culinary arts under KCC’s accreditation while being full-time students at ASCC where they will take their core academic courses for an AA degree.

FEMA/EMT Disaster and Emergency Response (5)

Nothing has been set up with FEMA to provide a training program leading to certification as a FEMA first responder. **The AS EMT office has expressed a desire for OJT contracts (they currently have 20)** and for setting up a program to train ASNEG participants to work as EMTs. A proposal was requested in May but none has been forthcoming. Recent conversations (8.21.10) with Popo Avegalio suggest that a proposal will be forthcoming in the near future.

Discussions with Mr. Avegalio as recently as 10.4.2010 indicate that there is still no proposal for a training program. Since 20 ASNEG people have been on the job receiving training for the last three months and will receive fulltime employment at EMS in three more months, a separate training program would be unwarranted and not eligible for ASNEG funding. To date no proposal has been submitted.(3.30.11)

Community Health Care (for rural island communities)

(15)

This ASG department has 5 OJT contracts and is projected to receive 10 more.

Local handicrafts other Entrepreneurial activities: sewing, food preparation, etc.

To support the development of handicraft production, prepared foods for sale and other local entrepreneurial ventures by ASNEG participants, the AS NEG is working with ASCC Small Business Development Center The goal is to reach (100) local entrepreneurs and as many AS NEG participants (50 est.) who want to develop small businesses. Until demand among ASNEG participants is determined, ASNEG Caseworkers should refer interested ASNEG participants to Herbert Thweatt, Director of the Small Business Development Center, ASCC.

Appendix A: Analysis of the American Samoan Economy (April, 2012)

Physical Context

The Territory of American Samoa is comprised of five volcanic islands and two coral atolls that are dispersed over 150 square miles in the South Pacific between 13 degrees and 15 degrees south latitude and 169 degrees and 171 degrees longitude. American Samoa (Tutuila) is 60 miles from Apia, Upolu (Samoa), 2,300 miles from Honolulu and 4,800 miles from Los Angeles. It is the only populated U.S. affiliated land mass south of the equator. The Territory has a tropical maritime climate with abundant rainfall and moderate to high temperatures. Average temperature for 2010 was 82.4 degrees; range in average temperatures for 2001 – 2010 was 82.1 – 83.6 degrees. (2010 Statistical Yearbook (SY), p.90) A total of 130 inches of rainfall was recorded in 2010 with the highest rainfall occurring in January (28.3 inches); the range in annual rainfall for 2001 – 2010 was 95.8 inches – 160.2 inches. (SY, p. 94)

Population Trends

2000 Census population for American Samoa was 57,291. 2000 Census projected a 2% annual growth rate for the decade (2000- 2010) to bring the population to 67,500. This is consistent with the growth rate over the previous 20 years from 1980 to 2000 (SY, p. 6):

1980 – 1990	32,297 – 46,800	1,450/yr.
1990 – 2000	46,773 – 57,300	1,050/yr.
2000 – 2010	57,291 – 67,400	1,010/yr.

Natural Growth (births – deaths = Natural Growth) in 2010 was a little over 1,000 (1,032); for 2001-10 it was 12,234 for an annual average of 1,234. (2010 SY, p.37):

Year	Births	Deaths	Net Increase
2010	1279	247	1032
2009	1375	324	1051
2008	1338	240	1098
2007	1293	251	1042
2006	1442	267	1175
2001-10	15,052	2,688	12,234

Outmigration for the decade 1990-2000 is estimated at 4,996 or almost 500 per year. (SY, p.6) Air traffic statistics (apart from private boats, commercial airlines are the only way in and out of American Samoa) suggest that outmigration, especially to independent Samoa, could be much higher. For the last five years, American Samoa has experienced an annual average net loss of almost twelve hundred (1,187) residents. (SY, p. 90 Total Arrivals/Departure; p.178 Honolulu Arrivals/Departures; p.179 Samoa Arrivals/Departures).

Year	Total Depart.	Total Arriv.	Total Net	Resid. Net	To Hon. Net	To Apia Net
2010	69,298	67,512	-1,786	-1,055	-1,728	-1,909
2009	71,557	70,848	- 709	- 591	- 878	- 942
2008	74,499	72,999	-1,500	-1,657	- 663	-1,978
2007	73,733	72,423	-1,310	-1,291	-2,238	-6,441*
2006	76,410	72,800	-3,610	-1,340	-1,003	-2,926
Average	73,099	71,316	-1,783	-1,187	-1,302	-2,839

* This apparent anomaly is based on 33,375 arrivals against 39,786 departures (see SY, p.179)

Employment Patterns & Trends

Total employment in 2010 was 18,862 jobs. Government accounted for 6,782 of these jobs; the tuna canneries accounted for 1,553 jobs, down almost 3,300 jobs from 2008 (4,861) when both canneries were operating at full strength due to the closure of the Chicken of the Sea Cannery (9.30.09) and layoffs of 800 workers at the StarKist cannery (most of these workers have since been re-hired); **private sector employment accounted for 10,527 jobs (something wrong here: get an explanation or a correction) an unprecedented 4,000 job increase** in one year. For the previous nine years of the decade (2001 – 2009) private sector employment stayed for the most part in a range between a high of 6,700 jobs and a low of 6,350 jobs with an average of 6,641. (SY, p.141)

	Government	Canneries	Other Private Sector	Total
2010	6,782	1,553	10,527	18,862
2009	6,004	1,562	6,542	14,108
2008	6,035	4,861	6,094	16,990
2007	6,052	4,633	6,362	17,047
2006	5,894	4,757	6,744	17,395
2005	6,064	4,564	6,734	17,344

2004	5,754	4,600	7,000	17,345
2003	5,621	5,036	6,750	17,407
2002	5,397	5,133	6,700	17,230
2001	4,134	5,230	6,600	17,113

According to the 2000 Census, in 1999 of the 17,751 people employed in American Samoa, 72% (12,739) were employed full time; 85% (15,135) were employed 40 weeks or more. Of those employed full time 59.5% were men and 41.5% were women. Of those employed 40 weeks or more 58.8% were men and 41.2% were women. (SY, p.144)

Income Issues and Trends

Per capita income for American Samoa from the 2000 Census was \$4,357 (2000 Census) for a total Territorial income of \$249.6 million ($57,291 \times \$4,357 = \$249,616,887$) in 2000. The current Territorial income is estimated to be around \$440 million based on estimated wage increases of 50% (see the minimum wage increases below) over the last 12 years and a current population estimate of 67,400 ($(\$4,357 \times 1.5) \times 67,400 = \$441,146,250$). If the population increase has not occurred but has instead stayed closer to 2000 Census due to higher rates of out migration, the Territorial income is actually much lower ($57,291 \times (\$4,357 \times 1.5) = \374.4 million).

Due to the Federally mandated increase in the minimum wage in American Samoa that went into effect in 2008 requiring employers to increase hourly wages at the rate of \$.50/hr annually until the employee was receiving the Federal minimum wage, wages went up rapidly and substantially in 2008 and in 2009 when the increase was suspended to allow for an analysis of the effect this rapid wage increase was having on the American Samoa economy.

Using Government, the canneries, retailers and wholesalers and hotels as representative of the effect the minimum wage increase had on individual wages one can see that during the period 2000 to 2007 wages only increased from \$.08/hr. to \$.11/hr. This was a relatively small increase (one tenth) compared to the \$.50/hr increase that went into effect in 2008 and 2009. For the period 2000 to 2009, wages increased 48% in the construction industry which was low compared to government wages which rose 68% over the same period of time. (ASSY, p.150)

	Hourly Wage 2000	Hourly Wage 2007	Hourly Wage 2009	Annual Hourly Increase 2000-07	Percentage Increase 2000-2009
Government	2.63	3.41	4.41	.11	68%
Canneries	3.17	3.76	4.76	.08	50%
Construction	3.45	4.10	5.10	.09	48%
Retail/Wholesale	2.97	3.60	4.60	.09	55%
Hotels	2.78	3.50	4.50	.10	62%

Economic Events & Trends

Government: Since the American Samoa Government (ASG) accounts for not only a third of all of the jobs in the Territory but also a large percentage of the purchasing power in the Territory, any discussion of the American Samoa economy must start with the trends in ASG’s annual revenues and expenditures.

From 2002 to 2009 ASG annual expenditures had a range of approximately **\$50 million** falling between a low of \$170.7 million (03) and a high of \$222.0 million (09). The annual average for ASG expenditures for this period was **\$192.6 million**. From 2002 to 2009 ASG annual revenue had a range of approximately **\$40 million** falling between a low of \$172.0 million and \$211.1 million. The annual average for ASG revenue for this period was **\$195.0 million**. (SY, p. 134)

There has been a discernible upward trend in annual expenditures. The trend in revenue for the same period is much different. It began with \$211.5 million (02) and gradually fell to \$172.0 million (’07) and then gradually rose to end at \$211.1 (’09)

Focusing only on annual aggregate ASG expenditures and revenue, however, obscures the fact that there have been some extremely large swings from year to year in specific expenditure and revenue categories. (SY, p.134) The following are some examples:

	Low/High	Range	% Difference
<i>Revenue (millions):</i>			
Tax Revenue	\$50.1 (’03) to \$ 58.8 (’06)	\$ 8.7	17.4%
Miscellaneous	\$ 1.8 (’05) to \$ 13.0 (’08)	\$11.2	522.2%
Local Revenue Coll.	\$63.6 (’05) to \$ 74.9 (’06)	\$11.3	17.8%
Intergovernment	\$95.4 (’02) to \$134.1 (’09)*	\$38.7	40.6%
Insurance Claims	\$.3 (’05) to \$ 40.0 (’02)	\$39.7	13,333.3%
U.S. Federal	\$99.8 (’02) to \$140.1 (’09)	\$40.3	40.4%
<i>Expenditures (millions)⁵</i>			
Public Safety	\$ 9.5 (’02) to \$ 22.7 (’08)	\$13.2	138.9%
Public Works	\$ 5.8 (’05) to \$ 27.5 (’09)	\$21.7	474.1%
General Government	\$38.2 (’09) to \$ 61.9 (’04)	\$23.7	62.0%

Need a sentence or two about the Hurricane Val settlement

Canneries: In *Transforming the Economy of American Samoa* which was published by the American Samoa Economic Advisory Commission in 2002 the authors state: “Since the 1950s, the composition of American Samoa’s economy has remained relatively unchanged. In fact, the first cannery came to operate in the Territory in 1950 with two others entering the market in 1954 to make use of the cannery facilities. Although there have been changes in ownership through the years, the canneries continue to have a dominant presence in the Territory. Together, the two canneries employ a third of the work force that spends its hard earned dollars in the Territory. The canneries also infuse cash into the economy by purchasing goods and services. They are the largest single consumers of water, power, fuel and shipping, thereby, reverting money back into the economy and helping reduce the overall rates of consumers. In addition, many of the foreign fishing boats that supply the canneries buy their provisions in American Samoa” (pp. I - 33-4)

In *America’s Economic and the Cannery Industry* (2002) prepared by Malcolm McPhee & Associates, the authors quantify the annual impact of the canneries on the American Samoan economy: “In 2002, the industry (tuna processing) employed 5,538 workers and paid \$49.4 million in labor income (wage, salary disbursements, proprietor’s income, and other labor income). The canneries accounted for nearly one-third of the employment in the economy but only about one-sixth of the labor income.” (p.12)

- September 30, 2009, the day after the 2009 tsunami hit American Samoa, the Chicken of the Sea tuna cannery in Pago Pago closed and to date has not reopened.
- The closure of COS facility reduced tuna cannery employment in American Samoa by half and all private sector employment by approximately one fourth, or approximately 2,500 jobs.
- In 2010, the StarKist cannery, also in Pago Pago, laid off 800 of its 1,912 (2009 employment) workers. Since then, most of those people have been brought back.
- Since the COS closure in 2009, StarKist has also explored various scenarios for pulling out of American Samoa and processing tuna elsewhere. The impact on local employment varies from scenario to scenario. To date (2012) StarKist continues to operate in American Samoa with employment at 1,800 – 2,000 employees.
- In 2011 the American Samoa Government and Trimarine (sp?) successfully negotiated a long term lease of the COS facility.
- At the time, Trimarine (sp?) indicated that it was planning on developing a multi-faceted tuna operation (cold storage, fresh/frozen, cannery) including some value added tuna processing.

- Trimarine (sp?) did not anticipate that employment levels at its operation would approach the levels achieved by COS but that they would be substantial in the range of 600 – 800 jobs.

Local Commercial Fishing: The size of the local commercial fleet has remained fairly constant. This is probably due to the barrier to entry given the cost of purchasing and outfitting a boat and the lack of incentive given the limited size of the local market and the local demand for fresh caught fish. The growth of the local commercial fishing industry is capped by the absence of an affordable, reliable means of transporting fresh caught fish to accessible markets like Honolulu where the demand is high and the supply is limited.

- From 1994 to 2010 the total number of local commercial fishing boats stayed between 44 and 57 and averaged 53 boats a year. (2010 SY, p. 204)
- From 1994 to 2010 the total number of local commercial fishermen stayed between 132 and 237 and averaged 159 commercial fishermen year or exactly 3 fishermen per boat on average. (2010 SY, p. 204)
- From 1994 to 2010 the total annual catch rose from 263,443 lbs. in 1994 to a high of 936,154 lbs. in 2000. (2010 SY, p. 204)
- Since 2004, the total annual catch stayed below 215,000 lbs. and dropped off sharply in 2009 (111,736 lbs.) and in 2010 (61,020 lbs.). (2010 SY, p. 204)
- The longline fleet over the same period (1994 – 2010) experienced a similar bottoming out going from an annual catch in the 1990s of 800,000 lbs. – 875,000 lbs. dropping to 23,397 lbs. in 2009 and 2,711 lbs. in 2010. (2010 SY, p. 205)

Agriculture: There relatively little recent data on farms and farming in American Samoa but the Census data for 1990 to 1998 to 2003 exposes the subsistence nature of agriculture in American Samoa and house extensive and dominant it is compared to commercial agriculture.

Farms, for the most part, are small (below 2 acres). As is farm employment. The handful of large farms only require a few employees and they do not need them year round, but only intermittently and temporarily.

Production of subsistence crops for consumption is high while production of subsistence crops for resale is low. The commonly held view that the surplus goes to market where it can be sold does not apply. As a general rule crops that are grown for subsistence consumption are neither sold nor are they bought at the market. In fact, there is effectively no market for subsistence products like coconuts, taro, yams and bananas since almost everyone can and does produce their own.

Overall, though, the rise in the number of farms and the increase in the amount of farm acreage is apparent as is the amount of farm production. But most of this growth is outside of the market economy and is not registered either as sales or as employment.

- Farm acres: in 2003 40% (19,642 acres) of the land in American Samoa was used for farming on 7,094 farms (average farm size: 2.8 acres: 19,642 acres /7,094 farms = 2.768 acres/farm) (2010 SY, pp.201 ff)
- Cropland acres: in 2003, 14,600 acres were cropland
- Number of farms: 1990-2003 the number of farms went from 1,126 to 7,094
- Number of farm acres: 1990-2003 the number farm acres went from 7,966 to 19,643
- Farm size: in 2003, only a few farms were large enough to be considered commercial: only 5% of all farms were 10 acres or more; 84% were 2 acres or less In 2003, all agricultural activity was valued at \$58.2 million or \$8,204/farm)
- Farm employment: in 2003: 55% of the farms and 49% of the farm employees worked less than 25 days in 2003; only 24% of the farms and 10% of the farm employees worked more than 150 days.
- Coconuts sales 1990-2003: \$30,000 to \$403,000
- Coconuts subsistence volume/value 1990-2003: 981,000lbs./NA to 8,944,000 lbs./\$2,929,000
- Breadfruit sales 1990-2003: \$43,873 (est.) to \$398,000
- Breadfruit subsistence volume/value 1990-2003: 890,000 lbs./NA to 4,103,000 lbs./\$2,268,000
- Taro and Yams sales 1990-2003: \$245,340 to \$7,840,000
- Taro and Yams subsistence volume/value 1990-2003: 1,051,149 lbs./NA – 15,223,000 lbs./\$14,944,000
- Cabbage & Cucumber volume/sales value 1990-2003: 47,892 lbs./\$33,172 – 1,689,000 lbs./\$1,490,000
- Field crops and melons and vegetables acres 1990-2003: 1,492 to 8,256 acres
- Pigs on farm/on hand 1998-2003: 2,739/35,301 to 3,050/64,208
- Chickens on farm/on hand 1998-2003: 1,209/62,705 to 1,410/68,372
- Livestock on farm/on hand 1998-2003: 2,777/35,715 to 3,105/64,718
- Recent market trends 2001-2010:
 - Fruits 11,000 lbs. dropped to 21,000 lbs.in 2008 and went back up to 174,000 lbs. in 2010
 - Mature coconuts 124,435 coconuts to 20,889 coconuts
 - Taro & Yams 18,000 lbs. to 31,000 lbs.
 - Breadfruit 91,000 lbs. to 9,000 lbs.
 - Ripe bananas 43,000 lbs. to 157,000lbs.
 - Green bananas 654,000 lbs. to 136,000 lbs.
- Fresh vegetables for re-sale: went from 12,939 lbs. in 2009 to 175,221 lbs. in 2010 while taro, breadfruit and bananas decreased.

Construction: Locally, the swings from year to year in the construction industry in the Territory have been huge. Estimated annual value of the construction in the Territory over the last ten years has been as low as \$14.5 million (2005) and as high as \$70.0 million (2010). There have been similar fluctuations from year to year in Public Works expenditures with a low of \$5.8 million (2005) and a high of \$27.5 million (2009). The recent increase in new building permits (increase of 110 permits from 2009 to 2010) can be explained by the ASESERO stimulus funding (\$32 million) for low income housing. There are a couple of other large construction projects on the horizon: the fiber optic grid for Tutuila (\$85 million) and the replacement of ASPA's power plant in Pago Pago (\$80-\$90 million).

	New Building Permits	Value (millions)	Public Works (millions)
2010	243	\$70.0	---
2009	133	\$40.0	\$27.5
2008	111	\$38.0	\$ 6.0
2007	118	\$34.5	\$ 8.8
2006	158	\$26.5	\$18.9
2005	183	\$14.5	\$ 5.8
2004	238	\$34.1	\$ 7.2
2003	139	\$28.9	\$ 7.0
2002	126	\$21.1	\$14.1
2001	148	\$17.8	\$11.0

Regionally, the Guam military build-up has attracted a lot of attention. It is expected to continue for the next five to ten with total construction costs estimated to be in excess \$5.0 billion (and rising) and the increase in the number of new jobs on Guam to be close to 20,000. The U.S. Defense Department and the local government on Guam are requiring that local Guam residents followed by U.S. citizens and then U.S. affiliated Pacific Islanders be given priority for employment in the build-up. As both U.S. Nationals and Pacific Islanders, workers from American Samoans are second only to Guam residents.

The construction industry on Guam, where there is an opportunity to employ hundreds of Samoan workers over the next fifteen years, has a very positive memory of the Samoans who worked in Guam in the late 80s. They are not subject to the same requirements as H2 workers such as those typically brought in from the Philippines. Samoan construction workers have a reputation in Guam for working hard all day and in all conditions and following instructions and working cooperatively and efficiently together when they are directed and led by other Samoans. There is a need for crews involved in site preparation: crews to accompany backhoes and bobcats with shovels and clean up trenches and footings. There is a need for crews to assemble forms for concrete and tear the forms down and clean them so they can be reset. There is a need for crews handle and set the re-bar for reinforced concrete beams and floors. This involves handling a lot of heavy steel re-bar: moving on to the site; setting in place; and tying it

together. This is all entry level work, but it comes with a career path. Black Construction on Guam hires entry level workers with the expectation that it is making an investment. Consequently, it encourages and will assist them in attending the *Guam Trades Academy and Guam Community College*. DCK Worldwide in Guam, provides on on-the-job-training and will also coordinate with *Guam Community College and the Guam Trades Academy* on Guam to assist the American Samoan in getting additional training

It has been recommended by various representatives of the industry that construction workers coming from American Samoa should come as teams or crews, not as individuals, with Samoan crew leaders who can serve as a bridge between foremen and laborers. Applications from Samoans with no visa issues will be viewed favorably if the internal supervision and support is there. It has also been recommended that the construction workers going to Guam from American Samoa take and pass the OSHA safety course and be familiar with the kinds of jobs they will be doing before they leave for Guam. *This preliminary screening, orientation and OSHA training is being coordinated through a partnership with ASCC.*

More important, all of the construction company employers wanted workers who could understand and take direction. Workers did not need to have a HS Diploma/GED but they needed to be screened to determine the level of their verbal (communication skills: comprehension as well articulation) as well as their quantitative skills (is need for evidence that they can do basic math). Workers who are not only capable of entry level work but have the ability to acquire and develop more advanced skills and capabilities

What Black likes about the Philippino workers that it typically brings in to Guam is that they are known quantities: they are predictable and manageable. Workers going to Guam from American Samoa need to be just as reliable: they need to be screened for their work history and their reputation for reliability. Like Black, what DCK wants are reliable, trouble free workers. Lou Lucena at DCK Worldwide likes the idea that ASG DHR along with ASCC Samoa will get people ready on the American Samoa end and will work together to make sure the recruits get prepped based on DCK's specifications. DCK will take it from there (come down and interview; provide airfare to Guam; provide initial housing; a job along.)

In addition to prepping candidates for construction on Guam before they leave American Samoa, the Governor of Guam has recommended that ASG's Department of Human Resources work with and take advantage of the services provided by the Center for Micronesian Empowerment, a training program designed to assist Pacific islanders from islands other than Guam adapt to the social, cultural and legal environment on Guam and make as smooth a transition into the Guam work force as possible.

Visitor Industry: Tourism statistics only go up through 2010 (SY, p.113) and therefore do not reflect the efforts of the new American Samoa Visitors Bureau to increase visitor numbers through increasing cruise ship visits, developing packages for off-island travel wholesalers and expanding on the opportunities for increasing the number of visitors through special events (Flag Day, Fire Knife Competition, Tisa's Tattoo Convention, etc.)

Visitor Arrivals by Purpose of Visit:

	Tourists	Business	Visiting Friends & Relatives
2010	6,126	5,873	10,630
2009	6,474	6,404	16,663
2008	7,084	5,337	11,861
2007	7,521	5,124	11,356
2006	7,762	4,643	12,542
2005	7,027	4,394	13,075
Average:	6,999	5,296	12,688

As the Tourist arrival numbers through 2010 indicate, tourism is not growing but is stalled at around 7,000 a year. The fundamental barrier to tourism growth is American Samoa’s transportation link to its potential markets and partners. The recently completed tourism master plan for American Samoa makes reference to the decline of tourism in the 1960s in American Samoa due to a change in transportation routes:

“In the 1960’s, with American Samoa being the stop-over location for trans-Pacific flights, American Samoa had a vibrant tourism sector that was supported by the highly acclaimed Rainmaker Hotel and the aerial tramway over Pago Pago harbor. When the trans-Pacific flight patterns changed, tourism levels were not sustained and these iconic landmarks have deteriorated or been damaged so much that they no longer operate in their historic function”. (p.4)

American Samoa’s transportation infrastructure will have to change in order for American Samoa to be a viable visitor destination. Unfortunately, the Master Plan does not provide a real plan or strategy to make this happen. It merely states that American Samoa should work with Hawaiian Airlines and try to get the cabotage laws changed.

The Master Plan (pp. 20-21) also inventoried and critiqued American Samoa’s existing lodging and restaurant facilities and found them adequate but limited and in need of investment:

Lodging:

- Limited Inventory – less than 260 total rooms
- Small scale lodges or motels, no full-service resort-style hotels
- Mostly 2-star or 3-star facilities, no high-end four-star or five-star properties
- Outdated tele-communications facilities (e.g. no in-room Internet in most rooms)
- No on-line reservations (except via 3rd party distribution sites such as Expedia)
- Local brands, with no flagged or branded hotels

- Basic architectural style, with minimal Polynesian-type design
- Most of the smaller lodges require capital upgrades

Restaurants:

- Limited up-scale restaurants or unique offerings
- Lack of waterfront restaurant and bar venues
- Limited commercial offering of Polynesian foods and local dishes
- Limited availability of fresh vegetables and healthier food options
- High proportion of fast-food style dining options

The recent Master Plan went on to identify the “Matautuloa Ridge Site, between Fagatele Bay and Larsen’s Cove” as a “prime investment/development opportunity, especially when combined with providing access to the National Marine Sanctuary and the opportunity for additional revenue sources from non-lodging guests via rental equipment, F&B, and guided snorkeling and marine life excursions.” (p.11) As long as Sadies by the Sea and the Tradewinds are experiencing occupancy rates at 25-35%, new investments are neither likely nor prudent.

On the other hand, the yachty market that has been a longstanding part of the visitor population in American Samoa, does not need lodging to grow. It needs, instead: stable, safe & secure political environment; good harbor facilities; access to US goods; access to US based banking facilities; access to international standard communications; access to parts and repair facilities (this is already in American Samoa serving the fishing fleet); access to fresh food and water. A development strategy built around cruise ships and yachts would take advantage of some of American Samoa’s comparative strengths. But this is not developed in the Master Plan which does not provide enough information with which to project the potential opportunity these markets represent to American Samoa’s visitor industry.

One of the necessary components for developing tourism in American Samoa that the Master Plan did look at and highlight is the almost total absence of any programs to train local residents for jobs in the visitor industry. For example, there currently are no programs either at the secondary or the post-secondary level to train local cooks and chefs. Consequently, all of the restaurants that serve the visitor population must look off-island for trained, experienced kitchen staff.

Food Service: The significance of the absence of culinary training as part of the local training infrastructure extends beyond the visitor industry. Restaurants, hotel restaurants, caterers, fast food restaurants, lunch wagons, night clubs and bakeries in American Samoa, however, support approximately seven hundred (700) food service jobs. This does not include another 280 jobs in the School Lunch Program. Many of the restaurants and hotel managers complain that there are no local Samoans with even entry level skills that are eligible for these jobs which eventually go to trained, off-island cooks and chefs.

This same scenario is expected to be played out – but with far greater numbers – on Guam. As local Chamorros take the more lucrative jobs associated with the military build-up, they will leave entry level food service jobs and other hospitality industry jobs to immigrants. As U.S. Nationals, trained Samoans cooks and chefs should have a competitive advantage in getting these jobs.

As part of the American Samoa NEG program, an RFP was issued by the ASG Department of Procurement for proposals for establishing a cooking school that would provide American Samoa NEG eligible participants with entry level skills for entering the food service industry as cooks. A contract was awarded to the American Samoa Culinary Academy which developed a fifteen week training program for entry level cooks that uses a standard community college level cook book and follows very closely the U.S. approach to culinary training.

A member of the committee that reviewed the proposal was Ron Takahashi, Chair of the Culinary Arts Department, Kapiolani Community College, Honolulu, Hawaii, the most outstanding culinary arts program in the Pacific. Mr. Takahashi has agreed to explore with American Samoa NEG a way to “develop a long-term collaborative relationship . . . to provide the citizens of American Samoa with quality education in culinary arts.” (Takahashi, email, 3.24.11) The tentative goal of this collaborative arrangement is to allow a resident of American Samoa to gain a certificate in culinary arts and an AA degree through KCC that would allow the which can be used to obtain higher level employment in the food service industry and lead to more specialized training. If the local resident does not choose to seek more training, he/she will be qualified with the certificate from the Niu School of Culinary Arts to obtain entry level cooking employment in American Samoa, Guam and Hawaii.

Fiber Optic Cable/Contact Center Project: In 2006, the U.S. Department of the Interior vetted and brought to American Samoa a group of investors interested in starting a call/contact center in American Samoa. At that time the economic, commercial opportunity, as well as the competitive advantages, for a call center in American Samoa were first discussed. Since then the American Samoan Government and private companies have invested over \$25 million to install a fiber optic cable linking American Samoa to Hawaii. In 2007, the U.S. DOI commissioned a labor study (*American Samoa Government Labor Pool Study*, 2008, prepared by the Pacific Business Center Program, University of Hawaii) to determine if there was a qualified labor pool large enough to support the 3,000 – 6,000 job industry that was projected for American Samoa. The study determined that:

The qualified ALP (Available Labor Pool) identified in this study demonstrated the necessary analytic and verbal skills to satisfy the requirements of new ventures in the knowledge industry. This included knowledge of computer usage, elementary mathematics skills such as elementary trigonometry, and importantly, adequate command of written and spoken English language usage. . . . a new venture in the knowledge industry, such as a call center, could find, at prevailing wage rates, at least approximately 1,500 to approximately 2,000 qualified available workers currently residing in the

Territory. In addition . . . the new venture could offer wage rates higher than those prevailing in government service and thereby find qualified ALP of approximately 6,500 who are current residents of American Samoa”

(American Samoa Government Labor Pool Study, 2008, Executive Summary, pp. 10-12)

With the closure of one of the canneries and the shrinkage in all areas of the American Samoan economy, the ALP of qualified call/contact center workers in 2012 is probably well above the above estimates.

At the request of the American Samoa NEG program, an RFP was issued by ASG Department Procurement for proposals for contact center training. The successful proposal was submitted by the Native Hawaiian Holding Company that could provide training for a variety of employment opportunities including managing telemedicine centers. Some of these centers would be set up in American Samoa, but most of the telemedicine jobs would be in locations on the U.S. mainland.

As a prerequisite for receiving contact center training, the American Samoa NEG program required all ASNEG eligible participants to demonstrate that they are computer literate and have at least level three verbal and quantitative skills as measured by ACT’s WorkKeys testing program.

ASNEG is providing through the American Samoa Community College a basic, introduction to computers short course as well as remedial instruction (using ACT’s KeyTrain program) for those who either lack the computer skills or the verbal and/or quantitative skills to be eligible for contact center training.

The career path envisioned for contact center workers is not limited to only call center work, though employing as many local Samoans in contact center jobs as possible is the immediate goal. As the contact/call center industry expands locally and regionally, the additional jobs and associated career paths (in trainers, supervision, management, marketing, computer repair, etc.) needed to support the industry’s growth will necessarily develop.