

# America's Pacific Stronghold: The Importance of Guam and the CNMI

Positioned at the gateway to Asia, Guam and the Commonwealth of the Northern Mariana Islands (CNMI) are stepping into a new era of opportunity, powered by major U.S. defense investment, rising Asian interest and expanding industries that promise long-term economic transformation.

| By Matías Godoy |

**Guam and the Northern Mariana Islands have become central to U.S. strategic planning in the Pacific, a status heightened by growing tensions between Washington and Beijing.** Tourism across both territories remains far below pre-pandemic levels, but the Department of Defense buildup has emerged as the lifeline sustaining local economies. Billions of dollars in long-term military investments are reshaping infrastructure, logistics and workforce demand—anchoring both islands more firmly than ever to America's Indo-Pacific strategy.

## Building the Backbone of a Strategic Hub

Guam's construction sector is experiencing one of the most active periods in its history. AIC International, a long-established design-build firm on the island, continues to expand its role in federally funded works. Co-Presidents Michael Stewart and Anthony Stewart emphasize that Guam's current moment "requires companies that understand the complexity of the environment and can deliver consistently in a high-stakes setting." Their perspective reflects a market defined by tight timelines, security sensitivity, and rising expectations from the Department of Defense.

CMS Corporation also plays a major role in this transformation. With roughly a third of its workload based in Guam, Chairman and CEO Ernest Enrique expects the company to close 2025 between \$220 million and \$250 million in revenue. A backlog of \$550 million and a contract ceiling of USD 41 billion extending to 2035 positions CMS for substantial growth. "The investment is significant," Enrique said. "Infrastructure is improving, and there is a lot of planning behind how the island will be developed. As a company, we plan to stay here for the long term." CMS's investment in AI-enabled resource forecasting and compliance tools further strengthens its ability to operate across remote Pacific locations.

Hawaiian Rock Products, active in Guam since 1958, remains indispensable to the island's physical development. President Jere Johnson notes that annual revenue now exceeds \$100 million, about half tied to asphalt paving for roads, highways and military installations. The buildup, he said, "has given us the opportunity to improve our operations, expand our facilities, and modernize our equipment." Hawaiian Rock employs more than 500 people across Guam, Saipan and Tinian—remarkably, all U.S. citizens—underscoring the company's deep local roots.

Hawaiian Rock Products' expanding quarry and asphalt operations underscore how Guam's construction sector is scaling to meet long-term federal demand, ensuring the island can support sustained military growth and wider infrastructure modernization.

## Digital Infrastructure for a Modern Economy

As construction accelerates, Docomo Pacific is fortifying Guam's digital backbone. CEO Christine Baletto highlights the company's focus on resilience, including 5G expansion and subsea cable redundancy. These investments ensure the island remains technologically competitive and able to support defense, commercial and community needs. Baletto frames the mission succinctly: enhancing quality of life while strengthening Guam's reliability in a region where digital security matters as much as physical infrastructure.

Docomo Pacific's rapid expansion of fiber-to-the-home, 10-gigabit XG-PON capability and new undersea cable redundancies has also strengthened Guam's overall investment climate, giving both civilian and military users the resilient, high-capacity communications backbone required for modern operations—an essential advantage for companies assessing the island's readiness to support data-intensive industries, advanced manufacturing and long-term digital infrastructure growth.

## Understanding Land and Housing Constraints

The speed of development has intensified pressure on Guam's land and housing markets. Cornerstone Valuation President Siska Hutapea stresses that accurate data is crucial for decision-makers navigating rising prices, limited inventory and infrastructure strain. Her firm's analytical tools and GIS-driven models help clarify long-term planning needs. "Reliable valuation is essential for both economic development and community well-being," Hutapea noted, underscoring the importance of informed investment in a small-island environment.

## CNMI: Rebranding and Repositioning Itself

Although much of the action is centered in Guam, the Northern Mariana Islands are expanding their economic identity through powerful investment incentives unique in the U.S. system. Commonwealth Economic Development Authority (CEDA) Executive Director Derek Sasamoto has played a central role in packaging these advantages for global investors.

His team's new investment packet has already attracted high-tech manufacturers, including a zero-emission vehicle and equipment company preparing an estimated \$500 million multistage investment. "Investors are blown away by the advantages," Sasamoto said. "You will not be alone when you come to the Marianas. We are with you the whole way."

The Marianas Visitors Authority is also repositioning tourism as a long-term economic engine through a new global brand centered on authenticity and cultural experience. Managing Director Jamika Tajeron underscores the urgency of renewal, noting that the Marianas must "create far-from-ordinary experiences that visitors can't find elsewhere," a strategy designed to rebuild demand while unifying partners across the community.

## The People Behind the Future

In the CNMI, Tano Group President Alexis Fallon brings a distinctive perspective focused on workforce development. Her company, with a 31-year track record in industrial construction, has built more than 38 large fuel tanks across Micronesia. Yet her sharpest insights concern wages and training. "This is not a shortage of manpower—it is the inability for it to be paid well," Fallon said. She argues that discrepancies in federal wage structures undermine the islands' ability to retain skilled tradespeople, even as demand surges.

Despite these challenges, she sees "a wonderful opportunity" to use the buildup to educate young residents and integrate them into high-paying technical careers. For Fallon, investing in people and improving wage pathways is essential to expanding the middle class and preparing the CNMI for the next 20 years.

## The Pacific's Strategic Pivot

Guam and the Northern Mariana Islands are entering a new phase of strategic and economic relevance. Military spending continues to be the primary catalyst, but interest from Japanese, Korean and Taiwanese investors—traditionally focused on tourism—is now shifting toward high-tech manufacturing, pharmaceuticals and clean energy. At the same time, both territories confront high shipping costs, rising housing prices and labor limitations inherent to island economies.

Yet the outlook remains compelling. From construction and digital infrastructure to valuation, training and investment promotion, the region's business leaders share a common vision: to build a resilient, opportunity-rich future aligned with America's strategic interests. Their efforts are transforming these Pacific islands from remote outposts into engines of growth and essential components of U.S. stability in a rapidly evolving Indo-Pacific landscape.



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