

On My Mind  
May 6, 2005

I've not been particularly impressed with the economic opportunities - at least as they've been described in the press - the 15 companies selected by the Department of Interior to take part in its "Business Opportunities Mission" have to offer the CNMI. Scheduled to arrive in mid-May, the group includes two educational institutions, two deep ocean research institutions, three information technology firms, a real estate developer, a financial management company, a tourism operator, a skilled nursing facility, a wholesale grocery cooperative, an industrial management firm, the Hilton, and a company that makes water from air. They all sound so speculative, so self-serving. None of it sounds very practical, or geared towards the CNMI's needs and interests.</P>

Of course, if the CNMI government were willing and able to take advantage of the financial, management, realtor and technical expertise the companies have to offer, that would be a different story. But history would seem to indicate that that will not happen. On a much smaller scale but pertinent nonetheless, look at the rejection of Abe Malae's expertise by the Commonwealth Utilities Corporation.</P>

Then too, unless the CNMI government does a sudden turn-about and changes its attitude toward the private sector, most investors will take one look at how investors are treated here, and beat a hasty retreat.</P>

Just look at Tony Pellegrino's dilemma: having built a new marina only faultily supported by government, having subsequently won a court-confirmed settlement award, he's still unable to collect. (In this case, legislative refusal to honor the initial settlement award resulted in an even larger final settlement - and the legislature's refusal to honor this one is already incurring increasing interest costs. But it's only "paper" money - whether Pellegrino will ever see any of it, and if so, how much, is anyone's guess.)</P>

Or look at the current Verizon/MTC/PTI imbroglio. Years after MTC buried its cable underground for free, a government agency is now saying the new owner will have to pay to do so on public land - maybe even retrospectively. And of course, this will set the precedent that private owners too will begin charging for cable buried on their property. The legislature, originally opposed to the idea, has now backed off. Such changes in law after the fact are not encouraging to investors.</P>

Or take the latest wrinkle: The CNMI's Telecommunications Commission is trying to force Verizon/MTC/PTI to pay an increased franchise fee retroactively when (a) it apparently never formally set the fee, and (b) apparently never formally set the date the fee would go into effect. At issue is interpretation of Public Law 14-53, which authorizes the CTC to increase the fee to <EM>as much as 2.5%</EM>, to become effective as of the date the law was approved, the 17<sup>th</sup> of January 2005. No documentation has been made available indicating whether CTC ever intended to charge the full 2.5%, or something between the previous rate of .05% and the full 2.5%, or when that new charge would take effect. Yet CTC has just issued an order demanding

that Verizon/MTC/PTI pay the full fee as of January 5th.</P>

Here too, the legislature threatened to get involved and pass a law setting a sunset provision on the new rate and prohibiting the phone company from passing the increase on to customers, contrary to the provisions of an agreement already signed by all parties. Fortunately, the bill was defeated in the House, but again, it sure doesn't create any sense of confidence in new investors that terms they agree to will stay as agreed to.</P>

Then there's the legislature's continued opposition to the Commonwealth Utilities Corporation's increase in fuel charges, despite the fact that the charge has already been approved and implemented.</P>

Or the failure of the legislature to pass a budget, leaving government agencies without the ability to pay their private sector vendors.....</P>

It will be interesting, to say the least, to see how helpful the DOI's "Business Opportunities Mission" will be to the CNMI.</P>

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Potential investors might also want to view the power-point productions on good government presented in the CNMI last week by Father Hezel and Jason Aubuchon - now available on MCV's channel 7.</P>

Hezel began by pointing out that good government has three functions: (1) to provide basic public services such as power, water, education, health care; (2) to keep public order by creating and enforcing the law, and balancing different interests; and (3) to provide a channel of communication to the outside world. This was followed by four vignettes, using volunteer island actors, to illustrate some on-going issues in island government: the casual attitude towards work among some employers and employees; the use of bribes in obtaining contracts; difficulties encountered in accessing public information; and the importance of flexibility in government leaders.</P>

While employment of locals is also seen as a function of government in some circles, the point made by the presentation is that this is not a legitimate purpose, and both education and strong leadership is required if good government is to prevail, to be effective.</P>

One of the challenges, Hezel observed, was the need to move societies in which family has traditionally come first to an acceptance of the idea of putting the good of the society first.</P>

The presentation, sponsored by the Northern Marianas Humanities Council and Northern Marianas College, was designed primarily for audiences in the Federated States of Micronesia, and the Republics of the Marshalls and Palau. Much of it still resonates in the CNMI as well, however.</P>

In closing Father Hezel noted that the CNMI was more advanced than the other entities in regard to good government, and expressed the hope that ways could be found to share the CNMI's

broader knowledge, experience and sophistication with its neighbors.</P>

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Though Environmental Awareness Week has drawn to a close, that doesn't mean we should cease being aware of the environment. I would offer two thoughts to ponder, to help keep that awareness alive. The first comes from an article on trash disposal in a recent issue of the <EM>Australian Geographic</EM>. "One of the core reasons products cost so much and hurt the environment so much is that we're plundering the earth's resources to produce single-use, one-way products that go from use to tip [Australian for dump]," an observation offered by Jeff Angel, director of Sydney's re-cycling center.</P>

The second comes from "A Short History of Nearly Everything," a fascinating book in which, quoting from the back cover blurb, "Taking as his territory everything from the Big Bang to the rise of civilization, [author Bill] Bryson seeks to understand how we got from there being nothing at all to there being us." In his last chapter, Bryson notes, "...if you were designing an organism to look after life in our lonely cosmos, to monitor where it is going and keep a record of where it has been, you wouldn't choose human beings for the job....Because we are so remarkably careless about looking after things, both when alive and when not, we have no idea - really none at all - about how many things have died off permanently, or may soon, or may never, and what role we have played in the process." He reports that estimates of the destruction caused by human activity varies from six hundred extinctions (of plants, insects, animals, etc.) per week to a very conservative slightly under 500 for animals and slightly over 650 for plants over the last 400 years.</P>

One more thought, admittedly third hand: a friend recounted that he had heard that if the miles-per-gallon standard required of U.S. cars were raised by only one gallon, the U.S. would save more oil than is available in the Alaskan oil fields. And if the standard were raised by seven gallons - for which the technology is already available - the U.S. would never have to import another gallon of oil - from anyone. Sobering, isn't it?</P>

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Back on the topic of the economy, another over-looked resource on Saipan is the number - and variety - of restaurants. I don't have any figures, but I'd be willing to bet that on a per capita basis, Saipan ranks way up there on number of restaurants per person. Not only does Saipan have a lot of restaurants, but the restaurants offer a wide variety of cuisines, of both cooking styles and foodstuffs: Chinese, Japanese, Korean, Indian, Thai, Filipino, American, Chamolinian, seafood, fast food, fine food, noodle houses, sushi shops, bbq offerings.... And better yet, most are fairly inexpensive.</P>

If there isn't already a restaurant association, I think the restaurateurs ought to form one. And then they should either work with the Marianas Visitors Authority to sell Saipan as a gustatory [of, or relating to a sense of taste] experience, or, if the MVA isn't interested, mount a campaign of their own. One could eat every meal for a full week at a different restaurant, and still not run out of good places to eat breakfast, lunch and dinner. True, not every restaurant is as good as every other, but in the first place, tastes differ, and in the second place, even the less-than-perfect usually have several dishes that are distinctive, that do it credit. Saipan could become a major Pacific gourmet destination not only in May, when MVA's "Taste of Marianas" is held, but

year-round!</P>

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Several readers informed me that I made a pretty serious blunder in last week's column. I mis-identified the head of the Commonwealth Ports Authority as Carlos H. Shoda. The executive director of the CPA is Carlos H. Salas. I stand corrected, as my father used to say, and I apologize. The error was unintentional.</P>