

9/9/11

If ever there were a time for cooler heads to prevail, now would certainly seem to be one of them. Rather than rushing to court to stop the Beneficiary Derivative Act from taking effect, the Retirement Fund Board should ask itself why its money managers are all threatening to resign. After all, according to all reports, the exercise of shareholder derivative "rights" appears to be common within the U.S. Maybe the reaction of the money managers is excessive? And the Retirement Fund would be better off with money managers who don't fear shareholder derivative actions?

It is almost unthinkable that the Lt. Governor would deliberately take an action as unfavorable to the CNMI and its Retirement Fund as is being alleged that he has done in signing into law the bill that gives members of the RF the right to sue the RF Board. In support of his decision, he makes reference to "sufficient safeguards" in the bill that would deter frivolous lawsuits. Why would the Board not feel they are adequate?

One can't help wonder, nonetheless, at the timing of it all. According to press reports, the Lt. Governor, as acting governor, signed the cover letter announcing passage of Senate Bill 17-43 into Public Law 17-51 on September 5, which was a holiday. The Governor himself returned to Saipan on the same day. There is apparently a question as to whether the letter was actually signed on September 6. The deadline for signing the bill into law was September 24.

Thanks to Google's wonderful search engine, it's easy to find the new regulations issued by the Department of Homeland Security covering the employment of contract workers in the CNMI. Just input "Federal Register volume 76 issue 173," click on the first entry and once there, scroll down to page 55535. A more experienced searcher could, no doubt, devise an even more precise entry point. It should be noted that the majority of the entry in the *Federal Register* is a discussion of comments that were submitted to the earlier version, and federal responses thereto; the text of the actual rule begins on page 55535.

While David Gulick, district director of the U.S. Citizenship and Immigration Services, Honolulu District 26, now on island, will be offering numerous sessions on the new rule and its applications during his stay, a forewarning to all potential inquirers would seem in order: Gulick is an absolute fanatic for precise language and literal interpretations - a perfect embodiment of all that is wrong with government bureaucrats. Witness his refusal to discuss the content of the new rule at the standing-room-only luncheon meeting of the Saipan Chamber of Commerce at the Hyatt less than 24 hours before release of the actual rule - despite the fact that an information copy was already circulating on the web and in hard copy. Though the large number of attendees was a boon to the Chamber and to the Hyatt, Gulick's unwillingness to share his knowledge left many of the attendees frustrated and disappointed.

Biggest quandary in this quarter: how to continue to make use of the services of a housekeeper without some fancy footwork to try establish one's self as a bona fide business - a burdensome if not impossible requirement - as the rule demands. It would appear that it will require third-party hiring - which will add to the cost, or decrease the pay of the worker, or both - a most unfortunate outcome.

Also heading for an unfortunate outcome, though on a different plane, is the wonderful art exhibit currently on display at the Hyatt, co-sponsored by the Hyatt and the Arts Council of the CNMI Department of Community and Cultural Affairs. The Hyatt, for instance, does not list the exhibit on its board of current events that sits out in the lobby and is meant to inform all who pass by of meetings and events taking place at the hotel. The hotel made no effort to call attention to the exhibit at this week's over-flowing Chamber meeting, nor the earlier Rotary Club meeting - even though, as co-sponsor, one would think it would encourage attendance. The only sign for the exhibit sits around the corner from the main lobby - out of sight to anyone not heading in that general direction.

The Arts Council, for its part, advertises the exhibit as being open Monday through Friday from 10:00 a.m. til 7:00 p.m., and from 10:00 a.m. to 4:00 p.m. on Saturday, a welcome extension from its usual 8:00 a.m. to 4:00 p.m. schedule. Except, it isn't open during lunch hour (a liberal noon-2:00 p.m.), nor is it open on holidays, nor is it open on "austerity Fridays," of which today is one. Not only is this not reported, recorded, anywhere in announcements of the show, it is also very bad for business. The Hyatt gets high traffic over lunch hour - and even some of those who eat lunch elsewhere could be expected to drop in over their lunch hour - if it were open. Ditto on holidays. Ditto on austerity Fridays. And what about tourists - for whom U.S. holidays or austerity Fridays have no significance?

Unfortunately, it would appear that an understanding of how to attract tourists is still poorly understood by both parties. The show itself is outstanding. There's much to see, and it's very well, very attractively displayed. There are paintings, sculptures, weavings, photographs, earrings, necklaces, bracelets (many made from local materials) in a wide array of styles, colors, sizes - a great place for early shoppers of Christmas presents. More details are available in today's *Marianas Variety* which gave it a rave review.

To continue the discussion of visions begun in last week's column: Frank Stewart, in his letter to the editor, asked for comments and suggestions. From this corner, the vision would look like this (for purposes of discussion, the "vision" has been divided into four parts: Economic, Social, Political, and Physical):

Economically, the vision for the CNMI would be that:

- all those who are qualified would be able to find gainful employment;
- investors would find a hospitable environment;
- the pay scale would be equitable and fair;
- island-appropriate industries, such as tourism, agriculture, fisheries, would be developed rationally, with full attention to their demands on infrastructure;
- CNMI's industries would cause no harm, and respect the environment;
- the infrastructure would be appropriate to the island, its economy and the environment, and would function smoothly, efficiently and cost-effectively;
- the private sector would be the islands' primary employer; - use of foreign workers - as needed - would continue.

Politically, the vision for the CNMI would be that under the Covenant and the CNMI Constitution:

- government (all three branches) would be staffed by fully qualified individuals;
- government (all three branches) would function with transparency;
- government (all three branches) would function with integrity; - government (all three branches) would observe principles of fiduciary responsibility ;
- government (all three branches) would function smoothly, efficiently and cost-effectively;
- government (all three branches) would be constituted to represent and carry out the best interests of the people;
- government (all three branches) would observe and practice environmental responsibility;
- government (all three branches) would encourage creativity and innovation;
- an educated electorate would actively participate in governance at all levels.

Socially, the vision for the CNMI would be that:

- respect for the individual, and for individual rights, prevailed;
- formal education programs would be available not only to children, but to people of all ages, at all levels, in fields related to their needs and interests;
- cultural diversity would be honored and respected;
- diverse belief systems would be honored and respected;
- the concept of commonality - the sharing of care and concern would obtain throughout the CNMI;
- freedom of expression, creativity, innovation would be assured.

Physically, the vision for the CNMI would be that:

- the island ambience would be maintained throughout - providing views of the ocean, open vistas from every possible vantage point;
- public green spaces would be prominent throughout the islands;
- the coastal waters would be clear of pollution, run-off;
- the lagoon and reefs would hold a healthy marine life;
- respect for the environment, for creature habitat, for sustainability of marine and terrestrial wildlife would be understood and respected/observed;
- a meaningful, intelligent, appropriate zoning code would be in effect and observed;
- further development would be limited, leaving Marpi as a natural preserve;
- additional environmental concerns, such as clean air and energy conservation, would be addressed on an on-going basis.

Short takes:

- Some calendar reminders: FREE Presentation about Hubzone (Historically underutilized business zone) programs **September 14**, 9:00-11:00 a.m.; about Small Business Administration programs **September 15**, 9:00-11:00 a.m. at the Chamber of Commerce office, Family Building, Garapan. For more information contact the CNMI SBDC at 664-3018.

- **September 16-17**: International Coastal Cleanup - the world's largest volunteer effort for ocean health. Join hundreds of thousands of volunteers from countries all over the world as they spend a day picking up the debris that fouls our ocean and the shoreline. Call Guy at CRM at 664-8300 for a 2011 cleanup registration form.

- FREE CNMI Small Business Development Center training on How to Start a Business -

September 20, October 25; How to Write a Business Plan - **September 21, October 26**; How to Apply for a Business Loan - **September 22, October 27** at the Saipan Chamber of Commerce

office, Family Building, Garapan, from 9:00-11:00 a.m. Contacts for more info: SBDC at 664-3018; Linda Cabrera <linda@pacificsbdc.com>; Ralph Yumul <ralph@pacificsbdc.com>.

- Training on conducting Junior Achievement programs for high school students, **September 24**, 9:00 a.m. to 12 noon, at Kagman High School. JA programs are led by volunteers and teach students how to run a business, hands-on. For more information contact galvin@itecnmi.com or <frances.ulloa@psscnmi.org> .