

9/16/11

*I guess I should begin with a "disclaimer:" I am rather gullible, and confess I fell prey to the alleged good intentions of the lieutenant governor when, as acting governor, he signed the Beneficiary Derivative bill into law (see last week's column). It turns out that he apparently succumbed to special interests in doing so. Another paragon bites the dust....*

It's no wonder so few people attend hearings related to the Retirement Fund and what is happening to their pensions. Who can make sense of it all? The latest bit of confusion has been caused by a move to take the suit now in Judge Govendo's court and bring it to the Federal court. Those in support say that only in the Federal court is there any chance of getting back the moneys owed to the RF by the CNMI government, since the restriction under local law that no such debts can be paid without a legislative appropriation does not apply there. That is true. But the timing, the method and the actors are all highly questionable. Proceedings in Govendo's court are on the verge of putting in place some strategies for prolonging the life of the Fund - and thus its pension payments. Transfer of the case to the Federal court would stop those proceedings until a new judge was appointed and brought up to speed on the whole case and hearing set for matters to proceed. That could take many months, and in the meantime, nothing would happen. The arbitrary method used to move the case is open to question - that in itself will delay any progress as arguments are heard for and against the process. And the primary mover is himself a very controversial figure.

Better to let the scheduled hearings in Govendo's court take place, and, depending on the outcome, make the move to Federal jurisdiction in a more orderly fashion.

In the meantime, there is also Public Law 17-51, the controversial Beneficiary Derivative law. The impact of its passage has been devastating. The Fund is now left with no one to manage what moneys it has left - since its money managers have resigned, and there is no one on the Board with sufficient experience to do so. Instead the cash is sitting in the Fund's custodial bank, uninvested, losing income with every passing day.

It is apparently the provision in the law that allows "wrongs" committed as long ago as 12 years to still be pursued in court that gives RF members "the right to sue" - specifically, to sue Merrill Lynch - an argument being made by supporters of P.L. 17-51. Ordinary statutes of limitation are for only six years.

No one has offered figures as to which will benefit the CNMI more: the proper investment of its existing funds, or the net possible award should the CNMI win its case against Merrill Lynch at some unknown point in the future.

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One of the many questions the Department of Homeland Security's "Transitional Worker Classification Final Rule" does not answer is what happens to part-time workers. There is mention of a worker having more than one employer, but the Rule still requires each employer to file a separate petition - and, presumably, pay the full costs involved: fee, education "tax," biometrics fee - for each such worker. A different question has to do with the "bar ladies" at Saipan's various night clubs - is there a category for them? If not, will it put them out of business, thereby hurting the economy even more?

Of course, the larger question of how to provide care for the CNMI's disabled, sick, aged and infirm is not answered either. The Rule insists that every worker be hired by a "legitimate

business" - an unrealistic demand to put upon families and individuals in need of caregivers, many of whom can hardly afford the care, much less the added costs of acting as their employer. Then there's the question of multiple-year contracts. The Rule says these are not considered because the parent CNRA requires single-year contracts. Maybe the CNRA should be amended? It's expensive to have to renew every CW contract every year - both for the employer and for the administrating agency. It also makes planning difficult. It should be possible to get two, or three or five year contracts, as is done in the professions.

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Unbeknown to most, CUC's water production system is well on the way towards meeting its goal of producing safe drinking water 24 hours a day. It used to be that water was delivered directly from wells to homes, which resulted in wide variances in the quality of water being delivered, since some wells produced better water than others. Now, wells are being hooked to reservoirs, so that all the water is of the same quality, which makes it easier to treat, thus guaranteeing safer water than heretofore. "Safe" water means the water is free of excessive amounts of contaminants such as potassium, magnesium and calcium chlorides. Palatability (taste) and hardness are considered secondary factors not included in the definition of "safe."

Also underway is a program to connect the reservoirs to each other, so that if one area suffers a shortfall or some other problem its supply can be augmented by water from another nearby reservoir.

Admittedly not doing quite so well are CUC's water distribution and metering systems. There is still leakage in the system, and CUC has apparently not yet been able to obtain sufficient reliable meters for installation to all its customers. Both problems are being addressed, according to CUC officials, but are hampered by a lack of funding.

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The current spate of rainy weather makes the need for alternate activities for tourists all the more pressing. Though dive shops still carry on, even under overcast skies, taking tourists out for instruction or actual diving, the rain leaves many tourists stranded with not much to do.

Countless suggestions for other activities have been suggested over the years, but none have come into being. The Marianas Visitors Authority could help by sponsoring a contest that asked participants to come up with alternate rainy day activities. It would be interesting to hold an open-ended contest, just to see what people might dream up.

In any case, MVA could then take the most feasible, or enticing, or affordable - and perhaps flesh them out a bit - and then offer them to the many investors who, we are led to believe, are out there eager to come to the CNMI and set up business. Some might even be do-able without off-island investors.

The cable car up to Mt. Topachau, revival of the sugar cane train route, a roller-skating rink, a center for arts and culture that would show films on an on-going basis, a marine museum, are but a few such ventures that have often been mentioned.

Such added attractions would not only provide alternatives for tourists on rainy days, but might well draw more tourists just on their own merits - tourists who might not come just for the sun, sand and surf, or who have already been here, but have not experienced the new features.

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Short takes:

- As the legislature continues to pretend there are no crises afflicting the CNMI except proposed cuts to their own incomes, it might be fitting to declare a period of mourning in observance of the fact that were it not for their passage of the legislative initiative that gave each of them an extra year in office, they'd all be campaigning for re-election about now. Of course, that would mean not much would get done at the legislature either, but at least it would give voters an opportunity to put some new faces up there.

- Kudos to Ramon B. Camacho, president of Farmers Market Inc., who told the Marianas Visitors Authority that his group would like to be part of MVA's "Tourism is Everybody's Business" program. According to a report in the 9/15 *Marianas Variety*, neither the group's Sabalu market nor its Tuesday market are listed in any of MVA's brochures, CD's or guidebooks. Yet elsewhere, such markets are popular with tourists because they give tourists an opportunity to sample local agricultural products and indigenous foods. "We also have our own similar attractions," he wrote MVA. Moneys from tourist purchases benefit farmers, circulate through the economy, and thereby help everyone, he said. Let's hope the MVA not only listens, but also acts!

- Wendy Doromol, ardent protagonist of contract worker rights, wrote in a recent blog that she hoped "If karma comes into play here the governor won't collect a dime." The reference is to the \$36 million, reportedly now ballooned to over \$118 million, that millionaire William Millard allegedly owes to the CNMI in back taxes, and which the governor is attempting to recoup. Millard, former owner of Computerland, lived on Saipan in the '80's but left island when the legislature passed a law intended to benefit from his presence. He disappeared, but was recently re-found in the Caribbean. In her blog Doromol asked, "How many laws has Fitial disregarded or dismissed....? Another question is how much of what is recovered will come to the CNMI, given that the case is on a contingency basis, where fees, which typically begin at 30%, vary depending on the complexity of the case.

- Bob Jones' Blue Homes project - 80 rental units in a nine-story building on four house lots in Chalan Piao - has aroused some controversy, with opponents concerned about everything from adequate space for children to play to the effect on the sewer system. While apparently not raised as an issue at the hearings, the nine storeyed building also blocks all vistas, and it might behoove the architects to provide view corridors, rather than raising another wall that blocks views of the lagoon, the hills, the horizon. Just think of what tenants of the Marianas Business Plaza could be seeing, had the Saipan World been built in sections perpendicular to the road and lagoon, instead of parallel to it!

Reminder: the Arts Council exhibit at the Hyatt Hotel will continue until September 30. It's open 10:00 a.m. - 7:00 p.m. weekdays, 10:00 a.m. - 4:00 p.m. Saturdays - except it is closed from 12 noon to 2:00 p.m. daily, on austerity Fridays, and on holidays. It's well worth visiting!