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According to the Consolidated Natural Resources Act (CNRA), the U.S. Citizen and Immigrations Services (USCIS) is authorized to charge every employer a fee of \$150 for each of his/her workers "for the purpose of funding ongoing vocational educational curricula and program development by Commonwealth educational entities."

According to Wednesday's *Saipan Tribune*, the USCIS estimates that about 13,000 foreign workers are expected to be registered by the end-of-the-month deadline. That would mean that the CNMI could expect to receive about \$1,950,000, when all registrations are in. And that's per year. According to the CNRA, the money is to be deposited into the Treasury of the Commonwealth government.

There has been no visible evidence that anyone - within PSS, within the administration, within the legislature, within the budget office, within the private sector - is doing anything about this little windfall that is about to be given to the CNMI. How will this money be spent? by whom? on whose authority? who will set the priorities? what will be the criteria? what are the guidelines?

Unfortunately, the CNRA does not provide a clue. In a rather unusual arrangement, the federal government is collecting money from CNMI employers only to turn it over to the CNMI - with only the flimsiest of strings attached. It is to be used for "funding ongoing vocational educational curricula and program development by Commonwealth educational entities."

Has someone dropped the ball here? or is it only transparency that is lacking???????

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More fun with figures: The CNMI Retirement Fund assets are around \$260,000,000. If those funds were professionally invested in stocks and bonds, at, say, a 5% growth rate, annual earnings would be \$13,000,000, or slightly more than \$1 million per month. However, with those \$260 million now in bank certificates of deposit, which currently are paying only one-third of one percent per year, Fund earnings come to only \$780,000 per year, or \$65,000 per month. That's a loss of \$935,000 every month.

And that is what the RF is losing, every month that the legislature refuses to repeal the Beneficiary Derivative Act. At that rate, the RF won't even last the three years optimists now say it might.

What is it that the Legislature doesn't understand? When even a local businessman cancels a long-standing contract with the RF because he is not able to find a policy that would cover the liabilities the BDA incurs, isn't that proof enough that the damage is real, and not theoretical? Opposition lawyers say that the RF can always find other money managers, auditors, investment consultants. Were that true, wouldn't the RF have done so by now - rather than continuing to take a loss of nearly \$1 million in investment returns every month?

And now we learn that without an auditor, the Fund is unable to contract with any professional financial advisors, money managers or even external auditors to begin with.

The *Marianas Variety* reported today that the Senate has formed a special committee to "better address the issues facing the retirees in light of the looming end of the retirement system."

Suggested actions include giving the Fund the income from leased public lands, MPLT trust fund interests, and title to vacant government properties on Rota, Tinian and Saipan. But the simple act of repealing the Beneficiary Derivative Act? It isn't even mentioned!

For every month it takes to pass the laws required to bring about the suggested solutions, the Fund will be losing another million dollars. How can the legislature, in good faith, allow such a calamity to continue? Maybe the retirees should organize an "Occupy the legislature" campaign until the BDA is repealed?

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Among the many problems that enactment of the CNRA Rules on immigration has created is the short time span given employers to come up with the required fees for their employees. The CNRA Rules were issued in September, with an effective date of November 27. Regardless of when employers had obtained work permits from the CNMI Department of Labor for their employees - and paid the required fees - the Rules require that they now pay a full annual fee again, for all their employees - plus an additional \$150 per employee that is to go towards vocational education efforts in the CNMI.

Not only is the fee structure inequitably hard on small businesses with four or less employees, it also creates difficulties because the fees are due all at once - rather than staggered throughout the year - and are due just as school season started, and the year-end holiday season is about to start. Given the innumerable other anomalies in the Rules - as reflected in the fact that USCIS Honolulu District Director David G. Gulick has made an unanticipated return to the CNMI to provide further assistance to applicants under the Rules - it would seem only logical to delay full implementation for another 90 days or so. That would also give those awaiting relief through Kilili's H.B. 1466 a little more breathing room. That the U.S. District Court has postponed a hearing on the matter until after the implementation date makes no sense at all.

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Short takes:

- Much has been made of the fact that legislators use independent contracts for their employees, rather than hiring them through the government. But since there's no guarantee that any legislator will stay in office longer than either two or four years - and government employment is supposed to be a long-term commitment - it only makes sense for the legislators to use limited-term contracts. Isn't that better than adding their employees to the government payroll, and then leaving it to someone else to find them employment after the legislators' terms expire?
- The legislature is proposing to allow all Retirement Fund members to withdraw their savings. But it hasn't come up with any alternatives for where members should put their money instead. If members are left without a pension, how are they expected to survive as they get older? Where will the money come from to pay for their food, their medicines, their clothing, their rent? Though the Retirement Fund is predicted to collapse, it hasn't done so yet. Legislators should be working to help the Fund survive, not hasten its demise.
- The scrabbling going on in the legislature for new sources of revenue would be comic if it weren't so scary: their mindlessly taxing "anything that moves" - such as the booking fee that's just been proposed for people arrested regardless of their eventual guilt or innocence, for example, or the \$15 tax on airlines for every incoming passenger, or a tax on foreign workers' hard-earned remittances - harms local businesses but doesn't begin to address the basic problem. Apparently fixing loopholes in the tax system or weeding out inefficiencies in government operations or cutting expenses is beyond their capabilities.

- One of the legislature's "tax anything that moves" proposals is to charge divers and water sport customers, \$1 each towards purchase of a hyperbaric chamber for the CNMI. Dive operators have said it would be bad for business. But charging divers, water sport enthusiasts, a separate fee that they would have to pay personally might not be such a bad idea - provided the monies went towards protecting the resources they are consuming, affecting. Divers might be more than willing to pay \$1 - a relatively small sum, after all - if they knew it were going towards preserving the fish and coral and other marine life they come to Saipan to see and enjoy. Not only would it make them more aware of the value of what they were seeing, as well as giving them a sense of ownership in contributing to the protection of the entire marine ecosystem, it would also - provided the monies could not be re-programmed - benefit the CNMI by supporting enforcement and enlargement of its marine preserves.

- The news that CUC's LEAC (levelized energy accrued adjustment clause (whatever that means)) charge will go down is good news, indeed. But with the news that the cost of the government's Aetna's health insurance coverage will go up, it's not yet clear whether the end result will add to or subtract from our income. Let's hope it's the former.....