



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Eloy S. Inos
Governor

Ralph DLG. Torres
Lieutenant Governor

February 20, 2015

Esther P. Kia'aina
Assistant Secretary for Insular Affairs
United States Department of Interior
1849 C Street, Northwest
Washington, DC 20240

Dear Assistant Secretary Kia'aina:

Thank you for your letter dated December 9, 2014 announcing the up-coming 2015 Senior Plenary Session of the Interagency Group on Insular Areas. On behalf of the Commonwealth of the Northern Mariana Islands, I appreciate the opportunity to participate in this important meeting as we are committed to working with the Department of Interior to ensure that the needs of our Commonwealth are addressed during the formulation of federal government policy affecting the insular areas.

In addition to the issues we have collectively addressed and previously discussed, noted below are several specific areas of concern, which I believe, are appropriate for IGIA purposes and discussion:

1. **The CW Worker VISA.** The CNMI's economic growth and development will – in the near future – remain dependent upon foreign workers. Effective coordination between the Department of Homeland Security and U.S. Citizenship and Immigration Services' respective roles in immigration control must be prioritized. With the expiration of the Contract Worker (CW) Program in 2019, the CNMI, in partnership and with the support from federal counterparts, needs to address its anticipated shortage of labor in light of the expected economic developments beyond 2019.
2. **Compact Impact Reimbursement Costs.** The federal government should fully reimburse the CNMI for Compact of Free Association migration costs for education, social welfare, public safety and public health services. This will require agreement and cooperation between the White House, Congress and the Department of Interior.

3. **EPA and DOJ Stipulated Order Requirements/Alternative Energy.** The CNMI's infrastructural capacity and economic ability to comply with the Federal District Court Order resolving the DOJ's legal action against CUC will require cross-agency cooperation and support. In addition, in order for the CNMI to continue to provide the basic electrical power and water requirements of the citizens and businesses in the Northern Mariana Islands, viable alternative energy resources must be brought on-line and coordination with our federal counterparts should be initiated as soon as possible.

With respect to energy efficiency and renewable energy, the CNMI is appreciative of the Office of Insular Affairs continued funding support for geothermal, wind, and solar renewable energy efforts. Furthermore, the CNMI desires to add biofuels along with geothermal energy opportunities that may have the potential to offset its current base load requirements. We are hopeful these opportunities will either reduce or eliminate the use of fossil fuels.

4. **Climate Change.** The CNMI is exposed to drastic impacts of climate change, including sea level rise, shifting storm patterns, and immense changes to ocean chemistry and coral habitat. The various CNMI agencies involved lack the capacity to devote time, personnel and funding to reduce vulnerabilities. The lead government agencies in the CNMI's Climate Working Group require support, specialized tools, and/or devoted staff to develop and implement climate adaptation strategies.

Additional climate adaptation guidance is desired, and facilitation of ongoing adaptation plan implementation is necessary as the CNMI moves forward in addressing climate change. In addition, ongoing monitoring of climate impacts and development of impact response plans will be crucial for the CNMI's adaptive capacity.

5. **Affordable Care Act.** The consequences of the inapplicability of the Affordable Care Act in the Territories and Insular Areas such as the CNMI need further consideration. While insurers doing business here are required to comply with the law's market reforms, residents in the CNMI are not required to obtain coverage and there are no federal subsidies provided to help the residents afford coverage (if it were available). The result adds further strain the CNMI's limited medical services resources.

6. **Militarization of the CNMI.** At present, there are four major military projects on going or in the development stage in the CNMI. These projects have cumulative effects, which will adversely impact the quality of life and the environment of the CNMI. We are encouraged that the IGIA forum will be used

to identify what can be done to lessen these impacts and continue the important dialog with the appropriate federal agencies with overlapping responsibilities.

7. **Federal Insurance Contributions Act (FICA).** Under the current rule, foreign contract workers are required to pay into the federal FICA, but are not allowed the benefits if: a) their payments are less than 10 years; b) they exit the CNMI because the foreign contract worker program ends on or after 2019. Even if the foreign contract worker met the minimum 10 years to receive benefits, said beneficiary must still exit the CNMI by 2019. The current rule only allows benefit payments for 6 months for beneficiaries outside the US and its territories before the benefits are suspended. It is crucial that this federal legislation is revisited and amended accordingly.
8. **Covenant Section 902 Consultations.** As the relationship between the CNMI and the United States continues to evolve especially following the recent take-over of local immigration and the implementation of the federal minimum wage, Covenant Section 902 Consultation are needed to consider in good faith the unique relationship and outstanding issues left to be resolved between the United States and the Northern Mariana Islands. Section 902 of the Covenant provides for direct discussions between the two governments on all matters affecting the relationship between them.

Due to ever-changing global trends, challenges and opportunities resulting from the last 902 talks a decade ago necessitate the need for renewed attention. Therefore, the CNMI hereby expresses its interest to enter into new discussions with the federal government on mutually beneficial issues that affect both interests. Issues such as the uses and restrictions placed on submerged lands, DOD's insistence of locating the Divert and Exercises Project on Saipan, EPA mandates and management for SO2 Projects are just a few of the topics that need to be addressed.

Again, a sincere thank you for the opportunity to recommend issues for consideration by the Interagency Group on Insular Areas. We look forward to work with you and your staff in the months and years ahead as we both share a commitment to improving the lives of all our citizens.

Sincerely,



ELOY S. INOS

cc: Congressman Gregorio Kilili C. Sablan

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