

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Whether shouted from the rooftops or whispered in dark alleys, the word *federalization* has different meanings for different people. For some it is a cure for the cancer that has been growing for decades in the body politic of the Commonwealth of the Northern Mariana Islands (CNMI). For others, it is itself a deadly cancer that will eventually be fatal. Both extremes are well represented in popular discourse and, of course, majority opinion falls somewhere in between. Every other topic covered in this report is locally evaluated in terms of its relationship to growing federal authority in the commonwealth.

When the US Congress decided to implement section 503 of the CNMI Covenant, which gave Congress the authority to federalize immigration and minimum wage rates, there were several distinct interpretations among the population. For the administration of the commonwealth it was a disaster waiting to happen, and many attempts were made to block its passage, including hiring new lobbyists (the unfortunate Jack Abramoff experience notwithstanding). When it eventually came through as a compromise measure between the US Senate and House, it contained no provision for improved immigration status for certain nonresident workers. Nonetheless, the local administration saw this as a violation of its right to self-government under the terms of the covenant. Every effort was made, and is still being made, to neutralize the impact and retain control over immigration. The governor feels that loss of

control over who enters and exits the commonwealth threatens the tourism business, which depends largely on markets where US visas are difficult to obtain. There is also the issue of nonresident workers and their status under federal immigration system. Local politicians fear the worst, as a large segment of the population welcomes tighter controls as a means of eliminating the corruption perceived to exist in immigration and labor fields. As of this writing, Governor Benigno Fitial is preparing a lawsuit on behalf of the commonwealth against the federal government to block implementation of the federalization law.

A completely different position has been taken by a large number of contract workers lobbying for a special immigration status for those who have worked in the commonwealth for five years or more. They see a provision in the new law that could lead to special status, similar to that afforded citizens of the freely associated states. This would allow them visa-free entry to the United States and freedom to move around in the labor market. In fact, this year saw the development of a wholly new self-perception on the part of large numbers of contract workers. Instead of being afraid of being deported, and behaving meekly and obediently if they did protest their conditions, they have begun organizing to lobby the federal government, pushing for an amendment to the immigration act as well as a more liberal policy internal to the commonwealth. A peaceful march of about 2,000–3,000 people (some estimates run as high as 10,000) in March 2008 demonstrated the power of this group. The crowd gathered on Beach Road

and walked peacefully to the American Memorial Park, where rallies were carried out, speeches made, and people of all ethnicities representing the nonresident worker population and their local supporters gathered to share their views. The Dekada Movement is the first and largest of these groups, primarily but not exclusively made up of Filipino members. In addition, the leaders of the different groups have taken to writing letters to the editors of newspapers on a variety of relevant topics. This approach had never even been considered before. Meanwhile, human-rights activists welcomed the federalization of the immigration system as a means to combat an increasing level of human trafficking in the commonwealth.

In reaction, an indigenous rights group called Taotao Tano (People of the Land), led by indigenous rights activist Gregorio Cruz, began lobbying against special treatment of contract workers as one of its priorities. Other, more radical groups waited in the wings.

Earlier in 2007 the US Congress passed a new minimum-wage bill for the Mariana Islands, bundled with about fifty other unrelated pieces of legislation. Thirty days after President George W Bush signed the bill into law, the US\$3.05/hour minimum wage increased by fifty cents. Six months later it increased by another fifty cents. It now stands at \$4.05/hour, and is supposed to increase by fifty cents every six months until it reaches the federal level of \$7.15/hour. A movement is underway, with some chance of success, to halt any further increases in the minimum wage until the socioeconomic impact of the

increases is studied thoroughly. It is quite clear that many small businesses, operating with the earlier minimum wage of \$3.05/hour and a labor system that was in their favor, could not continue to do business under the new minimum wage. Many of the owners have closed down and left the Islands with their families.

To compound the disaster that is unfolding in the Marianas, the Commonwealth Utilities Commission came to a near meltdown in the production of electrical power. Since last year's report, the situation has gradually been getting worse. The island of Saipan now faces rolling two-hour blackouts (and some as long as four hours, several times a day) while the turbines and generators are being worked on, or because they simply break down. The situation has been complicated by the fact that spare parts have to be made off island, specifically for each engine, a time-consuming and expensive process. There are also contractual disputes between the government and the contractors hired to renovate the machinery.

In addition to the power outages and subsequent damage to electronics and electric systems, the worldwide price of oil has pushed up fuel costs by nearly 100 percent. The governor's promise during the 2007 State of the Commonwealth address of having affordable power in the near future is looking like a very distant dream. Utility costs have gone up to thirty-eight cents per kilowatt-hour for regular consumers, and higher for commercial customers. There are families on all three islands who are paying as much as \$2,000 a month for utilities. Energy saving devices are at a

premium, and it appears there is going to be a rush on residential windmills and solar water heaters for those who remain in the commonwealth.

The airlines have not escaped the fuel crisis. Citing fuel costs and low passenger loads, Continental Airlines recently canceled its two weekly Saipan–Manila flights. This will have significantly greater impact on Saipan than is immediately perceived. At the present time, Continental is the only airline in the region that can manage emergency medical evacuations to the qualified medical centers in Manila. Medevacs can no longer be carried out between the the Mariana Islands and Guam. The propeller-driven planes used on those runs cannot accommodate stretcher patients. This has created severe problems for the Commonwealth Health Center, which has a very high frequency of medevacs to Manila, where the nearest certified facility is located and where the costs are much cheaper than in Hawai‘i.

To add insult to injury, gas prices at the pump have reached \$5.05 a gallon and have continued to climb. Dozens of cars with “For Sale” signs in the front window have begun to park on the beach side of Beach Road, and a great many more motor scooters have appeared on the road. Even bicycles are making a comeback.

As a result of these and other issues, there has been a very serious increase in departures from the islands by permanent residents, indigenous and otherwise. Studies are underway at the Northern Marianas College to quantify this exodus. One sign of hard times is the very low enrollment for summer school at the college, and some indications of a smaller student

body next academic year. Others have noted relatively large numbers of people leaving Rota. There has been talk of some thousand or more residential telephone disconnections on Saipan over the past year.

In mid-2007 the CNMI Supreme Court was asked to redistrict Saipan for elections to the Commonwealth House of Representatives. This was as a result of a petition by political activist Christina Sablan and Senator Maria Pangelinan. The legislature had not acted as required by the Constitution following the last decennial census and the governor had not moved to correct the situation. Although the petition actually asked the court to reduce the number of representatives, the net result was the addition of two new electoral districts and two more representatives, based on the 2000 census. The total is now twenty representatives instead of the sixteen requested in the petition. Unfortunately, the 2000 census no longer has much relevance in Saipan, following the closure of the majority of the garment factories and the resulting drop in population. The next census will not be until 2010.

In the November 2007 midterm election, Tina Sablan, now famous for her public campaigns to apply the Open Government Act to the legislature, for better treatment of contract workers, for restructuring the legislature, and many other popular causes, squeaked into the House of Representatives by a narrow margin. This has resulted in an informal restructuring of the legislature as Sablan continued her campaign on behalf of nonresident workers and the Open Government Act. Several veteran lawmakers have

begun to realign their positions, and the general public can now use the Internet to access schedules for meetings and hearings.

On the plus side, there has been renewed interest and activity in the tourism sector. Northwest Airlines has begun additional daily flights from Narita, Japan, and Asiana Airlines is adding flights from Korea. The Kumho group of companies, which owns Asiana, has recently acquired the LauLau Bay Golf Resort from United Micronesia Development Association, where they are going to spend \$40–\$50 million on a new resort that will include high-end condominium bungalows. The development association turned around and purchased the Nikko Hotel from Japan Airlines and is currently looking for a company to manage the property.

Construction on two new casinos on Tinian continued during the year. However, due to a lack of refueling facilities, the airport on Tinian cannot yet be used for international flights. Also, bureaucratic delays apparently stalled the construction and operation of an instrument-landing system funded by the Federal Aviation Administration.

In an unusual move, during the November 2007 election the people of Rota adopted an initiative to open casinos. (Since the late 1970s, the people of Rota have consistently rejected casinos.) A Casino Control Commission has recently been appointed and the search for possible investors is underway. Rota has an international-capacity airport that accommodates direct flights from Japan by Continental Airlines on a charter basis.

Regarding the energy situation,

Governor Fitial received a grant from the US Department of the Interior to explore the possibility of developing geothermal energy production on the island of Pagan, where there is still an active volcano, and transmitting the power to Guam via Saipan at a cost of approximately five cents per kilowatt-hour. The cost of constructing an undersea power cable for the 200 miles between Pagan and Saipan has been calculated at one million dollars per mile.

In January 2009, for the first time, the commonwealth will be able to take its place with the other territories in the US House of Representatives. Included in the federalization legislation was a provision to elect a commonwealth delegate to the House of Representatives in the November 2008 elections. As of the 7 August 2008 declaration deadline, more than nine individuals had filed to run, including 1 Democrat (David Cing), 1 Republican (Pete A Tenorio), and 7 individuals as independent candidates. However, none of the potential candidates have been certified yet, and it is possible some may be disqualified on technicalities.

The Pew Environmental Group sought support for a controversial proposal to create a marine memorial in the three northernmost islands of the Marianas Archipelago (Maug, Asunción, and Uracas). According to the Pew group, which has spent considerable time and money lobbying for support in the commonwealth, a decision would have to be made before President Bush leaves office in January 2009. The pressure on the local decision makers resulted in a very strong counteraction based on

fear of further federalization. While the idea has obvious merit, the indigenuous population fears loss of fishing grounds and possible constraints on alternate economic activity that could take place in the two-hundred-mile exclusive economic zone. There is little consideration of the fact that the federal government already controls the marine economic zone, and there is no significant activity going on. Petitions were circulated on both sides.

Northern Marianas College continues to struggle to maintain its accreditation. Critical will be a visit by the Western Association of Schools and Colleges in October 2008 to review progress made on deficiencies noted in a previous visit. A new nursing school, Emmanuel College, is now open and doing business on Saipan. It turns out nursing assistants in a nine-month program. These graduates are primarily destined for service in California, where the owner of the college owns a number of nursing homes. Another educational endeavor is the American Mediscience University, a Korean institution that teaches traditional Korean medicine. Yet another group is in the preparatory stages of opening a full-blown medical school, similar to those in the Caribbean, but affiliated with the local Commonwealth Health Center.

An example of what could loom large in the future of the Marianas is the pending move of some 8,000 US Marines from Okinawa to Guam. The move will also include 15,000 dependents, support staff, and various ancillary services. A construction boom worth billions of dollars will commence on Guam in 2010, for a 2012 arrival date. An advance party

of military planners has visited all the populated islands of the Marianas to discuss possible uses and impacts. It is clear that Tinian will become a major training base, since under the covenant the military already has a lease on 17,000 acres there. Also, by that time Tinian should have three fully operational casinos, and there may be one or two on Rota, which is in close proximity to Guam. Mention has also been made of Pagan, one of the Northern Islands, as a military training facility, but this is much more problematic because that island is not on the list of military retention lands in the covenant.

SAMUEL F MCPHETRES

REPUBLIC OF PALAU

The major issues for 2007–2008 were the activities of the Republic of Palau (ROP) executive and the National Congress (Olbiil Era Kelulau, or OEK); relations with the United States, Taiwan, and Indonesia; the special prosecutor; fishing; and activities of the rural states.

President Tommy E Remengesau Jr is nearing the end of his eight-year presidency and departing as one of *Time* magazine's "heroes of the environment" for his Micronesia Challenge initiative. This commitment involves the conservation of 30 percent of a nation's marine environment and 20 percent of its terrestrial resources by the year 2020. All the states of the Federated States of Micronesia (FSM), Palau, the Marshall Islands, Guam, and the Commonwealth of the Northern Mariana Islands have signed on to the