



FELD Report



**Guidance for the Design and Implementation of
Technical Assistance Program Relating to Immigration in the
Commonwealth of the Northern Mariana Islands**

**Required under Title VII, Public Law 110-229
Consolidated Natural Resources Act, May 2008**

by

**United States Department of the Interior
Assistant Secretary, Insular Areas
Office of Insular Affairs**

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Executive Summary

The Consolidated Natural Resources Act (CNRA), Public Law 110-229, enacted on May 8, 2008, extended federal immigration laws to the Commonwealth of the Northern Mariana Islands (CNMI). The Department of Homeland Security (DHS) and the Department of Justice (DOJ) started to enforce and administer federal immigration laws in the CNMI in November 2009. Currently, DHS and DOJ administer and enforce immigration matters regarding aliens arriving in, or within the CNMI which includes border control, grant of immigration status, and removal of unauthorized aliens. While responsibility for most immigration law enforcement and administration resides with DHS and DOJ, the Departments of the Interior, Labor, State, and Commerce have significant roles in implementing provisions of the law.

An important element of the CNRA is to provide technical assistance to the CNMI to help it identify areas of growth and diversification of its economy and provide training to advance recruitment of U.S. citizens. The Secretary of the Interior (DOI), in consultation with the Governor of the CNMI and the Secretaries of Labor and Commerce, is tasked with assisting the CNMI to achieve this goal. In November 2010, the Assistant Secretary of the Interior for Insular Areas held a public meeting, *Forum on Economic and Labor Development (FELD)*, on Saipan. This was an opportunity for all stakeholders to begin a discussion on what types of assistance would be appropriate and made available to the CNMI. The FELD's list of ideas for federal aid is attached as Appendix A.

The CNRA does not appropriate funds for the aid it mandates. The Office of Insular Affairs (OIA) has committed up to \$1 million in financial aid, from existing technical assistance funds, to fulfill the requirements of the law. OIA funds will be devoted to two main programs: (a) assisting the CNMI to develop an economic revitalization program as suggested by the Governor of the CNMI, and (b) enabling the CNMI government to work with local agencies and non-profit organizations to provide on-the-job training for eligible U.S. workers.

Using the FELD's list as the guide, OIA designated areas of the economy and the labor market for technical assistance grants that would generate the greatest possible benefit for the CNMI. Primary areas to receive first priority for assistance are: tourism, which is the CNMI's largest income source and has growth potential; the labor market, which currently relies on foreign labor and whose stability is crucial to the transition and beyond; and renewable energy, agriculture and aquaculture, which reduce dependence on fossil fuels, contribute to food supply and create jobs. OIA's technical assistance will be committed to these areas.

2 items
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Although not the first priority, OIA has identified other areas of concern to be the health care industry, education, transport and communication. The FELD participants also listed support for and against Article XII of the CNMI Constitution, which limits ownership of land to persons of Northern Mariana descent. Article XII has often been the subject of debate between proponents and opponents and resolving any aspect of it is best left to the CNMI.

Implementation of federal immigration and border security controls in the CNMI has been a major undertaking. The FELD held on Saipan and this report are the steps for the federal

government, the CNMI and local stakeholders to work together and forge ahead toward a common goal of growing and diversifying the CNMI economy.

I. Introduction and Background

I.1 Introduction

The CNRA, Title VII of Public Law 110-229, enacted on May 8, 2008, extended federal immigration laws to the CNMI. The law stipulated that DHS, DOJ, and other relevant Departments implement federal immigration regulations in the CNMI. The Secretary of Homeland Security, pursuant to her authority under the CNRA, postponed the initial transition period for six months in 2009. DHS started to administer and enforce federal immigration laws in the CNMI in November 2009. While responsibility for immigration enforcement and administration primarily resides with DHS, other federal agencies such as the Departments of the Interior, State, Justice, Labor and Commerce have significant roles in implementing provisions of the law. For example, the CNRA provides that the Secretary of Labor may extend the transitional worker program to ensure an adequate number of workers for legitimate businesses in the Commonwealth. DHS brings removal proceedings before the Executive Office for Immigration Review (EOIR), within DOJ. Removal proceedings brought in the CNMI are adjudicated by the Saipan Immigration Court, and may be appealed to the Board of Immigration Appeals (BIA) within the EOIR.

Another element of the CNRA, in addition to immigration reform, is to provide technical assistance to the CNMI to help it identify and encourage growth and diversification of its economy, as well as provide the necessary training to advance recruitment of U.S. citizens in the workforce, 48 U.S.C. § 1807. The Secretary of the Interior, in consultation with the Governor of the CNMI and the Secretaries of Labor and Commerce, is tasked with assisting the CNMI to achieve this goal.

On November 9, 2010, the Assistant Secretary of the Interior for Insular Areas held a forum, *Forum on Economic and Labor Development (FELD)*, on Saipan. The forum provided an opportunity for the Department and interested stakeholders to begin a robust discussion on what types of technical assistance would be appropriate and possibly made available to the CNMI for its economy and workforce. This report summarizes our findings and recommendations on how to move forward.

I.2 Background

Implementation of federal immigration laws and regulations in the CNMI followed significant economic and financial challenges unrelated to the CNRA or its implementation. For example, the World Trade Organization (WTO) adopted a new global trade regime in 2005 to increase global trade and economic activity. These new rules eliminated import quotas on certain products such as garments and reduced import duties on others. Prior to the WTO rules, import quotas on garments from foreign producers provided a significant advantage to the CNMI. The removal of quotas on garment imports from low-cost producers such as China undermined the

CNMI's garment industry, which was concentrated on Saipan and constituted a major source of income and taxes for the CNMI. The industry had taken about two decades to reach a level of significant economic and financial contribution to the CNMI economy at the time new global trade rules were adopted. The CNMI's garment industry provided nearly a third of the CNMI's taxes at the peak of its production capacity in 1999-2000.¹

Once new trade rules took effect, they almost immediately put the CNMI's garment industry at a disadvantage in terms of production costs. The last two garment factories on Saipan, out of as many as 34 at their peak production levels, closed in early 2009. That was about six months before the Federal Government assumed responsibility for administration and enforcement of federal immigration matters in the CNMI.

The loss of the garment industry was a major setback to the CNMI's economy. However, it did not change the fundamental structure of the CNMI's labor market, which is dominated by foreign workers. The CNMI still faces major challenges with regard to its limited economic base and dependence on foreign workers. The Congress extended federal minimum wage rules to the CNMI and American Samoa in July 2007 and stipulated that the CNMI and American Samoa rates should equal the federal minimum wage rate over a period of time. Under the law, the CNMI's minimum wage rate (\$3.05 per hour) would reach federal minimum wage of \$7.25 per hour in 2015 and American Samoa's (\$3.26 per hour) in 2014.² However, citing recent labor market challenges in both economies in the midst of major economic declines (loss of garment manufacture in the CNMI and closing of one of only two tuna canneries in American Samoa), the Congress halted the minimum wage progression for two years in 2010. Progression to the federal minimum wage rate is scheduled to resume in 2012.

Recognizing the economic and financial difficulties the CNMI has endured, the Congress mandated technical assistance within provisions of the CNRA that would aid the CNMI through what has clearly been a painful economic and financial contraction over the last five years. It is far from clear how the CNMI will return to the production and distribution and tax collections levels of the past decade. Nor is it obvious how the CNMI's tourism industry, the largest income and tax source, would return to its previous levels of tourists and tourist spending, following a major setback which was also caused by changes in global economic and financial conditions. Japan Air Lines (JAL), which carried almost a third of the CNMI's Japanese tourists to and from the islands, withdrew from the market altogether in October 2006 because of internal financial issues. No other carrier has yet picked up JAL's routes or added new ones and tourist traffic has yet to recover any significant amount of this loss. The CNMI is still going through one of the most difficult economic and financial contractions in the Pacific in the last 20 years.

I.3 Recent OIA Grants and Other Federal Aid to the CNMI

In the midst of significant challenges the CNMI faced prior to and continuing through the transition period of implementation of the CNRA, the federal government has been fully engaged. Within the limits of its resources provided by the Congress to assist the

¹ CNMI Department of Finance data.

² Before federal minimum wage rules went into effect in 2007 in American Samoa, there were numerous industry wage rates set every two years by a special committee designated by the Secretary of Labor.

Commonwealth; OIA has worked with the CNMI government to make the transition as smooth as possible. OIA's assistance to the CNMI comes in two forms. The first is physical presence on the ground with OIA staff. OIA's permanent staff works closely with the CNMI government on a whole range of issues, including implementation of the CNRA. The second element of OIA's assistance is grants and technical aid.

In fiscal year 2009, OIA provided a total of \$21.5 million in grants and technical assistance to the CNMI. Of that amount, \$11.3 million was in Capital Improvement Project (CIP) grants that covered critical infrastructure such as water and wastewater, solid waste disposal and power. Compact impact grant funding, which is reimbursement to the CNMI by OIA for services the CNMI provided to migrants from the freely associated states, was \$5.2 million. General technical assistance grants totaled \$2.5 million which covered a wide range of areas. Examples of technical assistance grants include a tourism development master plan and development of Consumer Price Indexes for the islands of Rota and Tinian. The remaining OIA grants covered a variety of areas such as management services, maintenance assistance, coral reef initiative and others.

One area covered by OIA's technical assistance starting in fiscal year 2009 was an agreement between OIA and the Department of Commerce's Bureau of Economic Analysis (BEA) to initiate a system of national economic accounts for the territories, including the CNMI. Despite their long histories of association with the United States, the CNMI and other territories were not included in the BEA's national economic accounts. In the absence of official data on aggregate output and income, there was no reliable information on the CNMI's economic output and how it changed over time. Lack of basic economic data also deprives government and business leaders, entrepreneurs and citizens alike of the information and insight they need to make informed decisions. Being included in the nation's macroeconomic accounting makes it possible to compare economic performance in the territories to the 50 states and other economies.

To remedy the economic information deficiency, OIA provided a technical assistance grant to the BEA that covers its cost of initiating a system of economic accounts for the CNMI and other territories. Working with the territories and OIA, the BEA released its first gross domestic product (GDP) estimates for the CNMI, American Samoa, Guam and the U.S. Virgin Islands for the years 2002-2007 in May 2010. GDP estimates for 2008 and 2009 will be released in 2011. The ultimate goal is to incorporate the economic accounts of the territories into the BEA's work permanently. The lack of other important economic statistics made regularly available to other states continues to be a major problem in the Commonwealth.

Another form of federal assistance to the CNMI outside of OIA is through the American Recovery and Reinvestment Act (ARRA). ARRA has provided federal funding to the CNMI to help it address a wide range of needs and create jobs. The Congress passed ARRA in February 2009, at a time when the national economy was in serious distress and job losses were widespread throughout the country and across industries. In conjunction with other major policy measures of the Administration, ARRA was intended to reverse significant job losses throughout the economy, including in the territories.

As of December 31, 2010, a total of \$118 million in ARRA funds was made available to the CNMI, of which \$40.8 million was spent to create 358 jobs.³ As a share of total payroll employment, the number of jobs retained or created by ARRA in the CNMI amounted to one percent. As a matter of comparison, a one-percent increase in national payroll employment would mean the creation of nearly 1.4 million jobs.

II. Technical Assistance Requirements of the Law

Title VII, section 702(e) of the CNRA requires the Secretary of the Interior, in consultation with the Governor of the CNMI and Secretaries of Labor and Commerce to provide a technical assistance program for the CNMI. The program is to be designed to assist the CNMI to identify opportunities for economic growth and to encourage diversification of its economy. The program is also required to include assistance in recruiting, training, and hiring of U.S. citizens and nationals residing in the CNMI. This assistance can also be provided to legal permanent residents and lawfully admissible citizens from the freely associated states if there is not an adequate number of U.S. citizen and national workers to fill positions. The program is also required to include assistance in identifying the types of jobs and skills needed in the CNMI as well as help for CNMI educational entities to develop the necessary curricula to train its workforce.

To help assist in the development and implementation of the program, the Secretary of the Interior is to consult with the CNMI government and local businesses, regional banks, educational institutions, and other experts in the economy. The Assistant Secretary of the Interior for Insular Areas, therefore, held a meeting on Saipan to gather input and advice to begin this process.

III. OIA Design and Implementation Roadmap

On November 9, 2010, the Assistant Secretary of the Interior for Insular Areas convened the *Forum on Economic and Labor Development (FELD)*. It attracted a representative cross section of leaders from the CNMI government, business, labor and community groups. The main purpose of FELD was to gather ideas and suggestions from all stakeholders and identify areas of the CNMI economy and the labor market that would benefit the most from a technical assistance grant OIA may make available under the law. In an all-day proceeding that included general as well as breakout sessions, participants produced a detailed list of areas that they believe would benefit from federal grants and contribute to economic growth and financial stability.

The list includes all major areas of the economy and labor market that FELD participants believe would benefit from direct federal assistance. The list also includes subsidies for existing industries to reduce consumer cost for necessities such as power and transport as well as funds for building new facilities such as a Micronesian Cultural Center and a state-of-the-art hospital. The forum's list of ideas to be considered for federal assistance is attached as Appendix A.

The list of ideas and suggestions for economic growth and financial stability in Appendix A is fairly broad and wide ranging. It covers many areas that would undoubtedly help the CNMI's

³ <http://www.recovery.gov/Pages/default.aspx>

economy and its financial stability. However, the CNRA does not appropriate the funds for the technical assistance grant implementation that it mandates. In the absence of resources specifically committed to this purpose, OIA has to divert resources from other uses to implement CNRA's technical assistance provisions. This commitment adds to the financial constraints within which OIA has to allocate its limited technical assistance budget that has recently been reduced because of government-wide fiscal constraints.

However, to fulfill requirements of the law and offer the CNMI some critically needed economic and financial aid, OIA has committed a one-time grant of up to \$1 million from its existing technical assistance and other scarce resources. Using the FELD's list of suggestions as the main guide and reflection of the needs of the CNMI as expressed by a representative cross-section of the community, OIA designates those areas (sectors) of the economy and the labor market for technical assistance grants that would generate the greatest possible benefit for the CNMI.

III.1 Primary Areas for Technical Assistance Grants

In selecting areas (sectors) of the economy that would produce the greatest benefit, OIA reviewed recent statements of the CNMI government with regard to economic sectors it considers crucial. The Governor in his 2010 report to the legislature stated that "tourism remains the CNMI's most important industry."⁴ Future growth in tourism would come, in part, from improving economic and financial conditions in industrial East Asia which has traditionally been the CNMI's major tourist market. However, some immediate assistance to improve the sector's performance would prove to be timely and helpful, as explained below.

Another critical area of the CNMI economy is the labor market. The CNRA extended federal immigration laws and regulations, including the requirements for entry visas for visitors and foreign workers, in addition to the transition programs for foreign workers and a Guam-CNMI Visa Waiver Program for some visitors. Because the CNRA directly affects the CNMI's labor market, it is critical to understand how stable and predictable it would be in the near as well as longer terms. CNMI businesses should be able to anticipate their labor needs for both U.S. citizens and foreign workers and the CNMI government needs to be able to project its revenue stream on the basis of the labor market and work force. Areas of the labor market identified by the FELD as critical factors include the absence of an unemployment insurance program, lack of placement agencies and lack of adequate training programs, especially for vocational and specialized skills.

Based on the discussion held at the FELD, the following areas would benefit from assistance:

Tourism: The tourism industry would benefit from a better trained hospitality staff. Lessons can be learned from Hawaii's hospitality industry. For example, the CNMI can learn from the experiences of other destinations to attract repeat tourists and create new markets.

Labor: The CNMI's labor market is unique in that it is still heavily dependent on foreign labor. The CNRA recognizes the CNMI's special case and makes explicit provisions for determining

⁴ "State of Commonwealth in severe disarray," *Saipan Tribune*, Monday, January 3, 2011.
<http://www.saipantribune.com/newsstory.aspx?cat=1&newsID=105838>

the Commonwealth's labor needs, in consultations with other federal agencies, the CNMI government, the business community and labor advocacy groups. Stabilizing labor market conditions and making labor market regulations as predictable as possible under the law in the CNMI needs to be a high priority for both the federal government and CNMI leaders. In the context of the CNRA's technical assistance implementation program, the CNMI's labor market needs to be seen as a critical component with emphasis on the following:

Training: FELD participants noted the need to train and hire professionals such as journalists, technicians, broadcast production staff, work force analysts and statistics and data managers. FELD participants also pointed out the need for technical assistance to improve the curriculum at the Northern Marianas College (NMC) so that training can be offered in professions such as journalism, graphic arts, newspaper and broadcasting production. Other areas that would benefit from technical assistance would include efforts to develop 4-year training programs for trade, technical, professional and cooperative schools.

Vocational Skills: Following the CNRA and input from the FELD, vocational skills training is critical. Vocational skills often prepare professionals for lifelong occupations at reasonably high wage rates, whether they are in contemporary information technology, health and medical fields or culinary arts. The CNMI would benefit from a grant to enhance its capacity to generate and improve vocational skills, preferably through on-the-job training and from an institution of higher learning. Positions are needed throughout all industries due to lack of vocational training opportunities. There are challenges that need to be addressed such as changing worker attitudes and regulatory requirements. Technical assistance is also needed to develop worker training programs that emphasize work ethics, skills for financial literacy and communication, other fundamental work place skills, and employer and employee roles, and bolster and augment vocational training programs.

Renewable Energy: Just as the rest of the country, the CNMI will benefit greatly from an expanded use of renewable energy. Expansion of renewable energy sources and resources will reduce dependence on fossil fuels and create jobs. Separately, OIA has entered into a technical assistance agreement with the Department of Energy's National Renewable Energy Laboratory (NREL) to assess renewable energy potentials and uses in the territories. OIA is working closely with NREL and the territories to carry the project forward. FELD participants also believe that it will be important to improve not only the current water and power systems but also provide assistance to create and use infrastructure for alternative energies such as solar, wind, biomass, nuclear, geothermal and possibly others.

Agriculture and aquaculture: Agriculture would produce fruits and vegetables for local markets and household use; aquaculture would produce valuable seafood. Using a technical assistance grant, the CNMI can look at agriculture and aquaculture practices elsewhere and replicate them or enhance existing programs. There would need to be an increase in technically trained personnel to operate farms and aquaculture projects: animal husbandry, entomology, plant cultivation and aquaculture technicians. This can be accomplished at all educational levels,

starting in the public schools all the way up to the NMC, according to the FELD. Curriculum and training facilities would also need to be developed and established.

III.2 Secondary Areas for Technical Assistance Grant Consideration

Technical assistance resources currently available to OIA limit their distribution to the four primary areas listed above or some combination of them based on the priority need to identify growth opportunities and help the CNMI economy grow and create jobs. Once these high-priority areas are addressed, other areas of concern include:

Health and Medical Care Industry: This vital industry can benefit from a technical assistance grant for recruitment and training of technical staff.

Transportation: Improvement in air transportation such as increased airline seat capacity and new routes to larger markets such as Japan, Korea and China will contribute to improvements in tourism which, in turn, would improve the CNMI's economy and financial position.

Communication: Improvements in communication, especially digital technology, has the potential to offer new venues for expanding economic activity. For example, designing, hosting and maintaining web sites offers an option for increased economic activity.

IV. Subsidiary Issues

IV.1 Aid to Mitigate Cost Disadvantages and Improve Education

As enumerated in Appendix A, FELD participants provided a detailed list of areas for federal aid considerations. For example, they suggested subsidy for shipping costs (landing fees, port fees or fuel costs for shipments) to, from and within the CNMI. This aid would reduce shipping costs and promote the CNMI as a strategic regional transshipment location to serve Japan, the Philippines, Micronesia, Australia and the United States. FELD also recommended that the purchase of vehicles (vessels) be subsidized to reduce shipping costs. Similarly, FELD suggested that subsidized air service may encourage foreign carriers to establish bases in the CNMI and explore regional cargo revenue opportunities. Air service aid would be directed to those carriers that connect the CNMI to Japan, Korea, China and Russia. The expectation is that an increase in transport activity, especially air service, would benefit the CNMI's struggling tourism industry, which is the main source of income and taxes.

Another area with potential for helping the CNMI's economy is education. FELD participants suggested that funds be provided to diversify what is offered at the NMC, broaden the curriculum, offer a 4-year university option locally, provide financial incentives for graduates to stay in the CNMI, promote education tourism and offer visas to allow foreign students to work part time (which is something that can be done already under a foreign student admission under certain circumstances). FELD suggested that training could also be offered to improve governance, strengthen public institutions, and improve transparency.

Whether it is shipping cost concerns or educational opportunities in the CNMI as expressed by FELD participants, they reflect the state of the CNMI's weakened economy and diminished expectation of financial stability in the near term. As valid and legitimate as these issues are, they lie largely outside the scope of the technical assistance program mandated by the CNRA and the fiscal capacity of OIA. Addressing these and other issues as enumerated in Appendix A would require separate aid provisions which may require congressional action.

IV.2 Article XII of the CNMI Constitution

Support for and against Article XII of the CNMI constitution, which limits ownership of land to persons of Northern Mariana descent, is on the list in Appendix A. Article XII has often been the subject of debate between proponents and opponents because of the implications a change in the land tenure system in a small island economy may have for landowners and the land and real estate markets. Proponents of Article XII cite the necessity to preserve control of CNMI land in the hands of owners of Northern Mariana descent. Opponents argue that abolishing Article XII and making land available in the manner of open land and real estate markets would make more land available for development that would encourage external investment and capital flows from outside. Resolving any aspect of the land issue is best left to the CNMI.

V. Conclusion

Implementation of federal immigration laws and regulations in the CNMI has been a major undertaking for the federal government, with significant effects on the CNMI government. Prior to the extension of federal immigration laws and regulations in the CNMI, the CNMI operated much like an independent jurisdiction, with its own border control, foreign worker and other immigration programs for several decades. Extension of federal immigration laws and regulations, which is very much a work in progress, has affected a wide range of both federal and CNMI institutions and their operations. This work will take time, resources and sustained institutional commitments on both sides to reach a level of total conformity. The FELD held on Saipan and this report are a positive step for the federal government, the CNMI, and local stakeholders to work together and forge ahead toward a common goal of economic growth diversification.

V. **Appendix A:**

**U.S. Department of the Interior
Assistant Secretary for Insular Areas**

Forum on Economic and Labor Development

**Saipan, CNMI
November 9, 2010**

SUMMARY

On November 9, 2010, Assistant Secretary of the Interior for Insular Affairs Tony Babauta hosted the Forum on Economic and Labor Development (FELD) on the island of Saipan in the Commonwealth of the Northern Mariana Islands (CNMI). Present at the FELD were approximately one hundred and twenty stakeholders from the CNMI, including members of both the public and private sectors. Stakeholders in Rota and Tinian also participated in the FELD via teleconference capabilities provided by the NMC.

The FELD consisted of a morning and afternoon session, with the morning session focusing on what areas and industries with potential for growth in the CNMI can benefit from technical assistance and the afternoon session focusing on how technical assistance can be used to ensure CNMI businesses have authorized workers they need to succeed in developing these economic opportunities and growth industries.

Listed below, by session, are the prioritized areas and industries for growth as chosen by the participants in the morning as well as the opportunities identified in the afternoon session, by industry.

Morning Session of the FELD

What areas and industries have potential for growth in the CNMI? How could technical assistance be used to create economic opportunities in these areas?

Micronesian Cultural Center

- Fund and develop a state of the art Micronesian cultural center/convention center. This could serve as an attraction to enhance the CNMI as a travel destination.

Agriculture/Aquaculture/Raw Materials

- Use technical assistance to create a development plan for agriculture, aquaculture, and floriculture including the growing of livestock, farming organic products.
- This could serve as a booster of eco-tourism as well as a supply market for the military build-up on Guam.

Subsidize High Shipping

- Subsidize shipping costs – outright subsidies for landing fees, port fees or fuel costs for shipments to, from, and within the CNMI. This would reduce shipping costs and promote the CNMI as a strategic transshipment location between Japan, the Philippines, Micronesia, Australia, and the United States.
- Purchase vehicles for cheaper transport such as ferry boats.

Subsidize High Air Transportation

- Subsidize shipping costs – outright subsidies for landing fees, port fees or fuel costs for shipments to, from, and within the CNMI. This would reduce shipping costs and promote the CNMI as a strategic transshipment location between Japan, the Philippines, Micronesia, Australia, and the United States.
- Air service – Could provide special classification for CNMI to allow foreign carriers to have bases here and cargo revenue opportunities. Essential air service subsidy for air carriers serving new cities in our source markets of Japan, Korea, China and Russia.
- Purchase vehicles for cheaper transport such as cargo planes.

Education

- Three areas of education: local post secondary education, educational tourism, and training were discussed:
 - Post secondary education
 - Provide funding to diversify what is offered at the NMC (i.e. nursing, farmer scholarship program to accredited college in CNMI; measure student skills/knowledge level prior to training)
 - Provide a four-year university option locally
 - Provide incentives for graduates to return to the CNMI
 - Funding for more vocational-technical schools
 - Educational Tourism
 - Promote educational tourism to satisfy industry needs
 - Permit foreign students to work part time
 - Training
 - On-island training targeting improved governance to strengthen public institutions, improve transparency, stop corruption
 - Fund and encourage technical education and let students choose their training

Healthcare

- Establish a state of the art hospital to serve as a major medical center in the region.

Open Land for Investors

- Address Article 12 to open up land for investors.

Assistance to Amend or Abolish Article 12

- Address Article 12 to open up land for investors.

Renewable Energy

- A. Study and promote the use of alternative and renewable sources of power and water in order to improve the current systems.
- B. Provide assistance to create and use infrastructure for alternative energies such as solar, wind, biomass, or nuclear.

Regional Transportation Airline/Ferry

- Subsidize sea and air transportation in order to provide more affordable transportation within the CNMI as well as to Guam.
- Purchase vehicles for cheaper transport such as cargo planes and ferry boats.

Afternoon Session of the FELD

What kinds of technical assistance can Interior provide to ensure CNMI businesses have US eligible workers they need to succeed in developing these economic opportunities and growth industries?

- *Identify positions and skills needed for the position in each growth industry*
- *Challenges to attracting authorized workers*
- *Recruiting and retaining authorized workers*
- *Development of curriculum for training and educational programs*

Tourism Industry:

- Need more hospitality staff from CNMI such as Hawaii's hospitality industry.
- Challenges include: how to attract repeat tourists from different markets and creating new tourist markets; lack of a cultural, historical, arts/convention center.
- Technical assistance for research of market attraction and creating new opportunities; develop a convention center; vocational school, and create proper training which is the highest priority.

Agriculture and Aquaculture:

- Need technically trained personnel to operate farms and aquaculture projects: animal husbandry, entomology, plant cultivation, and aquaculture technicians.
- Biggest challenge is providing adequate training for the development of the industry due to lack of curriculum and training facilities at Public School Systems and NMC.
- Technical assistance is needed to develop a curriculum and establish training facilities.

Maritime Industry:

- Positions needed are certified captains, engineers, able bodied seaman, ship repair technicians, generation technicians, hydraulic technicians, stewards, hazmat responders, and electricians
- Biggest challenge is recruiting trained and certified employees.
- Technical assistance is needed for promoting and streamlining training members of the labor force as mariners.

Health Care Industry:

- Need professional health care providers and trainers for specialized health care services as well as needs of the island in order to build CNMI into regional health care center.
- Biggest challenge is lack of consistent resources to provide adequate training and education to authorized workers.
- Technical assistance is needed to establish a training/scholarship program for doctors, nurses, technicians and administrators both through NMC and other institutes of higher learning. Technical assistance to provide on the job training such as tax credits, subsidies, or sharing of salaries. Providing technical assistance for CNMI participation in job fairs at U.S. colleges and universities would assist in the recruitment of qualified young medical school graduates to the CNMI; to build a career ladder; and to build administrative and leadership capacity. Finally, technical assistance for the co-sharing of specialist for the region would be helpful.

Business Consultants/Services:

- Need professional /technical support personnel in all CNMI business to replace foreign labor force.
- Challenges include lack of data on public employees who are qualified to transition into private sector professional/technical support jobs; lack of adequate vocational/technical curriculum in high school programs; lack of short term certificate training programs at NMC for specific positions such as business accounting/bookkeeping.
- Technical assistance is needed to supplement on the job training salaries; to establish technical training programs such as in hospitality, trades, etc.; incentive programs to encourage local work force to return to technical training programs and to encourage scholars to return to the CNMI from U.S. colleges and universities.

Banking and Finance:

- Technical assistance is needed to perform a comprehensive assessment of private and public lands to include existing uses, market trends, opportunity for development and impact of Article XII.
- Technical assistance is needed to perform an economic plan for the next 5 years which is driven by private sector.

Government and Education:

- Technical assistance is needed to transition authorized workforce from public to private sector.

Transportation:

- Positions needed in engineering, maintenance and repair, mechanics, and those identified in maritime industry group session.
- Challenges include maintaining a consistent level of service and operation with transient work force and lack of training for positions needed.
- Technical assistance is needed to provide funding and incentives for on-the-job training including tax credits to companies that train and hire authorized workers.
- Technical assistance is needed to increase and expand vocational training programs available in the CNMI.

Retail, Wholesale, and Merchandizing:

- Positions needed are accountants, data processors, merchandizing, and administrative services.
- Challenges are finding qualified authorized workers willing to work for low wages with few benefits.
- Technical assistance is needed for curriculum development to train authorized workers with a focus on the above areas.
- Technical assistance is needed to provide incentives for returning students from U.S. colleges and universities and to provide enhanced employee benefits to entice authorized workers.

Media, Commerce, and Labor

- Positions needed as journalists, technicians, production, work force analysts, statistical and data managers.
- Challenges are need to restructure industry norms for wages and benefits and set CNMI prevailing wages by industry; lack of employment services such as a career center and job placement agency; lack of unemployment insurance; lack of adequate training programs.
- Technical assistance is needed to improve NMC curriculum to provide journalism, graphic arts, newspaper and broadcasting production. Technical assistance is needed to develop a four year training program and trade/technical/professional/cooperative schools.

Construction:

- Positions needed are skilled labor.
- Challenge is lack of skilled labor training programs.
- Technical assistance is needed to provide an inventory of the labor supply in the CNMI and to provide incentives for on the job training.

Education:

- Positions needed throughout the educational industry as with many industries in the CNMI.
- Challenge is lack of adequate training opportunities.
- Technical assistance is needed for scholarships for industry specific programs and to retrain public sector workers for private sector jobs.

Vocational Education:

- Positions needed throughout all industries due to lack of vocational training opportunities.
- Challenges are changing worker attitudes and lack of finality of transitional worker visa regulations.
- Technical assistance needed to develop worker training programs that emphasize work ethics, financial literacy, communication skills, fundamental/basic skills and employer/employee roles.
- Technical assistance needed to bolster and augment vocational training programs.