



Opening Statement
Legislative Hearing on H.R. 339, on the CNMI CW Program
Chairman Lisa Murkowski
April 27, 2017

Good morning, everyone. The committee will come to order so that we can consider H.R. 339, the Northern Mariana Islands Economic Expansion Act.

This bill has three primary components:

- For fiscal year 2017 only, it would increase the cap on Commonwealth-Only Transitional Workers – or “CW” permits – from its current level of 12,998 to 15,000;
- It would increase the fee for a CW permit from \$150 to \$200; and
- It would permanently prohibit the issuance of a CW permit for a construction worker, except in the case of extending a CW permit for a construction worker that was first issued prior to October 1, 2015.

The last item – limiting who is eligible for a CW permit – is probably the key indicator for why we are considering this legislation before us today. Over the past two years, the cap for the CW program has been reached before the end of the fiscal year. In 2017, the cap was hit just weeks into the fiscal year, and this of course has had a negative impact on many foreign workers – some of whom have been working in the CNMI for the past 10-15 years, if not more – as their employers were not yet eligible to apply for their CW permit renewals.

It’s not too difficult to connect the dots here between the increased amount of construction activity, and the increased applications by construction companies for CW permits, to understand why the cap has been hit in the past two years.

On the one hand, it is encouraging to see this level of economic growth and investment interest in the CNMI. After the global economic downturn in 2008, it is great to see this economy rebound. And I think we have had enough discussion in this committee to recognize there have been some very tough years, years where the economy has struggled greatly.

On the other, it is hard not to wonder if the CNMI would be in this situation had the business community taken the transition program seriously when Congress enacted the Consolidated Natural Resources Act back in 2008. We have not seen the progress we had hoped in moving

away from foreign labor during the first five years, which led Congress to enact the hard 2019 sunset date for the transition program.

As we consider the number of resort and casino projects lined up for development now in the CNMI, it is not clear how sustainable this investment is, what the capacity is to ensure the legality of activity, lots of moving parts here. The recent arrests of construction company representatives for employing and harboring Chinese workers who entered the CNMI on parolee/tourist visas is probably the most explicit and current example of these concerns.

These are all questions that we need a better understanding of as we look at this legislation, which would provide temporary relief to roughly 2,000 foreign workers in the CNMI, and then, more importantly, as we look at the CNMI's future post going forward.

I would like to thank all of our witnesses for being here today. I know many of you have traveled a long distance and quite possibly on short notice. So I look forward to your testimony and the questions we will be able to raise and discuss this morning. With that I turn to Senator Cantwell.

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