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U.S. House of Representatives
Statement on H.R. 339
Northern Mariana Islands Economic Expansion Act
Senate Energy and Natural Resources Committee
April 27, 2017

Thank you, Madame Chair, for today's hearing on my bill, H.R. 339. The House has twice passed the bill without dissent. Now, we hope the Senate will do the same.

The timing could be better. Federal agencies—OSHA, Labor's Wage and Hour Division, DOJ, and Immigration—have recently found apparent violations of federal law at a Chinese construction site in the Marianas.

This reminds us of the conditions that led to federal control of immigration—and gave our islands a black eye in the 1990s.

The difference today is that federal agencies are cracking down quickly on abuses. They have the full support of the Commonwealth government. And we have legislation, H.R. 339, that actually addresses a source of the problem.

With that, let me introduce the witnesses invited today from the Marianas.

Governor Ralph Torres. Under his watch the economy of the Marianas is reviving after many years of negative growth.

And Mr. Jim Arenovski, a Marianas businessman, who in a very entrepreneurial and public-spirited way responded to the need to better train local workers so they have the skills to replace foreign workers in our economy.

I thank them both for coming all the way from the Marianas on very short notice. Their willingness to do so underscores the urgent need for the Senate to act.

H.R. 339 does three simple things:

- Provides an additional 2,002 foreign worker permits for the Marianas for this fiscal year only;
- Bars future use of these permits for new construction workers; and
- Increases the permit fee so there is more money for training US workers to fill jobs now held by foreign workers.

Why is this necessary?

After a decade of negative GDP the Marianas economy has begun to grow.

The growth comes from increased tourism.

With increased tourism comes demand for resort development.

To build resorts has required a sudden influx of construction workers—largely from China, because Chinese investment is funding the building.

This sudden influx of Chinese workers used up about 5,000 of the special, Marianas-only foreign worker permits provided under federal law—CW permits—of which there are only a limited number each fiscal year.

And USCIS cut off further applications for this year on October 14.

That meant existing CW permit-holder expiring between now and September 30 cannot apply for renewal. Nor would CW permits be available, if they could apply.

Who are these CW holders being crowded out?

They are medical professionals working at our only hospital and at public and private clinics. They are workers with technical skills and firm-specific experience built up over time that many of our local businesses rely upon. They are not easily or quickly replaced.

So, my bill provides 2,002 additional one-year permits—available only for the rest of this fiscal year. This will help the hospital and those local businesses that are going to be short of workers just when business opportunity is growing. Not the situation we want business to be in.

In addition to this very short-term relief, H.R. 339 also addresses the causes of the problem:

1. The influx of Chinese construction workers, and
2. The lack of skilled U.S. workers to fill the gap.

H.R. 339 bars future use of the limited CW permit for temporary construction workers. Federal law already provides for an unlimited number of H-2B visas to bring workers to the Marianas for temporary work. H.R. 339 forces employers to do so.

H.R. 339 also forces all employers to pay more to train U.S. workers to take over jobs now held by foreign workers—our ultimate goal. To date over \$9 million has been collected and we have added 2,000 U.S. workers to the labor force. But we need to train more and we need to train faster. H.R. 339 increases the fee from \$150 to \$200, so we have the resources to do that training.

I have used up my time. But I have summarized my bill as succinctly as I can:

- It is a temporary fix to a temporary problem;
- It is urgent that the Senate act. Because losing foreign workers on whom businesses are dependent will immediately hurt the economy; and
- My bill includes permanent provisions that will help ensure we do not have this same problem again.

Thank you again, Chairwoman Murkowski, for giving us this opportunity to make our case.