



VISITORS BUREAU

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June 28, 1985

Honorable Lorenzo I. Guerrero
Chairman, Committee on Finance and
Other Matters
Second Northern Marianas Constitutional
Convention
Saipan, CM 96950

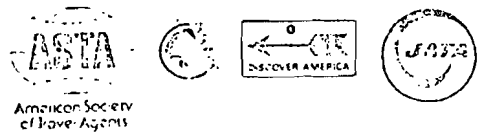
Dear Chairman Guerrero:

Thank you for inviting us to comment on several proposed amendments to the Commonwealth Constitution. We received only yesterday afternoon the notice of public hearing, scheduled for June 28, thus the lateness in submitting our testimony. Our comments as they pertain to subject proposal are as follows:

On Proposals No. 5-85, 68-86, 85-85, 99-85, we feel that these proposals are of policy level and not within the jurisdiction of the Marianas Visitors Bureau. Therefore, we ask that you waive input by our office on these issues since it is not within our official designated responsibility.

On Proposal No. 108-85, relating to entertainment expenses: The requirements proposed are somewhat restrictive. As it reads in the proposal, the Governor will be prohibited from including local officials when hosting receptions to welcome visiting dignitaries. If local officials were to be invited to such occasions, the alternative opened to them will be either to turn down the invitation or the pay for their own expenses. This will put local officials in an awkward position.

Proposal No. 110-85, "To amend the Constitution of the Northern Mariana Islands to require Legislative Review and Approval of all autonomous and semi-autonomous agencies of the Commonwealth Government." Every year the Bureau submits annual budget both to the House Committee on Appropriations and the Senate Committee on Fiscal Affairs for review. However, final version of our budget is approved by our Board of Directors sometime in September for subsequent fiscal year. This allows our Board to review carefully our programs as needed to carry out effectively our responsibilities.





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Our operating budget is based on anticipated revenue primarily from our share of occupancy taxes, container taxes, and membership contributions. When Marianas Visitors Bureau was established in 1976, the industry agreed to tax itself for its funding and the Bureau provides the avenue in which the private industry combine efforts with the government to ensure that the resources from both the private and the public sectors are spent efficiently and effectively. We stress the need for flexibility to authorize our expenditures according to tourism industry trends. Of course, this is within the actual revenue received. Our operations and programs are unique in that we are affected by various external factors outside our jurisdiction, such as airline seat capacity, natural disasters, and world-wide economy.

We hope that you will consider our above comments in your deliberation.

Sincerely,

J. M. GUERRERO
Managing Director

