## 1/20/12

There's an oft-repeated adage that says, "It takes money to make money." And while it's been shown that that isn't always the case, nonetheless it is true often enough to make it worth noting. In order to make money selling fish, the fisherman first needs money to buy the equipment needed to catch whatever fish he's decided to try sell. To make money renting apartments, a landlord first needs money to build or buy the apartments he plans on renting. To make money teaching, the teacher first needs money to acquire the required credentials. There may be a deficit in the short term, but once the business is up and running - assuming it's legitimate and properly organized - it will show a profit, overcoming and paying back the short-fall it may have experienced in the start-up phase.

Unfortunately, the concept is one that the CNMI's administration, its governor, do not seem able to understand. Yes, it would cost the CNMI something to participate in the federal government's Supplemental Nutrition Assistance Program (SNAP) - since the CNMI would be required to pay some of the administrative costs. But in actuality, the CNMI would make money, since SNAP would allow more people to buy more food, giving more employment to farmers who raise the food, more income to the people who sell it, and more revenue to the government in personal income and business gross receipts taxes, among other things.

Not to mention SNAP's basic purpose - to ensure that those who cannot otherwise afford it have access to nutritious foods, and are able to provide healthy foods to their children, their families. One could - and should! - also argue that the food stamp program is an insurance program of sorts - healthy bodies make fewer claims on costly medical services now and in the future. It would appear that the CNMI administration, its governor, are taking the same stance in regard to Medicaid funding. More funding is available, provided the CNMI pays a share of the administrative costs. Again, while it may create a deficit in the short term, in the long run, the CNMI will save money because Medicaid's preventive health care services will reduce health problems and the over-all cost of health care, as well as generating cash flow in the economy as health care providers spend their earnings in the local economy.

Would it help if the legislature passed a resolution urging the governor to change his stance? if the resolution were worded in a manner that absolved him of blame should there really be a deficit? Would the legislature be willing to do that? Is there a better idea out there that would allow the governor to change his mind - and save face?

The need is obvious. The problem is in the doing. And as Wendy Doromol has pointed out in her blog, "Unheard no more," what also needs fixing is the recently passed and possibly illegal local policy of denying food stamps to U.S. citizen children if their parents lack USCIS documentation of their status.

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Another even more egregious (conspicuously bad) short-coming on the part of the administration and the governor is their lack of concern for the viability of the Commonwealth Public Utilities Commission. According to Public Law 15-35, its enabling legislation, the CPUC, which governs the Commonwealth Utilities Corporation, is made up of five members; three members constitute a quorum. At the moment there is only one.

To get around that, the legislature passed - and the governor signed - P.L. 17-34, which allows operation of CPUC with only one commissioner for up to 60 days, with a 30 day extension if

authorized by the governor. CPUC was left with only one commissioner as of November 1st. The governor has since issued an extension, so that the 90-day grace period ends January 31 or thereabouts. According to the law, "Upon expiration of this 60, or 90 days, another PUC commissioner must be appointed for PUC to continue to act."

Time is running out, and there's been no word from the governor, who is responsible for appointing CPUC commissioners. Will CUC be left to flounder? Will the governor issue an executive order, and take over operation of the CPUC as well? or will nominations appear at the last minute, backing the legislature into a corner to get them confirmed sooner rather than later?

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The responses to last week's "Opinion Meter" in the *Saipan Tribune* were unsettling indeed. Asked if they believed no one could tell how they voted in a CNMI election, more than a third of those who responded (52 of a total of 143 votes cast) said they did not believe that. In other words, they believed that others could tell how they voted.

Granted that it took three days for the question to be properly presented (initially, voters were given a choice of "yes or false" instead of "true or false;" the question had read "no one knows" as opposed to "no one can tell"), nonetheless, the totals are alarming. Unfortunately, there's no way of knowing to what extent the response was due to the flawed format of the poll, or to a genuine belief that others can find out how one votes. To the extent that it is the latter, it would seem that more effort is needed by all those involved in the voting process to ensure that votes are private and confidential, and to make sure that voters know about those efforts. What voters do in the voting booth should be known only to the voters themselves.

The point is critical to the CNMI and its future well-being. So long as voters believe that others can tell how they voted, in order to protect their jobs and peace in the family they will, in all likelihood, feel compelled to vote as their friends, families and bosses tell them to, regardless of how they themselves might feel.

Change can come to the CNMI only when people believe that the ballot box is secure, that their vote is confidential, and that no one can tell how they voted unless the voters themselves reveal that information.

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Too bad the Saipan delegation won't get out of the way and let the Zoning Board do its job. Amendments to the zoning code have been awaiting legislative approval for months, but there's been no action on the hill. Instead, individual legislators listening to single constituents draw up legislation specific to a particular concern, modifying the zoning code in bits and pieces, incoherently.

What they don't seem to realize is that it is not their job as legislators to solve each and every problem of their individual constituents. Their job is to provide the over-arching policies, standards and structures that will benefit all of their constituents. Particular problems that individuals have with government should be taken up with the agency concerned. That's the responsibility of the administrative branch.

For the legislature to interfere with the functions of the administrative branch - of which the zoning board is but one example - is not only interfering micromanagement, but it is also a

violation of its function. Maybe the legislators need a refresher course in how government is supposed to operate - what the appropriate functions are of the three branches of government?

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## Short takes:

- At least the governor has not stood in the way of repeal of the Beneficiary Derivative Act, signing it into law, surprisingly enough and contrary to the usual pattern, almost as soon as it reached his desk. Repeal will allow the Retirement Fund to once again hire investment consultants and money managers, and to place the dwindling monies still in its possession into more remunerative investments than have been available under the BDA.

- First there was a wave of Japanese investors. Then came a wave of Chinese. Now it is the Koreans (the *Trib* reported today that a Korean firm has bought both Pacific Islands Club and the former Nikko Hotel). Though the evidence of a growing Korean presence in the CNMI has been pretty obvious, little notice appears to have been taken until now. It would behoove the Saipan Chamber of Commerce, the government, the legislature and the Marianas Visitors Bureau to pay more attention, and expend some effort to make sure that this new wave of investors is made to feel welcome, that their needs are recognized and accommodated.

- Sobering thought: The "Pacific Way" - of settling disputes through consensus - would seem to have become a thing of the past, at least in the CNMI. In another U.S. entity, American Samoa - with a population similar in size to that of the CNMI - the bar association has only 50 members. In what has clearly become a far more litigious society, the CNMI's Bar Association has 311 members, more than six times that number.

- Another sobering thought: why is a huge warehouse-type building being constructed on Middle Road in the Puerto Rico area when there must be at least a dozen deserted buildings all over island that probably could have been converted to whatever the PR building will do at half the cost of the new construction? There's a niche for some entrepreneurial soul: inventory all the empty buildings on island; research the ownership and current status; offer to work with whatever developer/investor has a need or interest to obtain rights to the building and to retrofit it to suit the new owner/lessor's needs. What a win-win situation! The deserted building gets refurbished. The lessor gets a new lease. The new lessee gets a bargain, and the entrepreneur earns a commission. Sure would help the landscape!