3/23/12

The *Marianas Variety* ran a story in yesterday's paper about a 'mini-city' proposed for the area in Marpi formerly occupied by the Far Eastern Broadcast Company. According to Department of Public Lands Secretary Oscar Babauta, the story said, a company by the name of Sunshine 100 - with the assistance of Tan Holdings - is planning to build a five-star hotel as well as high rise residential and commercial condominiums on the land and on neighboring lots it hopes to acquire as well.

It is difficult to take seriously this latest cockamamie scheme being promoted by DPL. In the first place, not one of its previous schemes - and there have been any number - has come to fruition. In the second place, there are some daunting obstacles to overcome. The area is rather isolated, and not connected to any of the island's infrastructure - there are no water pipes in the area, there is no waste-water system in the area, there is no power in the area. Just building the waste-water system for such a large projected occupancy would cost hundreds of millions of dollars, particularly given an earlier study of the area that indicated the soil was not conducive to septic tank construction. Given its location, protection of the underground water table would also be a major concern.

There is, moreover, only one single-lane coral road into the area. Widening the road to accommodate construction, much less commercial traffic, would also seem prohibitively expensive.

And what about existing hotels? There isn't enough tourist traffic to fill them as it is. Who would fill the rooms at the Marpi site?

A major investor might better build a convention center in the foothills, a performing arts center, a cable car between Garapan and Mt. Topachau, or enlarge our museum, or the hospital so it can accommodate foreign elderly tourists - something that will attract more tourists to the CNMI and encourage them to spend more time here, rather than simply provide more beds but no other incentive.

There is also, of course, the issue of zoning, and the conflict between preserving Saipan's greenery and destroying it for the sake of commercial development. Given the results of the Marianas Visitors Authority newly released tourism plan, and its emphasis on natural beauty and environmental conservation, Sunshine 100's plans would seem to run completely counter to prevailing wisdom.

At the moment, prevailing wisdom is particularly hard to find in the matter of the Retirement Fund's dilemma. In his March 19th ruling in the court case on the issue of funding for the RF, Judge Govendo identified 15 "suggested solutions." If one adds a casino, which interestingly enough was not on his list, and a pension cut across the board, which wasn't included either, there are 17. In terms, however, of how soon any of them could be implemented, and how effective they would be, the list shrinks considerably. Four of the suggestions - for a casino, for a pension obligation bond, for allowing 99-yr leases on public lands, for allotting 25% of the budget to the RF - would require a constitutional amendment, which could easily delay enactment by as much as a year, since the vote would not occur til eight months from now, and it could take another four months or more to implement the proposal, assuming it even passed.

Two more - to establish a value added tax; or to eliminate the gross receipts tax, impose a sales tax, and remit 100% of the sales tax to the RF; would require extensive changes to the tax code and regulatory procedures, and could, therefore, also take many months to implement, particularly given the present animosity between the House, Senate and the governor.

Three would face enormous opposition: stop funding of scholarship programs, levy an excise tax on off-island retirees, and cut pensions across the board - and therefore would not have much chance of success in any case.

Turning 100% of the tax rebate over to the RF would require legislative action, and, again, given the present animosity among players, would not seem likely, though it would be a workable solution.

Another suggestion calls for the appointment of a task force, giving it 120 days to come up with a solution, but with at least a month to assemble the task force, it would be five months or more before a solution would be identified - assuming the task force could come to an agreement at all - and depending on the solution, even more time to implement it.

Three suggestions - to place a cap on all future pensions, to assess interest in over- and underpayments of pension benefits, and to set a maximum and minimum threshold for reduction of benefits - are within the purview of the Retirement Fund, though even here there could be delays due to questions of constitutionality. Provided the newly-confirmed fourth member of the board, former Board vice-chairman Adelina Roberto, is authorized to call a meeting (the term of the president of the Board has expired, and he has not been re-confirmed) the suggestions hopefully, together with correction of abuses, which Govendo's list did not include - could otherwise be implemented fairly promptly, but whether they would generate enough revenue to prolong the life of the Fund is not certain.

In fact, how much revenue any of the suggestions would generate, and how the suggestions compare in terms of generating enough revenue to significantly prolong the life of the Fund is not known.

Of the three remaining suggestions, assuring retirees retention of their health and life insurance would not save any money; moving employer contributions from percentage to dollar figures is beyond my capability to evaluate; and the last, receivership, would indeed seem the most feasible - i.e., able to be done apolitically, able to be done promptly, and, hopefully, able to be done most wisely.

To those who might object to the prospect of being taxed to support the Retirement Fund when they are neither retiree nor government employee, the fact of the matter is that they helped create the situation that now exists, and are therefore equally obligated to resolve it. An excellent letter to the editor that appeared in the *Saipan Tribune* on March 8, says it all: < http://www.saipantribune.com/newsstory.aspx?newsID=117082&cat=15>.

Has anyone apologized to the captain of the Queen Mary 2 for the harassment of those "Saipan officials" who, according to a story in Monday's *Marianas Variety*, had tried to insist on conducting a "full-face immigration check on every single passenger and crew" - even though it had already been decided that, due to the choppy waters, neither passengers nor crew members

would be disembarking? Whoever it was at the *Variety* who found the blog describing the incident deserves kudos for perseverance, creativity, search skills, or whatever it was that led to discovery of the story. See < <u>http://www.mvariety.com/2012031844877/local-news/blog-entry-</u> <u>queen-mary-captain-threatened-complaint.php</u> >.

We certainly hope so. Without a sufficiently sincere and remorseful apology, the captain will hardly be inclined to try bring his ship to Saipan again, nor will his company, nor will his colleagues who are bound to hear the story sooner or later. The CNMI cannot afford the damage to its reputation that the encounter has inflicted, and the sooner appropriate amends are made, the better.

Though insightful, the story still doesn't answer the question as to why having the Queen Mary 2 pull in to the dock was still being discussed just days before the ship arrived - when some people are said to have known months earlier that the turning basin would not accommodate her.

Short takes:

Belated congratulations to the *Variety* on the 40th anniversary of its first publication. Too bad someone there, not satisfied with celebrating its achievements, felt it necessary to make snide remarks about its competition.

Each of the papers has its short-comings; one gets a much better picture of reality if one reads them both. Both carry syndicated columns that offer quickie insights into the national psyche - the *Variety's* much more conservative than the *Trib's*. The tv news adds yet another dimension, but even so, relying on any media is risky at best. When it really matters, it pays to check items at the source.

- One can only wonder. The governor has finally acted, and vetoed House Local Bill 17-26, saying it called for spot zoning which is illegal. The bill had proposed a number of amendments to the zoning code brought together by the zoning board, but also included numerous floor amendments added by Representative Stanley T. Torres that would have, in effect, gutted most of the code.

- The Senate's rejection of Viola Alepuyo's re-appointment to the Commonwealth Public Utilities Commission is short-sighted indeed. It isn't as though there are dozens of likely candidates just waiting to be asked. It is a difficult job. The requirements are rigorous. She was placed in a very difficult situation as its sole member toward the end of her term, yet she managed to do all that was required, on time, and with due diligence. Few others would have managed as well. The Senate should be grateful that she's even willing to serve another term.

- Tanapag village said good-bye to its parish priest, Father Aurelio Stoia, this past week-end. Father Art, as he was fondly known, broke all precedent by walking through the village on a regular basis, getting to know parishioner and non-parishioner alike. During his term, the church's statue of Santa Remedios - dating back to Spanish times and thought to be the oldest religious artifact in the CNMI - was beautifully refurbished, with the help of CNMI Museum Director Rob Hunter. Father Stoia had been "on loan" from Guam. He will be missed.