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What worrisome times! There's not only the over-arching concern with the islands' failing economy, but there are also the more immediate worries about the viability of the islands' health care system, the conflicting opinions about the future status of land ownership, the dire status of the government retirement system. Everyone with opinions - often voiced at great length and with some ardor - no one with realistic, workable, effective solutions.

It does not help - in fact it makes it worse, exacerbating the situation - that those in a position to resolve the problems: the legislature, the executive branch, have done so little to do so. Having seen the problems coming, all they have done is float one impractical idea after another, work against each other when good ideas do surface, and let sit on desks, in committees, any workable solutions that may have been put together.

Worrisome is beginning to turn into something more as the frustration of those affected has now led some of them to talk of taking things into their own hands.

The problem is that, even now, there are no good answers. If, to consider extremes, the government were to be overthrown - its leaders somehow recalled - nothing has been drawn up to take its place. It would be total mayhem and confusion. Even if, to consider a less drastic scenario, there were to be a sit-in at the legislature, there is still no consensus as to what it is the protestors want the legislators to pass. Without specific, tangible proposals that have gained wide-spread support, such protests might be dramatic, but would accomplish very little.

As to health care, the most dire of the three main issues - in that the lives of all of the residents of the CNMI are affected - what would seem to best serve the interests of all concerned would be, first of all, an agreement to erase the past, drop the injured-ego poses, and resuscitate the ICS contract on terms that would satisfy all the parties involved. This would at least bring billing and accounting under control, a vital first step towards fiscal solvency. The assignment of an experienced attorney to CHC would also help. Are those so difficult?

Though the governor now is said to be pursuing privatization of CHC (wasn't that the original intent in creating the corporation?), the statement offers little real hope, given the many other promises he has made that have not come to fruition.

The Article XII controversy - land ownership by people not of Northern Marianas descent - has been severely handicapped by the nature of its primarily "either-or" approach: either people not of Northern Marianas descent should be able to own land or they should not. Alternatives other than diluting the percentage of NMD required, or extending the lease period, do exist, however. One that comes from a local attorney: changing the definition of who it is that can own land. For example, one could limit the ownership of land in the CNMI to registered voters who had resided in the CNMI for a period of three - or five - years (or some other period) as of 2010. That should assure that no fly-by-night investors could own land, but would give people who have shown evidence of commitment to staying in the CNMI for a while a chance to own their own home instead of paying rent forever.

With the Senate having killed the original legislative initiative regarding Article XII, might it be willing to consider the alternative? Such a compromise might satisfy people on both sides of the issue, and avoid the either/or question that the popular initiative to repeal Article XII poses.

Grabbing the biggest headlines of late is the issue affecting the smallest number of people - the imminent collapse of the Retirement Fund. The Commonwealth Retirees Association does have a plan of sorts that was, in fact, voted on by those in attendance at the CRA's meeting earlier this week: that a committee be formed (yet another one!) to find resolution, and that a Constitutional amendment be passed eliminating the provision that a government employee may retire after 20 years of service. It also recommended the floating of a pension obligation bond.

The problem is that those solutions are not very workable, practical. It is not at all clear, for instance, that an initiative amending the Constitution to eliminate that 20-year provision would even get on the ballot, nor if it got on the ballot, that it would pass, despite the fact that it makes eminent good sense. Even if it did get on the ballot and did pass, it would provide no revenue to help the present situation - it could only help in the future.

As the front page story in today's *Marianas Variety* makes clear, neither does the CNMI stand much of a chance of getting a favorable rating if it were to float a bond, because its history of repayments is so poor. The high interest the CNMI would have to pay would only cause the CNMI to go deeper into debt. Moreover, CRA's president, Larry Cabrera, proposed that a portion of the retirees' pension be set aside as security for the loan, a very risky proposal, given the CNMI's poor record of meeting its financial obligations. Bill Stewart, noted author and economist and long-time CNMI resident, cautions, **"Retirees should be forever watchful that this money (the Fund's investment money or the government's employer contributions), which belongs to all retirees and no one else, is never placed in jeopardy or used to guarantee bond payments or their redemption. Any source of funds used to redeem bonds should be paid off from government internal revenue sources and certainly not from money belonging to retirees."**

Most of the myriad of other suggestions being offered either would take more time than is available before the Fund runs out of money entirely (as would be true of Constitutional amendments), do not generate enough money to be worth the effort, or are so unrealistic as to hardly be worth discussing.

The case is in the federal court, and while the Bankruptcy Trustee filed a pretty persuasive motion as to why that should be dismissed, the other side has not yet been heard from. One can hardly imagine that the noted bankruptcy firm of Brown, Rudnick, LLC, hired by the CNMI Retirement Fund for the bankruptcy proceedings, did not expect such arguments, and is not prepared to offer an equally persuasive argument why, indeed, the case should not be dismissed. The hearing on its motion will take place June 1, 2012.

The Chapter 11 bankruptcy filing is a good solution for the RF and the retirees because by its very nature, it will assure the continued existence of the Fund, rather than its liquidation and demise; it provides for input by the retirees themselves through the creditors committee; it takes the action out of the hands of local politicians; and, perhaps most important, it allows for a restructuring of the retirement plan not available outside the federal court. This means that existing abuses can be cut, a ceiling on monthly payouts could be set, and a minimum floor could also be set, thus halting the hemorrhage of payouts that has been plaguing the Fund for decades. Many retirees, unfortunately, have been blind-sided by numerous pieces of mis- and dis-information and thus do not support the bankruptcy petition. Seemingly, they prefer to believe that since a pension is guaranteed by the Constitution, they will continue to get their full pension

- that the government will provide. They do not seem concerned as to just how that is supposed to happen given the present state of the economy.

They have been panicked by stories that their pensions will be cut by 58%, when this is but one alternative that has been proposed, and has yet to be discussed by the creditors committee, and has yet to be approved by anyone.

They are aghast at the high cost of the Brown Rudnick LLC attorneys, little realizing that bankruptcy is a complex area of the law; that Brown Rudnick has provided assistance **at no cost** to the CNMI RF for nearly a year in preparation for the bankruptcy filing; that the firm has agreed to cut its fees in half, given the state of the CMI economy; and that if the CNMI is to be successful in surviving the proceedings, only expert help will allow it to do so. One gets what one pays for, in other words. Besides, the amount involved is minuscule when compared to the \$300 million at issue.

They are being seduced by the governor's promise to find a solution, despite the fact that other promises he has made have not materialized.

They misguidedly believe that U.S. Social Security can bail them out when not only is the U.S. program also facing funding problems, but without the contribution of huge sums of money to the U.S. Social Security system, there is no way it could take on the pension obligations of present retirees.

Presumably, answers to at least some of the questions on the minds of all those involved will be known by mid-June, the date when full pension payments to retirees are set to cease. In what form they will come is not certain - perhaps a ruling on the motion to dismiss will have been issued by then.

Retirees may sit in at the Legislature, or in the governor's office, but it is doubtful that that would accomplish anything. Better to focus on making plans for what to do should the bankruptcy filing be dismissed - subject of a whole 'nother column!

Short takes: - We're all in favor of enhancing the tourist experience in the CNMI, but Saipan Mayor Donald Flores has gone too far in his well-intentioned desire to let tourists see the view, the horizon, along Beach Road in the Susupe and Oleai areas. His crews have trimmed the Norfolk pines up so high they appear mis-shapen, no longer even resembling pine trees. And to what avail? At half the height, the view was vastly improved. There was no need to go higher. Let us hope reason prevails, and that further trimming will be more conservative.

- There's been much in the international news about the inability of austerity measures to stimulate the economy, prompted by the examples offered by Greece and France. Austerity measures only help the economy shrink more, observers say. Could the CNMI take a hint, and try to focus on stimulating the economy by pursuing expenditure of CIP funds instead? One could wish.....