

**STATEMENT
OF
NIKOLAO PULA
DIRECTOR, OFFICE OF INSULAR AFFAIRS
DEPARTMENT OF THE INTERIOR
BEFORE THE
HOUSE COMMITTEE ON NATURAL RESOURCES
ON
H.R. 560, THE NORTHERN MARIANA ISLANDS RESIDENTS RELIEF ACT,
February 27, 2019**

Vice Chairman for Insular Affairs Sablan, Republican Leader for Insular Affairs Gonzalez-Colon, and members of the Committee, I am Nikolao Pula, Director for the Office of Insular Affairs for the Department of the Interior. Thank you for the opportunity to provide the Department's thoughts on immigration matters impacting the Northern Mariana Islands Residents Relief Act.

Because the Office of Insular Affairs does not develop or regulate immigration or labor policies in the territories, the Department has no position on H.R. 560. I understand that the Department of Homeland Security sent Chairman Grijalva a letter on behalf of the Administration in support of H.R. 559, legislation similar to H.R. 560 and also sponsored by Congressman Sablan. Today, I will speak generally to the importance of immigration and investment to the Commonwealth of the Northern Mariana Islands (CNMI).

The Office of Insular Affairs is responsible for administering the Federal Government's relationship with the territories of Guam, American Samoa, the United States Virgin Islands, and the CNMI. My office also administers and oversees U.S. Federal assistance to the Freely Associated States (FAS) of the Federated States of Micronesia, Republic of the Marshall Islands,

and Republic of Palau under the Compacts of Free Association, as well as provides technical and financial assistance to all the Insular Areas. In short, my office strives to foster economic opportunities, promote government efficiency, and improve the quality of life for the people of the insular areas.

The Northern Mariana Islands began its governance under the *Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America* and the CNMI Constitution in 1978. While the CNMI has experienced short periods of economic success, such as those associated with the garment industry, by 2009 all the garment factories were gone and the CNMI government fell on hard times. It became clear then, as it remains true today—tourism and the businesses that support visitors to the Commonwealth are key to its future and a healthy economy. To ensure its success, the Commonwealth needs access to a strong and reliable labor market for the construction and reconstruction of hotels and tourist-related businesses, including a budding gaming industry, as well as access to utility workers and to a reliable healthcare workforce to maintain an adequate hospital and clinic system. The supply of United States workers in the Commonwealth will not meet the need today, or for the foreseeable future, as Congress recognized last year when it significantly raised the annual numerical caps for foreign workers under the CNMI-only CW program, and extended that program as well as the CNMI and Guam exceptions to annual limitations on H-1B and H-2B foreign workers through 2029, to address that concern.

In 2008, Congress passed and the President signed the Consolidated Natural Resources Act (CNRA) of 2008. Congress expressed in the new law its intent that the Executive Branch should minimize, to the greatest extent practicable, adverse effects on the CNMI's economic

development potential or its fiscal sustainability from phasing in Federal responsibilities and policies over immigration in the CNMI. Specifically, the statute states in Section 701(b):

In recognition of the Commonwealth's unique economic circumstances, history, and geographical location, it is the intent of the Congress that the Commonwealth be given as much flexibility as possible in maintaining existing businesses and other revenue sources, and developing new economic opportunities, consistent with the mandates of this subtitle. This subtitle, and the amendments made by this subtitle, should be implemented wherever possible to expand tourism and economic development in the Commonwealth, including aiding prospective tourists in gaining access to the Commonwealth's memorials, beaches, parks, dive sites, and other points of interest.

In 2018, Congress again recognized the need for CNMI to sustain its labor force by passing the Northern Mariana Islands U.S. Workforce Act of 2018 (Public Law 115-218), which extended the important immigration transition program provided under the CNRA. As part of the Act, Congress directed the Department of the Interior to report by October 1, 2019, describing our fulfillment of responsibilities to provide technical assistance to the Commonwealth of the Northern Mariana Islands in the following areas: (1) to identify opportunities for economic growth and diversification; (2) to provide assistance in recruiting, training, and hiring United States workers; and (3) to provide such other technical assistance and consultation as outlined in section 702(e) of the Consolidated Natural Resources Act of 2008. We expect to meet this deadline.

In closing, today, millions of dollars are being invested in casino and hotel facilities for which construction workers are likely to be necessary. Having experienced the devastation of three super typhoons in four years, reconstruction is critical not only for the private sector to sustain

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itself, but for the Government of the Commonwealth to endure. Tourism dollars are essential to the continued recovery in the Commonwealth

Without a sustained labor force, projected investment in the CNMI likely will wither. I believe my colleague from the Government Accountability Office will address projections on the importance of a sufficient labor force for the economy of the CNMI.

I appreciate the opportunity to provide the Department of the Interior's views on these important issues. I am prepared to take any questions the Committee may have.

Thank you.