

**WRITTEN TESTIMONY  
OF  
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BEFORE THE  
U.S. SENATE COMMITTEE ON ENERGY AND NATURAL RESOURCES**

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Good morning Chairman Murkowski, Ranking Member Cantwell, and Honorable Members of the Committee:

I thank the Committee for holding this hearing on HR. 339, the Northern Mariana Islands Economic Expansion Act, and for allowing me this opportunity to provide testimony in support of this legislation and in support of the economy of the Commonwealth of the Northern Mariana Islands (“CNMI”).

HR. 339 is a necessary and important piece of legislation that will improve our capacity to transition into the US immigration system, and provide the CNMI the short-term relief it needs to retain critical employees for the economy and provide for the well-being of our population, especially in our health care system. In this testimony, I wish to provide this committee with additional information to support HR. 339 and to underline the unique circumstances the CNMI faces as we try to improve the quality of life for our residents to a measure equal to that of the rest of the American community.

When the CNMI entered into the immigration transition period, authorized by Public Law 110-229, the state of the economy was in dire straits. The economy at the time had reached record lows. By 2009, our Gross Domestic Product was in its fifth consecutive year of decline, and, within a depressed economy, there existed minimal job opportunities for all who lived on the islands.

In fact, it is interesting to note that it was only a few short years ago during the midst of the economic collapse in 2008 that the CNMI came before this very Committee, to speak toward the inability of the Commonwealth to sustain increases to the minimum wage.

The economy of the CNMI today, while not completely rebounded from its years of depression, is showcasing a different reality. Today’s economy has the ability to hire and retain US-eligible workers, to support rapidly increasing wages, both those which have risen by federal law and those that have increased organically through growing labor demands, and to grow its economy in a competitive and globalized marketplace. In the face of a wide array of structural constraints on the growth of small island economies such as ours, the remarkable nature of the CNMI’s resurgence cannot be understated.

What makes me especially proud is that the growth of our economy is, more than any time in recent memory, built and sustained by US-eligible workers. Employment of domestic workers has increased by nearly 19% since its 15-year low in 2012. The CNMI today has more domestic workers in the labor force than any other time since 2004, and, in line with the goals of Public Law 110-229, today the CNMI can boast the highest ratio of domestic to foreign workers since the beginning of our modern economy in 1990.

I will be the first to tell you that there is still much work to accomplish. There are still those in our economy without a job, and if I could place each of these individuals into a vacant position I would, but the realities of situation on the ground are not that simple. Education, skill sets, certifications, health and drug abuse still present increased barriers in much the same way it does throughout the US national labor force.

But I will continue to do all I can to ensure every able bodied US-worker in the CNMI finds lasting employment. In looking at the best examples from across our nation, I see one solution to increase US citizen employment that has proven itself time and time again to be successful - grow the economy.

Yet, the ability for our economy to grow is limited by simple math. The truth is the CNMI does not have the enough workers in all of the various fields and specialties to sustain the economic growth we need to avoid falling back into the severe economic depression we witnessed only a few short years ago. What filled this unmet demand for workers in the wide array of occupations in the CNMI and has allowed the economy to grow and to increase jobs for US-eligible workers has been the Commonwealth-only transitional worker (“CW”) program.

Fiscal Year 2017 marked the second consecutive year in which the CNMI economy reached its numerical limitation of permits under the CW program. These instances have highlighted what I believe to be the two main areas why HR. 339 is so important, namely that there exist structural issues within the transition period that have limited the efficacy of the transition period and that CW permit holders remain a critical component of the CNMI economy and community.

Two years ago, I requested the US Customs and Immigration Services review the issuance of CW permits to individuals in the construction trades. In my view, CW permits were only for job categories not available under existing visa classifications, and that construction workers could be sourced through H2-B visas. As we look back at the CW permits issued in the last two years, it is evident that a large majority of the new permits that have led to the shortage have been in the construction trades. Removing construction workers from the eligible job categories for the CW permit will force employers to go to better suited visa classifications and alleviate the limited CW permits for occupations that are crucial for the overall economy and the needs of the people.

The other need I want to speak to is not only essential for the economic growth of the CNMI but also the directly vital to the livelihood of the people living in the Northern Marianas. This year, as a result of reaching the FY 2017 numerical limit on CW permits in October 2016, the CNMI’s sole hospital is facing a manpower crisis that will affect its operations and endanger the lives of the people they serve. Starting from this month to the end of this fiscal year, the hospital is set to lose 39 nurses whose CW permits expire without any available slots for them to renew. In most other

jurisdictions 39 nurses may seem like an insignificant number, but in the CNMI the effects are certain to be dramatic.

According to the Commonwealth Health Care Corporation's ("CHCC") Chief Operating Officer ("CEO"), following the loss of departure of these nurses, the remaining nursing staff will have to be reassigned to cover the critical units. Forecasting for the potential loss of 5 nurses assigned to the Emergency Department, the CEO plans to reassign nurses from the Surgery Department to cover the load. This necessary reassignment will potentially discontinue all elective surgeries, creating a back log that may take years to erase, while off-island medical referrals increase and general health of the population declines. This situation will only compound as they are set to lose nurses from Pediatrics, the Intensive Care and Neonatal Intensive Care Unit, the Hemodialysis unit, and from the Labor and Delivery Unit. From the moment of birth to the time of death, and nearly every significant point in between our hospital will lose the critical staff that are needed in these moments of incredible vulnerability in a person's life.

While but one notable and important example, the concerns we share for the hospital highlight the difficulties the CNMI faces in filling available positions with qualified and unemployed US-eligible workers. Despite their sincere efforts, the hospital has been unable to hire US-eligible and qualified nurses that are not already employed by CHCC or private clinics. Additionally, while, the Northern Marianas College offers a nursing program, it does not offer degree programs in laboratory, pharmacy or radiology, which are of critical demand.

The loss of these nurses if there is not a momentary increase in this year's numerical allocation will directly affect the lives and safety of the people of the CNMI, and it certainly is one of the most critical concerns I wish to bring to the Committee's attention. However, to many varying extents, this situation is repeating itself across all sectors. Labor shortages are causing businesses to make difficult decisions on reducing hours of operation, planned closures, and many are uncertain of their ability to succeed in the CNMI.

I hear the concerns of the business community in the CNMI, and I feel the anxiety among the many families, both US citizen and foreign, over what the future may be for the islands. I too am concerned over the ability for our hospital to operate effectively, over retaining government resources to improve public services, and maintaining an economy that will help alleviate the widespread instances of poverty.

Because of these concerns, it is my obligation to do all I can to offer my wholehearted support to work with your Committee and the US Congress in finding out what is possible, how your concerns can be addressed and how we can agree to allow our small islands the opportunity to improve and stand on our own feet among our fellow members of this great American community.

In the past several years and in the many discussions I have shared with some of the Honorable Members of this Committee and others throughout Congress, I have heard your concerns, agreed with many of them, and am taking steps to find solutions as best I can. For instance, we are altering the manner in which we are utilizing the CW Worker Fees, in order to more efficiently train the next generation of US Workers, but also do so in a clear and transparent fashion. Our Scholarship Office is taking on renewed effort to realize a return on the investment the CNMI government

made on their educations. This last year, provided the record for collections on scholarship recipients who have not returned home, but we do not need their money, we need their skills. That is why I am proud of the progress we are making toward bringing our students back home. This last year, more than half of scholarship recipients were working in the CNMI after graduating college. This is a number I hope to build upon and as more opportunities are made available in the CNMI with higher wages, I am hopeful for real progress.

In conclusion, I ask for your support of HR. 339 and other measures that would allow the CNMI to grow and become a productive member of the American family. I am willing to work with the members of the Committee to discuss this important issue further. The simple truth is we need federal action to be allowed to succeed. I am not requesting a bailout, and I will do all I can to protect our fragile economy so that the CNMI does not become a ward of the federal government. All I am here today to ask is your willingness to have open conversations about how we can find success in the little, beautiful part of America 8,000 miles from this chair.

Thank you Chairman Murkowski, and Honorable Members of the Committee again for allowing this hearing to take place and recognizing that this is an issue of great interest and significance to the CNMI. I look forward to working with the members of this Committee in the days, weeks, and months ahead.