



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

JUN 28 2017

The Honorable Lisa Murkowski
Chairman, Committee on Energy and Natural Resources
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman Murkowski:

Enclosed are responses prepared by the Office of Insular Affairs to the questions for the record submitted following the April 27, 2017, legislative hearing on *H.R. 339, the Northern Mariana Islands Economic Expansion Act*.

Thank you for the opportunity to provide this material to the Subcommittee.

Sincerely,

Christopher P. Salotti
Legislative Counsel
Office of Congressional and
Legislative Affairs

Enclosure

cc: The Honorable Maria Cantwell, Ranking Member
Committee on Energy and Natural Resources

U.S. Senate Committee on Energy and Natural Resources
April 27, 2017 Hearing
H.R. 339, the Northern Mariana Islands Economic Expansion Act
Questions for the Record Submitted to Mr. Nikolao “Nik” Pula

Questions from Ranking Member Maria Cantwell

Question 1: The second island chain in the Western Pacific is increasingly important to the United States’ strategic interests. The U.S. territories in the Pacific, including the CNMI, play a critical role in facilitating the distribution of more U.S. defense assets. Additionally, it is crucial for U.S. standing in the region that the territories demonstrate economic stability, the strength of democracy, and rule of law.

What is the Administration’s view of the strategic importance of the U.S. territories in the Pacific?

Response: The United States territories and the freely associated states are of key strategic importance to the United States. This is why the Administration proposed funding of the Palau Compact in DOD’s FY 2018 Budget.

Question 2: The Department of Commerce is tasked with collecting labor economic data and statistics in the United States, including gross domestic product and unemployment. However, the Department of Commerce does not conduct regular business in the Northern Mariana Islands which has made it challenging to get a complete economic picture. The Department of the Interior has paid Department of Commerce to collect information on the gross domestic product of the CNMI but not unemployment data.

What recommendations do you have to ensure that in the future more economic data about the CNMI is more readily available, specifically, unemployment data?

Response: The Department of Commerce produces GDP data, not labor data. The Department of Labor produces labor data for states and territories that have unemployment insurance programs. The CNMI and other Pacific territories do not have unemployment insurance programs and, therefore, do not report labor force information to the Department of Labor. The CNMI labor department can report labor force information. So far, however, they have not done so in the manner consistent with the requirements of the Department of Labor.

The Office of Insular Affairs has been communicating with the Department of Labor regarding CNMI’s Wagner-Peyser Act eligibility. The Wagner-Peyser Act provides funds to establish a nationwide system of public employment offices and one-stop career centers across the United States. Congressman Sablan introduced H.R. 1656, during the 113th Congress to extend the Wagner Peyser Act to the CNMI. Most recently the Wagner-Peyser Act eligibility was included in the recommendations of the January 17, 2017, Covenant Section 902 Report sent to the Congress by President’s Special Representative and the Governor of the CNMI.

U.S. Senate Committee on Energy and Natural Resources
April 27, 2017 Hearing
H.R. 339, the Northern Mariana Islands Economic Expansion Act
Questions for the Record Submitted to Mr. Nikolao “Nik” Pula

Question from Senator Mazie K. Hirono

Question 3: Acting Assistant Secretary Pula, in your testimony you state the Administration is willing to work with this Committee on measures to improve the CNMI’s economic well-being. Can you provide the Committee assurances that the Administration also recognizes the important role that the CNMI, Guam and all Pacific U.S. territories to our national security and strategic posture in the Asia-Pacific region?

Response: The United States remains engaged in the Pacific with Navy and Air bases in Guam with an expected augmentation on Tinian in the Northern Mariana Islands. The CNMI is also the home to several pre-positioned ships that can be deployed to hot spots on short notice. The freely associated states (FAS) of Palau, the Federated States of Micronesia, and the Marshall Islands allow transit of ships and denial of access to third party countries. The facilities in Guam, the CNMI, and the FAS provide defense against potential aggression from Asia.

Question: What steps being taken to reinforce this recognition?

Response: Presidents George W. Bush and Barack Obama proposed the shifting military personnel and assets to Guam and the CNMI. Well-publicized are plans for Guam to host approximately 5,000 new Marines, additional Navy ships, additional air assets, and the THAAD missile defense shield also tell potential enemies of our national security interests in the Asia-North-Pacific area. Moreover, the Administration has proposed a new approach to funding the Palau Compact in DOD’s FY 2018 Budget.

Question from Senator Catherine Cortez Masto

Question 4: Mr. Pula, you stated that H.R. 339 is only a stop-gap measure and that a more viable long-term solution to the labor problem is needed. Could you discuss what changes to current law the administration believes is necessary in order to address the CNMI’s labor shortage in the years to come?

Response: Mr. Pula’s statement merely noted that H.R. 339, and, from the last Congress, H.R. 5888 contained elements from which a more long-term solution to the CNMI labor shortages could be drawn. These two bills provide a starting point for discussion of options by officials from the Northern Mariana Islands and the relevant committees of the Congress.

Questions from Senator Chuck Grassley

Question 5: In your testimony you indicated that you work with an interagency group on immigration transition for CNMI. That group was established by law in 2008 when the CW visa program was created, and includes the Secretary of Homeland Security, the Secretary of State, the Secretary of Labor, the Attorney General, and the Secretary of the Interior. This group is required to “negotiate and implement agreements among their agencies” to address “at a

U.S. Senate Committee on Energy and Natural Resources
April 27, 2017 Hearing
H.R. 339, the Northern Mariana Islands Economic Expansion Act
Questions for the Record Submitted to Mr. Nikolao “Nik” Pula

minimum, procedures to ensure that Commonwealth employers have access to adequate labor[.]”¹

- a. Since those agreements were established, what efforts has your interagency group made to study and address labor conditions in the CNMI?
- b. What steps has this interagency group taken in order to keep the legislatively mandated transitioned phase-out of the CW visa category on track?
- c. Your written testimony described what you called the “Administration Position.” Was this position approved by the current (Trump) administration, or is this a position developed under the prior (Obama) administration and not yet considered or not yet approved by the current administration? Please explain.
- d. Has the “administration position” been approved by White House political leadership or was what you describe as the administration’s position developed by an interagency group of career, non-political employees?

Response: The statement of Mr. Pula did not reference the interagency group established pursuant to title VII of the Consolidated Natural Resources Act (CRNA) of 2008 (Public Law 110-229). The Department of Homeland Security chairs that group and oversaw the development of the interagency agreement to implement title VII of the CRNA. At present, DHS shoulders virtually 100% of the responsibility for the immigration provisions of title VII. DHS, therefore, would be best suited to respond to your question.

One concern expressed in the question involved ensuring “that the Commonwealth employers have access to adequate labor . . .”. The original enactment of title VII of the CNRA contained a provision whereby the Secretary of Labor would study the labor needs of the CNMI and recommend whether or not to extend the transition period, with its CW visa program. The Secretary of Labor recommended such an extension on May 27, 2014. Subsequently, the Congress removed the authority of the Secretary of Labor to analyze the labor needs of the CNMI when it passed the Consolidated Further Continuing Appropriations Act of 2015 on December 16, 2014 (Public Law 113-235).

Question 6: Of the foreign workers on CW-1 visas from 2013 to present, how many could have qualified for a different visa category for the same employment?

Response: The Department of Homeland Security is best positioned to provide the approximate number of foreign employees for whom another visa category would be appropriate.

¹ 48 U.S.C. § 1806(a)(5).

U.S. Senate Committee on Energy and Natural Resources
April 27, 2017 Hearing
H.R. 339, the Northern Mariana Islands Economic Expansion Act
Questions for the Record Submitted to Mr. Nikolao "Nik" Pula

Question: If you are not able to provide an answer to question (immediately above), please advise whether the issue was considered by your Department prior to endorsing this and other legislation proposing an increase in the CW visa category.

Response: While the Department of the Interior did not have the exact number of such visa candidates, we knew that approximately several thousand were involved. Such information was sufficient for us to recommend passage of H.R. 339, which would have a short-term effect.

Question 7: For the CW-1 permits approved for 2016, how many remained unused by workers? Has your interagency group studied or discussed the issue of unused CW-1 permits?

Response: The Department of Homeland Security is best positioned to provide the information requested.



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

JUN 06 2017

The Honorable Lisa Murkowski
Chairman
Committee on Energy and Natural Resources
United States House Senate
Washington, D.C. 20510

Dear Chairman Murkowski:

Enclosed are responses prepared by the Department to the questions for the record submitted following the May 2, 2017, hearing on the Payment In Lieu of Taxes (PILT) program.

Thank you for the opportunity to provide this material to the Committee.

Sincerely,

Christopher P. Salotti
Legislative Counsel
Office of Congressional and
Legislative Affairs

Enclosure

cc: The Honorable Maria Cantwell, Ranking Member
Committee on Energy and Natural Resources

U.S. Senate Committee on Energy and Natural Resources
May 2, 2017 Hearing: Federal Payments to Local Governments Provided through
the Secure Rural Schools and Community Self Determination Act and the Payment
in Lieu of Taxes Program and the Need to Provide Greater Fiscal Certainty for
Resource-Dependent Communities with Tax-Exempt Federal Lands
Questions for the Record Submitted to Ms. Olivia Barton Ferriter

Questions from Senator Joe Manchin III

Questions: Ms. Ferriter, President Trump's budget called for discretionary funding for the Payments in Lieu of Taxes (PILT) program at a reduced level, but in line with average funding for PILT over the past decade. The FY 2017 omnibus authorizes \$465,000,000 for the PILT program for FY2017. West Virginia is also a largely rural state and the expiration of these programs will have a greater impact on us than it will more populated states. To be more specific, West Virginia has 1 million acres of SRS eligible land and 1.2 million acres of PILT eligible land. In your written testimony you stress the importance of programs such as PILT to these counties, and you write that the Trump Administration is "interested in ensuring that the Federal government can fulfill its role of being a good neighbor to local communities."

- a. What policy recommendations do you have for the committee to ensure this program continues?

The President's 2018 America First Budget Blueprint does not have specific policy recommendations for the PILT program but does call for funding this important program as part of the discretionary budget request for FY 2018, instead of requesting mandatory funding. This reflects the Administration's commitment to America's communities in a constrained budget.

- b. What sort of reforms do you recommend considering?

The Payments in Lieu of Taxes Act, 31 U.S.C. 6901-6907, as amended, authorized the PILT program and prescribes the formula used to calculate payments. The President's 2018 America First Budget Blueprint does not propose specific reforms for the PILT program and instead proposes to continue funding for the current program within budget constraints.