

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Department of Commerce

Fiscal Year 2019 Citizen-Centric Report



Mark O. Rabauliman
Secretary of Commerce

Mission Statement

The mission of the Department of Commerce is to ensure that the policies and procedures governing the conduct of business in the Commonwealth promote sustainable economic growth, stimulate economic development and diversification, and provide a fair and equitable business environment in which both private and foreign businesses, and ultimately the people of the Commonwealth, may prosper.

Authority (1 CMC § 2451, and Executive Order 94-2 & 94-3)

The Department of Commerce was originally created under PL 1-8 (codified as 1 CMC § 2451) and later modified or reorganized through Executive Order 94-2 and 94-3, Section 302, with the separation of Labor and Immigration from the former Department of Commerce and Labor.

Activities Goals and Objective

Office of the Secretary (SOC) - The Office of the Secretary of Commerce is responsible for the stimulation, encouragement and regulation of private investment, planning, coordinating, and promoting economic policy decisions of the executive branch to enhance commerce within the CNMI through partnership with other government agencies, non-profit organizations, private sector associations, and other key partners including outside the CNMI.

Banking – The Banking division handles the licensing of the banks, foreign currency exchange companies, remittance companies, finance companies, pawnshops, securities companies.

Insurance – The Insurance Division is tasked to regulating the Commonwealth's insurance industry, and monitor financial condition of all admitted insurers.

Registrar of Corporation – The Office of the Registrar of Corporations is responsible for the issuing, and holding custody of all certificates, papers, statements, or other records and / or documents pertaining to all types of corporations, Partnership and Non-Profits Organizations.

Economic Development Division – The Economic Development Division is working to create an environment in the Commonwealth of the Northern Mariana Islands that is conducive to growing and attracting businesses.

CNMI Small Business Development Center (SBDC) – To support the growth and economic development of the U.S. affiliated islands in the Western Pacific Region by providing one-to-one confidential counseling and high quality training to existing small businesses and to small business start-ups.

Central Statistics Division – The Central Statistics Division coordinates and provides timely, quality and credible official statistics for use by local and federal stakeholders and clients for sustainable socio and economic development within the Northern Mariana Islands.

Alcohol Beverage and Tobacco Control Division (ABTC) – The Division of Alcohol Beverage and Tobacco Control is a law enforcement arm of the department, providing services to include the licensing and enforcement of industries engaged in the manufacturing , importation, distribution, sales and consumption of alcoholic beverages and tobacco products, and most recently, the enforcement on the distribution, sales and consumption of betelnut products, and community and consumer safety

Enforcement and Compliance Division – The Enforcement and Compliance Division ensures that a safe, clean, and dependable taxicab services are provided to its customers and that these services are offered at fair rates. The Division also works to ensure that buyers receive and sellers provide the weight and measure represented in all commercial transactions so that all consumers receive the true measure of what they pay for.

Workers' Compensation Commission (WCC) – The Workers' Compensation Commission administers the workers' compensation laws. One of its function is ensuring injured workers on the job receive prompt payment of lost work time benefits and attendant medical expenses.

Performance Indicators

Services and Revenues generated

Services	Note	FY 2018 Activities	Revenue Generated	FY2019 Activities	Revenue Generated
Alcohol Beverage & Tobacco Control Division		1,418	\$250,551.00	1,827	\$290,000.00
Banking (SOC)		212	\$42,380.00	169	\$53,442.00
Central Statistics Division	*	88	-	91	-
Economic Development Division / SBDC	*	239	-	277	-
Enforcement and Compliance Division		527	\$28,733.00	479	\$28,645.00
Insurance (SOC)		540	\$32,650.00	700	\$33,675.00
Registrar of Corporations (SOC)		2,746	\$223,296.00	3,103	\$260,858.00
Workers' Compensation Commission		5,437	\$47,842.00	5,629	\$70,422.00

* Note - Non - Revenue generating divisions

CNMI SBDC



Small Business Development Center (SBDC) Activities

- 3 new businesses created
- 64 jobs created (full / part time)
- \$1,358,000 Total Capital Infusion (Loans + Equity)
- 25 Training Events
- 460 Training Attendees

State Trade Expansion Program (STEP) Activities

- Opened avenues of exporting between CNMI small businesses and Asia with the \$150,000 grants awarded for FY 2017 & FY 2018 (2-year program).
- Contracted experts on international trade to educate local businesses owners on how to export their products and navigate customs requirements.
- STEP team and five (5) local businesses traveled to Tokyo, Japan to join the Tokyo International Gift Show to increase their exporting reach.
- Long-term partnership with NMC CREES for a deepwater-cage farming project as well as getting certain areas of the CNMI Dark-SKY certified as a tourist draw. Long term project involve setting up a real-estate commission in the CNMI.

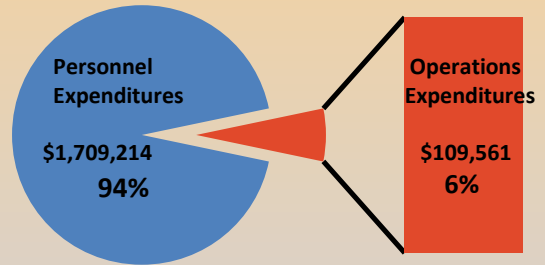


Revenue & Expenditures

2019 Expenditures

Operations	
Professional Services	\$ 2,782.00
Public Auditor	\$ 16,408.00
Communications	\$ 14,370.00
Dues and Subscriptions	\$ 1,505.00
Travel	\$ 18,402.00
Repair and Maintenance	\$ 14,324.00
Freight and Handling	\$ 381.00
Utilities – Power	\$ 25,113.00
Cleaning Services	\$ 300.00
Fuel & Lubrication	\$ 715.00
Supplies – Office	\$ 4,058.00
Supplies-Operations	\$ 7,439.00
Office Furniture & Fixture	\$ 4,230.00
Others	\$ (466.00)
Total Operations Expenditures	\$ 109,561.00

2019 Total Expenditures \$ 1,825,817

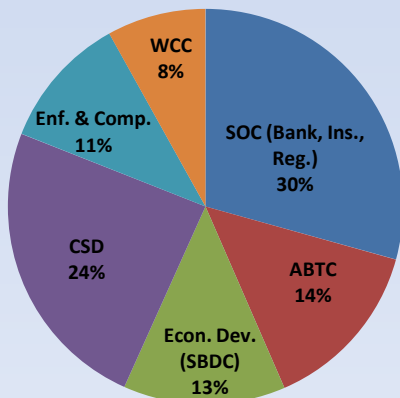


Personnel	
Wages and Salaries	\$ 1,293,624.00
Wages and Salaries Ungraded	\$ 86,035.00
401K/FICA/Health/Medicare/Insurance	\$ 321,260.00
Overtime Compensation	\$ 5,408.00
Total Personnel Expenditures	\$ 1,706,327.00

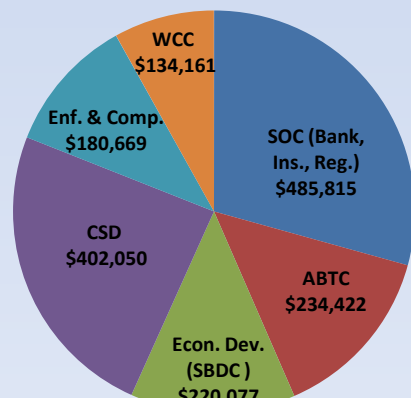
2019 Budget

Department of Commerce	Staff #	PL 20-67 Budget			Budget Levels after Cuts		
		Total	Personnel	Operations	Total	Personnel	Operations
Secretary of Commerce / Bank, Ins., Registrar	13	\$573,475.00	\$521,893.00	\$51,582.00	\$485,815.00	\$442,118.00	\$43,697.00
Alcohol Beverage & Tobacco Control	16	\$276,720.00	\$273,980.00	\$2,740.00	\$234,422.00	\$232,101.00	\$2,321.00
Econ. Dev. / SBDC	5	\$259,788.00	\$230,842.00	\$28,946.00	\$220,077.00	\$195,556.00	\$24,521.00
Central Statistics	7	\$474,595.00	\$424,112.00	\$50,483.00	\$402,050.00	\$359,284.00	\$42,766.00
Enforcement and Compliance	6	\$213,268.00	\$187,156.00	\$26,112.00	\$180,669.00	\$158,548.00	\$22,121.00
Workers' Compensation Commission	4	\$158,369.00	\$156,801.00	\$1,568.00	\$134,161.00	\$132,833.00	\$1,328.00
Total	51	\$1,956,215.00	\$1,794,784.00	\$161,431.00	\$1,657,194.00	\$1,520,440.00	\$136,754.00

Percentage of funding levels by divisions after budget cuts



Funding levels by divisions after budget cuts



Accomplishments and Challenges

Department Accomplishments

- 2018 Gross Domestic Product (GDP) Publication
- Economic Indicators Report (EI) data & publication updates
- Consumer Price Index (CPI) data & publication updates
- Conducted and completed the Compact of Free Association Migrant Survey
- 2017 CNMI Statistical Yearbook
- 2019 CNMI Prevailing wage & Workforce Assessment Study
- Secured 2020 Decennial Census of Population and Housing office space lease and management team selection
- Completed the 2015 – 2019 Comprehensive Economic Development Strategy (CEDS) plan
- Revamping of Commerce website to a completely new, modern design with mobile responsive.
- SYNAR joint Tobacco Compliance Inspections with ABTC and Community Guidance Center (CGC)
- Improvement with the responsible alcohol sales and services
- Graduated eight (8) ABTC Law Enforcement Trainees from the 25th Cycle Police Academy



Department Challenges

- No In-House legal counsel
- Unfunded upgrades for software applications and developments enabling on-line filing and reporting.
- Amend the Banking Code, Regulations for Credit Union and other current regulations
- Enforcement of Underage Drinking Laws-Minors Consuming Liquor (MCL)
- No access to DPS Central Dispatch Frequency
- Unfunded Workers' Compensation coverage for Government Employees for workplace Injury or death in the event catastrophic injuries, illnesses or death
- Appropriated Funding levels for Central Statistics Division mandated "data collections" survey operations (LFS, HIES, PWS)
- Challenges in sharing of "statistical data" from appropriate agencies
- Transitioning from existing network to a fully integrated/enterprise server based network.
- Hiring of an Economist
- Growth in both the Banking and Insurance sections

Office Contact Numbers

- Administrative Services: (670) 664-3000
- Alcohol Beverage & Tobacco Control: (670) 488-1006/2282
- Central Statistics Division: (670) 664-3023/3045
- Enforcement & Compliance: (670) 488-1005
- One Stop Center: (670) 664-8018/8024
- Office of the Secretary: (670) 664-3000
- Banking, Insurance, Registrar & Workers' Compensation Commission: (670) 664-8020
- Small Business Development Center (670) 664-3018

Website: www.commerce.gov.mp

Email addresses:

- Alcohol Beverage & Tobacco Control (ABTC) :
director.abtc@commerce.gov.mp
- Banking Division: cnmi.banking@commerce.gov.mp
- Central Statistics: director.csd@commerce.gov.mp
- Enforcement & Compliance Division:
cnmi.enforcement@commerce.gov.mp
- Insurance Division: cnmi.insurance@commerce.gov.mp
- Registrar of Corporation: registrar.corp@commerce.gov.mp
- Small Business Development Center:
cnmisbdc@pacificsbdc.com
- Workers' Compensation Commission:
director.wcc@commerce.gov.mp



Commerce Personnel