



FRANCISCO D. CABRERA
ACTING SECRETARY

DEPARTMENT OF COMMERCE FISCAL YEAR 2023 CITIZEN CENTRIC REPORT (CCR)

CONTACTS

OFFICE OF THE SECRETARY

- *Administrative Section
 - ☎ (670) 664-3000
 - ☎ (670) 664-3077
- *Banking / Insurance
 - ☎ (670) 664-8020
- *One stop Center
 - ☎ (670) 664-8018
- *Registrar of Corporation
 - ☎ (670) 664-8024

DIVISIONS

- *Alcohol Beverage & Tobacco Control
 - ☎ (670) 488-1006
 - ☎ (670) 488-2282
 - ☎ (670) 285-1821 (hotline)
- *Central Statistics Division
 - ☎ (670) 664-3023
- *Economic Development Division
 - ☎ (670) 664-3077
- *Enforcement & Compliance
 - ☎ (670) 488-1005
- *Workers Compensation Commission
 - ☎ (670) 664-3065

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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. Also, provides technical assistance, administrative guidance and support to the Tinian and Rota Department of Commerce.

The Department of Commerce was originally created under PL I-8 (codified as I 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.

OFFICE OF THE SECRETARY

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.

DIVISION DIRECTORS

- ***DAVID R. MARATITA**
DIRECTOR / ALCOHOL BEVERAGE & TOBACCO CONTROL
- ***JUSTIN H. ANDREW**
Director / Central Statistics Division
- ***FRANCISCO D. CABRERA**
Acting Director / Economic Development Division
- ***DAVID S. PALACIOS**
Director / Enforcement & Compliance Division
- ***FRANCISCO D. CABRERA**
Director / Workers Compensation Commission
- ***REMEDI C. MAFNAS**
Registrar of Corporation

"COMMITTED TO THE SUCCESS OF BUSINESSES IN THE CNMI"

ACCOMPLISHMENT

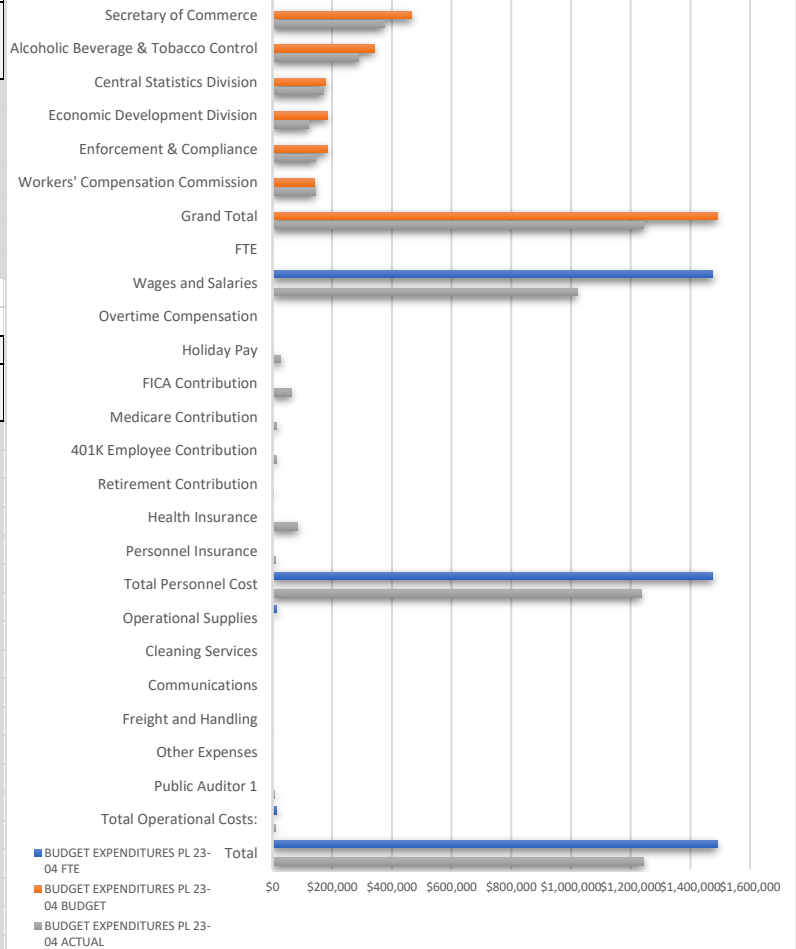
- Registrar of Corporation
 - personnel rigorously and thoroughly scanned all active files comprised of 8,295 files
 - Registrar of Corporation sent and reached out to 350 letters to clients of inactive corporation providing lawful notice of dissolutions of varying corporate, partnership, and similar business entities;
 - Registrar of Corporation conducted preliminary and continuing research, comparisons, and inquires, respecting information technology, software, designs, most likely compatible with the needs of Registrar of Corporation personnel and, utmost, the needs and preferences of the general public;
 - Registrar of Corporation maintained an efficient, organized, friendly and vital public service and community accessible governmental entity in the framework of a united, content, and professional team of Registrar of Corporation personnel to better serve the public;
 - In collaboration with Tinian and Rota pertaining to Registrar services and activities.
- Enforcement & Compliance
 - processed all monthly reports in general Weights Scale testing and License's issuance.
 - Taxicabs License's issuance.
- Banking Section
 - Continued reporting of annual reports;
 - Banking Section-Continued processing of license renewals forms amended
- Economic Development
 - catalyzed the CNMI's first Governor appearance to the SelectUSA foreign direct investment summit on May 1-4, 2023 in Washington D.C.
 - Received additional 200K for USDA Local Food Purchase Assistance Program (LFPA). At present the total award is \$410,372K
 - SBA State Trade Expansion Program (STEP) Awarded \$100K for additional two (2) years, beginning on October 1, 2023.
 - Referred USDA meat processing funding opportunity to Tinian Delegation for consideration;
 - Discussion with NIMO, Northern Marianas Technical Institute (NMTI) and other stakeholders on Federal Funding for their consideration;
- Central Statistics Division
 - Collaboration and assisted the Bureau of Economics Analysis in the publication of the CNMI's Gross Domestic Product report for 2020 estimates
 - Successfully published the NMI's 2023 Prevailing Wage Study Report
 - Assisted the Census Bureau launch the Economic Census
 - Collaborated with the US Census Bureau for the release of the Demographic & Housing Characteristics File Report.
 - Responded to numerous statistical report request from various private and public entities.
- Alcohol Beverage & Tobacco Control
 - Meeting the 15% cost reduction goal.
 - Adopting to manpower challenges.
 - ABTC License's Issuance
 - Stringent enforcement: Citation issue
 - Sound financial management
 - Commitment to sustain ability
 - Engaging Stakeholders
 - Technological advancement
- Workers Compensation Commission
 - Continued to monitored all CNMI Licensed carriers, ensuring all written policy are in conformance with the established Northern Marianas Insurance Association (NMIA) Worker's Compensation Tariff and underwriting manual.
 - Continued to be vigilant with public information outreach and education about the Workers 'Compensation Program to all employers.
 - Continued to reach out to employers regarding work injury claims regarding process and evaluation to ensure claimants are well compensated for their benefits;
 - Continued with quarterly visits to all CNMI License Insurance Carriers;
 - Continued to provide assistance to our Department of Commerce counterparts to the island of Tinian and Rota.
- Insurance Section
 - The Office of the Insurance Commissioner continues to monitor solvency of admitted insurers and compiles various reports and other filing requirements which are published in the Commissioner's Annual Report and serves as a resource for the industry, business community and consumers.
 - The office of the Insurance Commissioner published the 34th Annual Report of admitted insurers with exhibits of premiums and losses by lines of business for property and casualty company, life and health.
 - As a state member of the National Association of Insurance Commissioners (NAIC) the office of the Insurance Commissioner continues to engage and participate in emerging trends and issues with other state regulators, achieving the following fundamental insurance regulatory goals in responsive, efficient and cost-effective manner.

BUDGET EXPENDITURES

Detail Allocation of Budget and Actual Expenditures by Division	PL 23-04		
	FTE	BUDGET	ACTUAL
Secretary of Commerce	16	\$ 466,287.00	\$ 373,786.17
Alcoholic Beverage & Tobacco Control	16	\$ 340,185.00	\$ 288,985.89
Central Statistics Division	6	\$ 178,599.00	\$ 171,786.30
Economic Development Division	4	\$ 182,658.00	\$ 121,608.39
Enforcement & Compliance	6	\$ 182,696.00	\$ 145,210.20
Workers' Compensation Commission	4	\$ 140,246.00	\$ 142,821.29
Grand Total	52	\$ 1,490,671.00	\$ 1,244,198.24

Detail Allocation of Budget and Actual Expenditure	PL 23-04	
	BUDGET	ACTUAL
FTE	52	38
Wages and Salaries	\$ 1,475,913.00	\$ 1,020,790.94
Overtime Compensation	\$ -	\$ 438.67
Holiday Pay	\$ -	\$ 26,528.75
FICA Contribution	\$ -	\$ 62,132.90
Medicare Contribution	\$ -	\$ 14,531.00
401K Employee Contribution	\$ -	\$ 12,285.54
Retirement Contribution	\$ -	\$ 4,041.98
Health Insurance	\$ -	\$ 84,815.09
Personnel Insurance	\$ -	\$ 9,807.45
Total Personnel Cost	\$ 1,475,913.00	\$ 1,235,372.32
Operational Supplies	\$ 14,758.00	\$ 1,494.85
Cleaning Services	\$ -	\$ 20.00
Communications	\$ -	\$ 291.09
Freight and Handling	\$ -	\$ 40.00
Other Expenses	\$ -	\$ -
Public Auditor 1	\$ -	\$ 6,979.98
Total Operational Costs:	\$ 14,758.00	\$ 8,825.92
Total	\$ 1,490,671.00	\$ 1,244,198.24

BUDGET EXPENDITURES

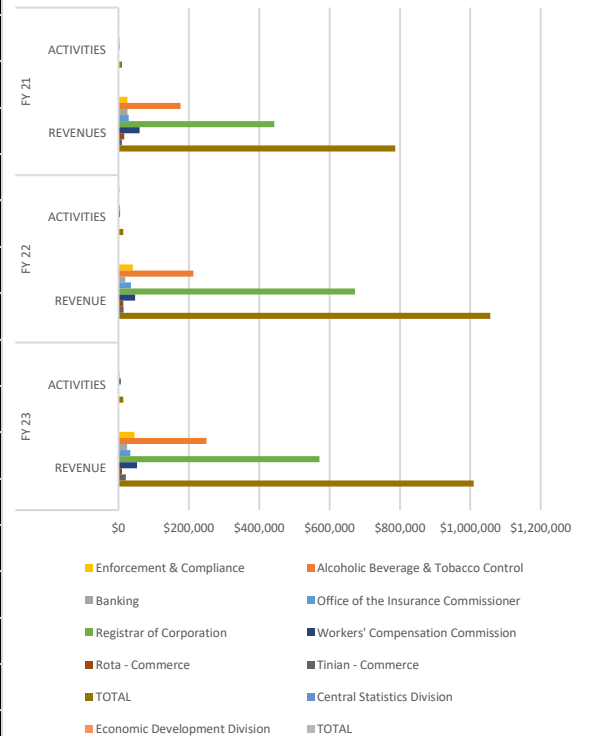


PERFORMANCE INDICATORS

SERVICES	FY 21		FY 22		FY 23	
	ACTIVITIES	REVENUES	ACTIVITIES	REVENUE	ACTIVITIES	REVENUE
Alcoholic Beverage & Tobacco Control	2,356	\$176,250.00	2790	\$213,225.00	1,959	\$250,455.00
Banking	347	\$25,217.00	123	\$19,204.00	160	\$24,550.00
Enforcement & Compliance	440	\$25,905.00	555	\$40,904	483	\$45,374.00
Office of the Insurance Commissioner	576	\$29,318.00	806	\$35,350.00	767	\$33,400.00
Registrar of Corporation	2,838	\$443,153.00	4844	\$671,806.00	3,290	\$571,316.33
Workers' Compensation Commission	3,136	\$59,815.00	4345	\$47,154.00	6,345	\$53,316.00
Rota - Commerce	355	\$16,735.00	259	\$13,915.00	531	\$10,010.00
Tinian - Commerce	50	\$10,245.00	0	\$14,855.00	250	\$21,490.00
TOTAL	10,098	\$786,638.00	13722	\$1,056,413.00	13,785	\$1,009,911.33

SERVICES	FY 21	FY 22	FY 23
	ACTIVITIES	ACTIVITIES	ACTIVITIES
Central Statistics Division	111	123	153
Economic Development Division	20	71	59
TOTAL	131	194	212

PERFORMANCE INDICATORS



CHALLENGES

- Registrar of Corporation
 - Establishing the framework for the online platform and electronic archiving for the Registrar of Corporation;
 - Procure electronic archiving software and server for mass storage of electronic documents for all Registrar of Corporation;
 - Obtain electronic software sufficient to provide the general public the ability to virtually/remotely/electronically prepare, modify, registrar's, file an electronic data submission/ processing system for everyday access and user friendly;
 - Create, access, supervise and administer in conjunction with competent information technology experts;
 - ❖ An online portal system designed and capable of providing the technology electronic software access to the general public;
 - ❖ A system to effect requisite payments to be electronically submitted to and received by the CNMI Treasury;
 - ❖ Electronically scan all inactive and/or dead files followed by proper disposal of the hard copy / paper originals in an appropriate and permissible fashion, e.g., via incineration. Shredding or similar means.
 - ❖ Website development/implementation/modification;
 - ❖ Information technology expertise/supervision; and for personnel training
 - Maintain in the interim, the capability for Registrar of Corporation personnel to manually, adequately, and timely collect, review, input, maintain, secure, administer and oversee as care-holders of all documents and records as required.
- Enforcement & Compliance
 - Seek further assistance in implementing PL# 19-28;
- Banking Section
 - Banking to implement of Automated Teller Machine (ATM) Laws/Regulations & Fee Structure;
 - Banking to implement of Private Credit Union
 - Banking to Implement of an Online Crypto Currency
 - Banking to Amend Dormant Regulations
- Economic Development Division
 - \$57 million State Small Business Credit Initiative (SSBCI) was taken out by the Office of the Governor from the Department of Commerce and transferred to Commonwealth Economic Development Authority (CEDA). The Department of Commerce is no longer able to provide capital access to CNMI small business owners.
 - A 600K State Small Business Credit Initiative (SSBCI) has been on hold until such time that the SSBCI is awarded to the CNMI.
- Central Statistics Division
 - To fulfill its Mandates as specified under the Statistical Act. However, it continues to produce reports that meet the basic needs of the Government and the community by its close collaborations with regional and federal statistical partners,
 - Staffing is a great deal of challenge in meeting its Mandates.
 - Funding for Regular Household and population survey.
- Alcohol Beverage & Tobacco Control
 - In March 2023, despite earlier cost containment measures, a significant departure of ARPA support staff resulted in a 33% staff reduction, causing a severe shortage of manpower. This, in turn led to 67% decrease in overall operational efficiency, posing potential risks to our enforcement operations and outreach programs. To tackle this challenge, we swiftly implemented operational and schedule adjustments, transitioning from 24-hour to 8 -hour operations. This adaptation allowed us to maintain service levels and uphold our commitment to providing essential public services.
- Workers Compensation Commission Division
 - The implementation of the cost cutting measures in March 2023 that included the work reduction of eight (8) hours, the Workers Compensation Commission (WCC) have sustained committed and maintains the level of services to the public. WCC continues to strive and expand our electronic (on-line) services whether for on-island and off-island services and inquiry.
 - WCC services regarding Business License clearances (on-line commit) services for this year at 65% and 35% for walk-in-clients. WCC received and cleared/filed 5,783;
 - Services regarding Certificate of Compliance electronic(on-line) at 70% and 30% for walk-in-clients; received/filed 400 policies; Claims received/filed 162.
- Insurance Section
 - The Office of the Insurance Commissioner may have identified fee generating revenues and regulatory implementation that would benefit both the regularoty agency, the industry and consumers however the lack of personnel and continued training needed to perform the challenging responsibilities impedes the ability that is vital to meeting the divisions objectives and goals.