

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS  
SAIPAN MARIANA ISLANDS

VOLUME 16 NUMBER 09



SEPTEMBER 15, 1994

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***COMMONWEALTH***

***REGISTER***

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**COMMONWEALTH REGISTER**  
**VOLUME 16 NUMBER 09**  
**SEPTEMBER 15, 1994**

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**EMERGENCY REGULATIONS  
AND  
NOTICE OF PROPOSED REGULATIONS  
DEPARTMENT OF COMMERCE**

**BUSINESS LICENSE REGULATIONS**

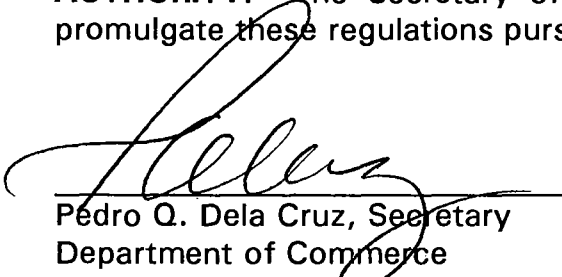
**EMERGENCY.** The Secretary of the Department of Commerce finds, that pursuant to 1 CMC §9104(b), the public interest required the adoption of the Business License Regulations on an emergency basis. The Secretary of the Department of Commerce further finds that the public interest requires that these regulations become effective immediately upon the concurrence of the Governor and filing with the Registrar of Corporations; and shall remain in effect for a period of 120 days or until final regulations are adopted.

**REASON FOR EMERGENCY.** The public interest requires adoption of these regulations upon fewer than 30 days notice. There has been considerable confusion in respect to the requirements for business licenses. The business licensing regulations are needed to advise the public as to the requirements in order to achieve the efficient administration of the business licensing requirements.

**CONTENTS.** The business license regulations provide a consolidation of all the statutes relating to business licensing requirements in a single place. The statutory requirements and definitions use in the Revenue and Taxation Act of 1982 (P.L. No. 3-11) are restated in the regulation. The regulations are published immediately following this notice.

**PUBLIC COMMENT.** It is the intent of the Secretary of the Department of Commerce to adopt the regulations as permanent regulations pursuant to 1 CMC §9104(a)(1) and (2). The regulations adopted as emergency regulations are being published as proposed regulations and the public is provided an opportunity to comment on the proposed regulations. Comments on the proposed business license regulations may be sent to the Secretary, Department of Commerce, Bureau of Commerce Building, Caller Box 10007, Capitol Hill, Saipan, MP 96950.

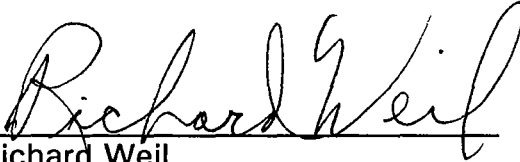
**AUTHORITY.** The Secretary of the Department of Commerce is authorized to promulgate these regulations pursuant to 1 CMC §2454.

  
Pedro Q. Dela Cruz, Secretary  
Department of Commerce


  
Date

  
Froilan C. Tenorio  
Governor

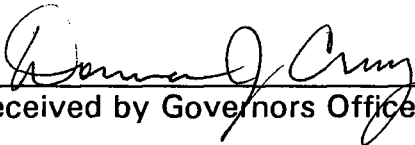
8/24/94  
Date

  
Richard Weil  
Attorney General

8/24/94  
Date

  
Soledad B. Sasamoto  
Registrar of Corporations

8/24/94  
Date Filed

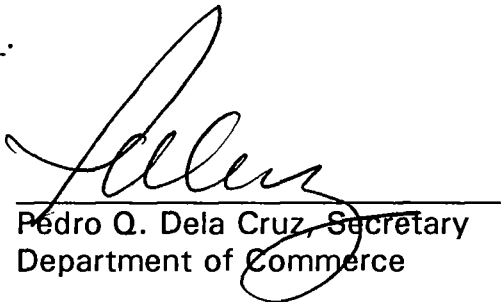
  
Received by Governors Office

8/24/94  
Date

**CERTIFICATION**

I, Pedro Q. Dela Cruz, Secretary of the Department of Commerce, hereby certify and declare under penalty of perjury, that the following emergency and proposed business license regulations are a true, complete and correct copy of such regulations.

DATED at Saipan, CNMI: 8/19/94.

  
Pedro Q. Dela Cruz, Secretary  
Department of Commerce

**ALLÉGHÚL EMERGENCY  
ME  
ARONGORONG REEL FFÉÉRÚL ALLÉGH MELLÓL  
DIPATAMENTOOL COMMERCE**

**ALLEGHUL BUSINESS LICENSE**

**EMERGENCY:** Sehóól iiseh Dipatamentool Commerce, e schuungi bwe sangi bwangil me aileewal mille 1 CMC §9104(b), nge ghatchúúr towlap mille e auscheeyá bwe rebwe adatááli Alléghúl Business License reel tappal emergency. Sehóól iiseh Commerce e bwal schuungi bwe reel ghatchúúr towlap nge ebwe kkáyil aléghéléghéló allégh kkaal ngáre schagh Gubenno e angúúngú me e atotoolong reel Registrar of Corporations bwe ebwe fil-li nge ebwe alléghéló llól 120 rál mille yaar adaptááli allégh kka aighúúghúl.

**BWÚLÚL EMERGENCY:** Reel ghatchúúr towlap nge eghi auscheeyá bwe rebwe kkáyil adaptááli Allégh kkaal llól eliigh (30) rál sáangi igha e toowow arongorong. Aa ghi sségh fitighoogho reel meta kka mwóghutughutul business licenses. Alléghul Business Licensing kkaal nge eghi fil bwe ebwe yoor bwe reel ebwe areepiyaar tolwap reel mwóghutughutul me ebwe aghatchú lemelem ngáre administration reel meta kka e nisisita.

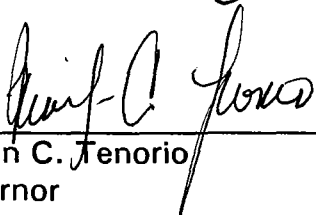
**ÓWTOL:** Alléghul business licensing yeel nge ebwe ayoora aweewe reel alongal statues ikka ebwal toolong mwóghutughutul business licensing mellól eew bwulé. Milikka statutory requirements nge ikkaal aweewe kka re yááyá mellól Revenue and Taxation Act of 1982 (P.L. No. 3-11) nge e bwal toolong llól allégh kkaal. Allégh kkaal nge ebwe arongorongoló ngáre schagh e toowow arongorong yeel.

**Mángemáng me Tipeer Towlap:** Mángmemángil Sehóól iiseh Dipatamnetool Commerce bwe ebwe adatááli Allégh yeel ngáre ebwe aléghéléghélé sáangi bwángil me ailééwal 1 CMC §9104 (a)(1) me (2). Allégh kka re adaptááli bwe alléghúl emergency nge e ghommwal toowow ngáre fféerúl allégh bwe ebwe ngáleer towlap bwe rebwe atotoolong meta tipeer me mangemángiir reel allégh kkaal. Meangemang me tiip kkaal nge emmwel schagh bwe rebwe ischiitiw nge raa afanga ngáli Sehóól iiseh Dipatamnetool Commerce, Bureau of Commerce Building, Caller Box 10007, Capitol Hill, Saipan, MP 96950.


**BWÁNG:** Sehóól iiseh Dipatamentool Commerce nge eyoor bwángil bwe ebwe fféer allégh kkaal sáangi bwangil me ailééwal 1 CMC §2454.

  
Pedro Q. Dela Cruz, Sehóól iiseh  
Dipatamentool Commerce

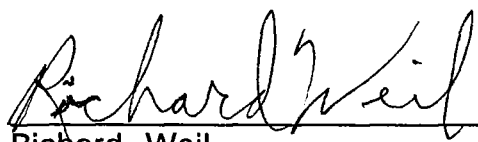
8/19/94  
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Froilan C. Tenorio  
Governor

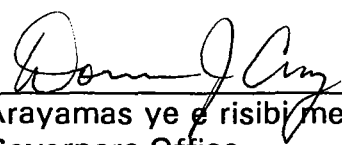
8/24/94  
Date

  
Soledad B. Sasamoto  
Registrar of Corporations

8/24/94  
Date

  
Richard Weil  
Attorney General

8/24/94  
Date

  
Arayamas ye e risibi mellól  
Governors Office

8/24/94  
Date

APPELÚGHÚLÚGH

Ngaang, Pedro Q. Dela Cruz, Sehóól iisehi Dipatamentool Commerce, I akkapaló bwe milleel nge faal mwutaal perjury, bwe alléghúl emergency yeel nge ellet, schéschéél kkopiyaal allégh kkaal.

Rááílil ye Ffeer mewóó Seipél 8/19/94.

  
Pedro Q. Dela Cruz, Sehóól iiseh  
Dipatamentool Commerce

**REGULASION GOTPE NA NISSIDAT SIHA  
YAN  
NUTISIA PUT I MAPROPOPONI NA REGULASION  
DIPATTAMENTON COMMERCE**

**REGULASION LISENSIAN BISNES SIHA**


**GOTPE NA NISISIDAT:** I Secretarion i Dipattamenton Commerce ha sodda' na sigun gi 1 CMC §9104(b), i interes publiku ha nisisista na u ma'adapta i regulasion lisensian bisnes siha sigun gi knodesion gotpe na nisisidat. I Secretarion i Dipattamenton Commerce ha sodda' lokkue' na i interes publiku ha nisisita na u fanefektibu este siha na gegulasion ensigidas gigon ha' manma'aprueba nu i Gobietno yan manmasatmiti guato gi Rehistradot Kotporasionsiha; ya u knosigi manefektibu gi halom 120 dias na tetminu, osino' asta ki guaha put uttimu siha na regulasion manma'adapta.

**RASON GOTPE NA NISISIDAT:** I interes publiku ha nisisita i ma'adaptan-ñiha este siha na regulasion gi menos di trenta (30) dias na nutisia. guaha unos kuantu engkabukao siha na kausa manmasusedi konrespetu put i nisisidat siha para lisensian bisnes. I regulasion manlisensian bisnes manisarisariu para u atbisa i publiku put i nisisidat siha kosaki siña ma kumple i efisiente na atministrasion todun nisisidat siha para manlisensian bisnes.

**SUHETU:** I regulasion put manlisensian bisnes ha pribeni i mana'fandanña' todun probensyon siha put i nisisidat manlisensian bisnes gi un lugat ha'. I probensyon put nisisidat yan definasion siha ni manma'usa gi halom i Revenue and Taxation na akton 1982 (P.L. No. 3-11) manma'agon sangan ha' gi halom este na regulasion. I regulasion siha para u fanmapublika ensigidas despues di este na nutisia.

**KOMENTON PUPBLIKU:** I intension i Secretarion Dipattamenton Commerce ayu i para u adapta este siha n Regulasion komu petmanente na regulasion sigun gi 1 CMC §9104 (a) (1) yan (2). I regulasion siha ni manma'adapta komu regulasion gotpe na nisisidat siha manmapubliblika komu i manmapropoñi na regulasion siha. Komento siha put i manmapropoñi na regulasion manlisensian bisnes siña mana'fanhanao guato gi Secretario, Dipattamenton Commerce, Bureau of Commerce Building, Caller Box 10007, Capitol Hill, Saipan, MP 96950.

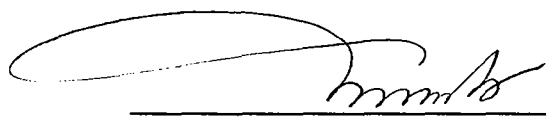
**ATURIDAT:** I Secretarion Dipattamenton Commerce ma'aturisa para u fat'inas este siha na regulasion sigun gi 1 CMC §2454.

  
Pedro Q. Dela Cruz, Secretario  
Dipattamenton Commerce

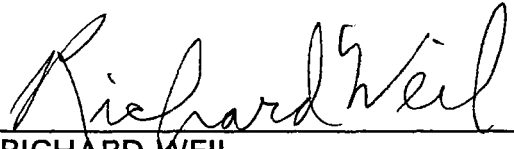
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Froilan C. Tenorio  
Gobietno

8/24/94  
Fecha

  
Soledad B. Sasamoto  
Rehistradot Kotparasion Siha

8/24/94  
Fecha ni ma 'file

  
RICHARD WEIL  
Attorney General

8/24/94  
Fecha ni ma 'file

  
I rumisibi gi Ofisihan Gobietno

8/24/94  
Fecha

SETTEFIKASION

Guahu, si Pedro Q. Dela Cruz, Secretarion Dipattamenton Commerce, ginen este hu settifika yan deklaracion gi papa' perjury na pena, na i sigiente gotpe nan nisisidat yan mapropoponi na regulacion manlisensian bisnis magahet, komplidu yan dinanche na kopian ayu siha na regulacion.

MA FECHA giya Saipan, CNMI: 8/19/94.

  
Pedro Q. Dela Cruz, Secretario  
Dipattamenton Commerce



**DEPARTMENT  
OF  
COMMERCE**

**BUSINESS LICENSE REGULATIONS PART I**

**1. AUTHORITY.** These regulations are promulgated pursuant to 1 CMC §2454 which authorizes the Secretary of Commerce to promulgate regulations regarding those matters over which the Department of Commerce has jurisdiction. The Department of Commerce (the "Department") has jurisdiction over the issuance of business licenses under 1 CMC §2453 and 4 CMC §1503 (Business License Fees and regulation (a) thru (f) regulation of private investment, including foreign investment).

**2. DEFINITIONS**

**A. BUSINESS.** Includes all activities whether personal, professional or incorporated, carried on within the Commonwealth of the Northern Mariana Islands (the "Commonwealth") for either direct or indirect economic benefit, as determined by the Director of Finance, provided that one who qualifies as an employee shall not be considered a business.

**B. LINE OF BUSINESS.** A distinct and separate economic or business activity.

**C. RESIDENT AGENT.** A natural person who is continuously residing in the Commonwealth for the duration of the Business License. A Resident Agent may be the License Applicant, an employee of the License Applicant or other individual designated by the License Applicant but not a non-resident worker. The Resident Agent must have a telephone and a mailing address in the Commonwealth and must be able to converse in English, Chamorro or Carolinian.

**D. SECRETARY.** The Secretary of the Department of Commerce.

**E. MANUFACTURER.** Any business engaged in combining or processing components or materials to increase their value for sale in the ordinary course of business.

**F. WHOLESALER.** Any business engaged in the sale of tangible personal property to another for resale for direct or indirect economic benefit.

**G. PERSON.** (1) Any individual, estate, firm, corporation, company, joint venture, association, partnership, trust, receiver, club, syndicate, cooperative association or any other entity; or

(2) A foreign government, the United States, succeeding political entities of the former Trust Territory of the Pacific Islands, Freely Associated States of Micronesia (FAS), the Commonwealth or any agency or instrumentality of these entities.

**H. PUBLIC UTILITY.** Any person exclusively franchised by any government entity to sell:

- (1) Electric energy, gas, water, garbage, or sewage disposal services;
- (2) Public transportation services as a common carrier; or
- (3) Telephone, telegraph, or television services.

**3. LICENSE REQUIRED.** Before engaging in a business, a person must obtain from the Department of Commerce a Business License to engage in that business by submitting a completed application to the Department and paying all applicable fees and penalties.

**4. LICENSE APPLICATION.** Every applicant shall complete a Business License Application adopted by the Director which shall include the following information.

A. The applicants name, address and telephone number.

B. The trade name, assumed name or business name if different from the name of the applicant.

C. The location or locations of the business, including building name, floor and sketch showing the location of the business.

D. The lines of business.

E. The type of business; partnership, sole proprietorship, nonprofit or business corporation.

F. The nationality and Commonwealth immigration classification of the sole proprietor or partners.

G. The country or place of incorporation of corporations.

H. With respect to corporations, the name of the Registered Agent as defined in the existing Business Corporation Regulations, and Registered Office of the corporation in the Commonwealth, Chapter 5.

I. With respect to sole proprietorships and partnerships the name and address of the Resident Agent.

J. All trade names, assumed names and fictitious names used by the applicant, in conjunction with any activity, business or otherwise.

K. Taxpayer identification number.

L. Latest Annual Corporation Report which has been filed with the CNMI Registrar of Corporations.

M. Copy of latest Business Gross Receipt Tax return filed with the Department of Finance or other proof of payment of CNMI taxes.

N. List of employees and their nationality or citizenship.

O. The year in which the applicant first commenced business in the Commonwealth under the line or lines of business covered by the application.

P. With respect to Foreign Nationals (other than US citizens and FAS citizens) all applicants including corporations, must comply to requirements set forth under Part II "Foreign Investments."

**5. A. TERM OF LICENSE.** All Business Licenses shall be issued for a period of one year and shall expire one year from date of issue. Fees will not be prorated.

**B. LIMITATIONS.** The following conditions are placed on all license applications:

(1) Fictitious names, doing business as (dba's), trade names and assumed names shall be respected and the Secretary shall not grant to any two persons the same business name.

(2) One business license shall be granted to each distinct business activity. The Standard Industrial Classification Manual established by the Executive Office of

the President of the United States of America, Office of Management and Budget shall be used as a guideline.

(3) Required documentations shall include but are not limited to:

(a) If a corporation authority to transact business must be obtained from the appropriate government agencies such as the municipal council, Casino Gaming Commission and Lottery Commission, Director of Banking, Insurance Commissioner, Alcoholic Beverage control and Taxicab Bureau.

(b) A copy of the certificate of incorporation or registration.

(c) Clearances from the various government agencies with respect to obligations such as utilities, returned checks, nonpayment of taxes, hospital bills, and others upon demand by the Secretary.

(4) With regards to nonimmigrants applying for business license they must apply under the classification of foreign investor.

(5) The following classes of aliens/nonimmigrants are prohibited from engaging in business:

- a. Tourist
- b. Long Term Tourist
- c. Nonresident Worker and Immediate Relatives
- d. Foreign Press
- e. Minister of Religion
- f. Religious Missionary

**6. RENEWAL.** A business may renew its business license by filing a Business License renewal application on the form prescribed by the Secretary and by paying the license fee at least thirty days prior to the expiration of the current business license.

**7. BUSINESS LICENSE NOT TRANSFERABLE.** A business License is not transferable.

**8. AMENDMENT TO BUSINESS LICENSE.** Any change(s) in the business information, Corporation, Partnership, Non-Profit Organization, or association status and information and business activity(ies) and respectively all such changes made with the Registrar of Corporations must be reported to the Business License Office within 10 working days of such change(s). Failure to report any change(s) above to the Business License Office will be grounds for revocation of business license.

**9. DISPLAY OF BUSINESS LICENSE.** The Business License shall be displayed in a conspicuous place at the licensee's principal place of business. Copies of the Business License shall be displayed at all other locations from which the licensee conducts business.

**10. GROUNDS FOR REVOCATION OR SUSPENSION OF BUSINESS LICENSE.** The Secretary may revoke or suspend any license upon finding after two weeks public notice and a hearing pursuant to 1 CMC §9108-9111 that:

- A. The application of the licensee contained false or fraudulent information;

B. The licensee bribed or otherwise unlawfully influenced any person to issue the license other than on the merits of application;

C. The licensee presented false or fraudulent information to any person in support of the application;

D. The licensee violated any provision of Commonwealth law or any rule or regulation; or

E. The license application prohibits the licensee from owning a business or engaging in business by reason of the licensee's immigration status.

F. The application is incomplete or not accompanied by information required to be submitted with the application.

**12. APPEAL OF LICENSE DENIAL, SUSPENSION OR REVOCATION.** Any person aggrieved by the denial, suspension or revocation of a business license is entitled to seek judicial review of the action pursuant to 1 CMC §9112.

**13. FEES.** The following non-refundable fees shall be paid to the Secretary of Commerce for the following classes of licenses at the time of filling the application.

1. Security dealers, \$300;
2. Security brokers, \$50;
3. Investment advisors, \$50;
4. Banks, \$50;
5. Finance, \$300;
6. Trust, \$300;
7. Mortgage companies, \$50;
8. Credit unions, \$50;
9. Foreign exchange, \$50;
10. Insurance companies, \$300;
11. Insurance brokers, \$100;
12. Insurance agents, \$75.00;
13. Insurance solicitors, \$50;
14. Insurance Adjusters, \$100;
15. Public utilities, \$300;
16. Manufacturers, \$50;
17. Wholesalers, \$50;
18. Nonprofit organizations, \$50;
19. Roadside vendors selling local agricultural and fishery products, \$5;
20. Commercial Fishing License, \$50 per net tonnage of vessel;
21. Scuba Diving Instruction, \$100.00;
22. Scuba Diving Tour Operations, \$100;
23. General business license covering all other businesses, \$50 for each distinct business activity;
24. License amendment fee, \$25;
25. License replacement fee, \$25.

**14. PENALTY FOR CONDUCTING BUSINESS WITHOUT A LICENSE.**

A. Every person who is required to obtain a business license and who engages in business without first obtaining or renewing a business license shall be subject to a civil penalty in the amount of 10% of the applicable license fee for a period of less than one month and 10% of the applicable license fee for each additional month or portion thereof, not to exceed 100% of the applicable licensee fee.

B. In addition to the penalty imposed by Section 14. A., interest at the rate of 15% per annum shall be imposed on all unpaid license fees.

C. A returned check used for payment of a business license shall be assessed a penalty twice the amount of the fees.

**15. ENFORCEMENT.** The Secretary may delegate his authority under these regulations to any employee for the purposes of enforcing any and all of these regulations. The enforcements of all activities under Commerce shall be coordinated by the various heads of the different divisions, and shall be directed by a designated Chief of Enforcement.

## FOREIGN INVESTOR CLASSIFICATION. PART II

### **A. BUSINESS ENTRY PERMITS.**

1. **AUTHORITY.** These regulations are promulgated pursuant to 1 CMC §2453 (a) thru (f), and 2454, 4 CMC §1503 and 3 CMC Div. 4 §4331(e) and (j).

2. **PURPOSE.** To provide for standards and criterias in the issuance of a business license to Foreign Nationals and to corporations owned by foreign nationals; and for the issuance of a certificate of Foreign Investment; to repeal the rules and regulations of the Office of Immigration and Naturalization on regular and long term business entry permits; and to transfer the review and approval processes of applications for such permits to the Secretary of Commerce.

### **3. REQUIREMENTS**

(A) Foreign Investment means direct investments by foreign nationals to business entities, existing or proposed. It also includes investments by Foreign Corporations, corporations incorporated outside the jurisdiction of any of the United States and territories.

(B) Authority to organize

(a) Organization. It is unlawful for a domestic corporation to be formed by Foreign Nationals or to transact business in the Commonwealth unless it is incorporated under the laws of the Commonwealth in conformance with these regulations and unless all of its voting shares of stock have a par value as certified in its Articles of Incorporation.

(b) Authority to Organize. Any number of persons sufficient to organize a corporation in the Commonwealth of the Northern Mariana Islands may file an application with the Secretary of Commerce for authority to organize a corporation wholly owned by Foreign Nationals. No person may organize such a corporation until written authority to organize has been obtained from the Secretary. The application shall contain the following information:

(1) The proposed location of its principal office, amount of paid-in capital, and corporate name which shall not be same as any other filed or existing corporation;

(2) The proposed articles of incorporation should disclose all stock subscribers, amount of capital paid-in by each stockholders, and that aggregate paid-in capital must not be less than \$250,000.00. Declarations, affidavits, certifications, etc. must be notarized by a duly authorized Commonwealth Notary Public Official.

(3) Evidence of character, financial responsibility, business experience and ability of the proposed incorporators, directors and officers;

(4) All other information required to be filed with the Articles of

Incorporation under the laws of the Commonwealth, for purposes of receiving a corporate charter or by regulations of the Secretary, or specifically requested of the incorporator by the Secretary of Commerce.

(c) Issuance of Authority. Upon receipt of the application in subsection (b) of this section; the Secretary shall review the application for compliance. Within seven (7) days of receipt of application, the Secretary shall issue an order granting or denying the application for organization and notify the applicant in writing of the reasons for the order. An applicant who also receives a denial may request a hearing under the Administrative Procedures Act.

(C) Foreign Corporations. For purposes of these regulations foreign corporations are corporations formed under the laws of a nation other than the United States or its territories.

The Secretary incorporates herein the requirements of foreign corporations contained in the Business Corporation Regulations published in the Commonwealth Register as Volume 12 No. 07 on July 15, 1990, Chapter 15, but limits the requirements only to corporations incorporated outside the United States and its territories.

In addition to these requirements the Commonwealth of the Northern Mariana Islands' Registrar of Corporations is hereby required to obtain from the Secretary of Commerce his concurrence to the granting of a certificate of authority to transact business in the Commonwealth. The Registrar and The Secretary shall establish criterias on the need and desirability to admit such foreign corporations in the Commonwealth.

(D) Foreign Investor Classification. 3 CMC Div. 4 §4331(e) gives the Secretary of Commerce authority to classify nonimmigrants as foreign investor. The Secretary shall certify to the Department of Labor and Immigration that all applicants seeking business entry permits should be classified as foreign investor. If a certification is not issued then the applicant fails to meet such classification.

(E) Review Committee: "Review Committee" means a committee composed of the Secretary of Commerce, the Foreign Investment Officer, the Licensing Officer and any other persons whom the Secretary deem appropriate.

4. Regular Term Business Entry Permit - allows the holder to stay in the CNMI for one visit of not more than 90 days stay or multiple visits totalling not more than 90 days within one 12 month period.

a) The Regular Term Business Entry Permit allows the holder to engage in any lawful business or commercial activity in the Commonwealth provided the business establishment is licensed by the Secretary.

b) The holder of a Regular Term Business Entry Permit may not become employed by a Commonwealth employee, other than by such an employer in which the holder maintains a substantial ownership interest. This employment shall be limited only to managerial tasks and positions provided the employer has exhausted all efforts to employ a CNMI resident.

c) All applications for a regular term business entry permit must be made only after the applicant has lawfully entered and is present in the Commonwealth. Only the Short Term Business Entry Permit holders are allowed to apply for the Regular

**Term Business Entry Permits.**

d) Upon approval by the Secretary of Commerce, an application shall be forwarded to the Office of Immigration and Naturalization for the issuance of the entry permit. No entry permit shall be issued or granted by the Office of Immigration and Naturalization without the expressed approval of the Secretary.

e) The criterias, requirements, and basis of approval shall be contained in standard operating procedures held in the Office of the Secretary of Commerce and on the printed various application forms and within the Regulations incorporated herewith.

**5. LONG TERM BUSINESS ENTRY PERMIT**

**1. Definitions.** For purposes of this subsection, the following terms shall have the following meanings:

A. "Enterprise" means a commercial or business activity carried on for profit in the Commonwealth.

1) "New Enterprise" means an enterprise existing or prospective which has been established by an alien for the purpose of doing business within the Commonwealth, provided that prior to establishment of any entity such as a corporation, partnership, or association an authority to organize must be obtained from the Secretary of Commerce.

2) "Existing Enterprise" means a present or existing enterprise that is engaged in business in the Commonwealth and in which the Alien previously had no ownership interest.

B. "Capital" means money or property used or committed to use in an enterprise in the form of equity or ownership interest, and not as a loan.

C. "Immediate Family" means the Alien Investor's spouse, parents and children.

D. "Public Organization" means a Commonwealth Public Corporation or agency of the Commonwealth government.

**2. Approved Investment - General Standard.**

An approved investment is one which the Review Committee finds that the Alien has invested or is actively in the process of investing a significant amount of capital in a bona fide enterprise which benefits the Commonwealth.

**3. Evaluation Factors - New Enterprises.**



In determining whether a proposed investment in a new enterprise is an approved investment, the Review Committee shall consider the following:

- A. The amount of capital invested or to be invested by the Alien Investor, of which, investments by individuals must not be less than \$250,000.
  - B. The type of enterprise proposed by the Alien Investor;
  - C. The reputation and business experience of the Alien Investor;
  - D. The number and type of employment opportunities to be created for Commonwealth residents by the enterprise;
  - E. The number of alien workers to be employed by the enterprise;
  - F. The demand for the type of enterprise and existing competition;
  - G. The island or islands on which the enterprise will be located;
  - H. The extent to which the enterprise will reduce imports and increase exports;
  - I. The extent of which the enterprise will increase the availability of goods and services at competitive prices to Commonwealth residents;
  - J. The extent to which the enterprise will support or enhance existing industries in the Commonwealth;
  - K. The extent to which the enterprise will develop the resources of the Commonwealth;
  - L. The extent of any equity participation in the enterprise by Commonwealth residents;
  - M. Whether the enterprise will be a substantial, on going business, as distinct from a marginal enterprise established solely for the purpose of earning a living for the alien and his family; and
  - N. The extent to which the enterprise will contribute to the overall economic well-being of the Commonwealth without adversely affecting existing social, cultural, and ethnic conditions in the Commonwealth;
4. Evaluation Factors - Existing Enterprises.

In determining whether a proposed investment in an existing enterprise is an

approved investment, the Review Committee shall consider the following:

- A. The amount of capital invested or to be invested by the Alien Investor. Minimum investments of \$150,000 in a public organization or \$250,000 in a private enterprise are required;
- B. The type of business engaged in by the existing enterprise;
- C. The size and financial integrity of the existing enterprise;
- D. The ownership of the existing enterprise; and
- E. The nature and extent of the Alien Investor's participation in the management of the existing enterprise;
- F. The number of resident employees shall not be less than 50% of total employees of existing enterprise.

5. Application Process.

A. The applicant shall submit three copies of the application for a Long Term Business Entry Permit and such additional information and documentation the applicant desires to include.

B. The Review Committee shall determine the conditions for approval of the application for a Long Term Business Entry Permit, which may include, but are not limited to, the following:

- 1. The representations made by the alien in his application to the Review Committee;
- 2. The length of time for which the Long Term Business Entry Permit may be granted before it shall be subject to reconsideration for renewal;
- 3. The types and scope of business activities in which the alien may engage;
- 4. Guarantees of employment preferences for Commonwealth residents, the Secretary of Commerce will condition renewal of permit on the number of residents employed by the holder.
- 5. Such other conditions as the Review Committee deems appropriate.

C. Short Term or Regular Term Business Entry Permit holders are eligible to apply for Long Term Business Entry Permits.

## LONG TERM BUSINESS ENTRY PERMIT

A. The Secretary of the Department of Labor and Immigration shall issue a Long Term Business Entry Permit to an Alien whose application has been approved by the Secretary of Commerce and who is not an excludable alien.

B. The representations and documents respectively made and submitted by the Alien Investor in conjunction with the application for a Long Term Business Entry Permit, and the conditions imposed under the application process Section 5.B. shall be conditions for approval and issuance of the Alien Investor Long Term Business Entry Permit or denial.

C. The initial term of the Long Term Business Entry Permit shall be for a period not to exceed two years.

D. The members of the immediate family of the holder of a Long Term Business Entry Permit may be issued an entry permit for the same duration as that of the holder, provided such persons are not excludable aliens and all other requirements are met.

E. Long Term Business Entry Permits shall not be extended to allow the holder to incorporate a different business entity.

### 7. Renewal of Long Term Business Entry Permit.

A. The holder of a Long Term Business Entry Permit has no absolute right to renewal of the Long Term Business Entry Permit.

B. The Long Term Business Entry Permit may be renewed if the Review Committee finds that the Alien's Investment continues to be in compliance with the standards set forth in Section 2, considering the Evaluation Factors set forth in Section 3 and 4, and the conditions imposed under Section 5.B., provided the Alien is not excludable.

C. An alien may apply for a renewal of the Long Term Business Entry Permit by submitting three copies of the renewal application and such additional information and documentation that the applicant desires to include to the Secretary at least 90 days prior to the expiration of the Alien Investor's previously issued Long Term Business Entry Permit.

### Application Procedure for Entry Permits.

A. Applications for entry permits shall be submitted to the Secretary of Commerce. The application will not be accepted without the necessary supporting documents and shall become the property of the Secretary. Applications shall be

processed within ten (10) days of submission. All documents shall be filled out under penalty of perjury.

**B. Necessary documents for filing include:**

1. A completed application form,
2. Certified copy of birth certificate,
3. Any document deemed necessary by the Secretary of Commerce to substantiate the applicants entry classification;
4. One and one-quarter inch (1 ¼") frontal photograph in either black and white or color.

**C. The application fee shall be paid to the CNMI Treasurer prior to filing the necessary documents. The fee is non-refundable.**

**D. Application must be submitted by applicant.**

**6. FOREIGN INVESTMENTS. The Secretary makes the following declarations:**

- (a) It is declared that all investments from Foreign Nationals shall fall under the classification of foreign investment;
- (b) It is declared that all investments by foreign nationals in existing enterprises shall fall under the foreign investment classification;
- (c) It is declared that all investments from Foreign Nationals and foreign corporations, proposed or actual, in new enterprises which are not engaged in business, but are proposed to engage shall fall under the classification of foreign investment.
- (d) It is declared that before any filing of corporate documents with the Registrar of Corporations, the incorporators must obtain the authority to organize from the Secretary;
- (e) It is declared that if a corporation is organized with both US citizens and Foreign Nationals holding interest, the corporation may proceed, without hindrance, in perfecting its business;
- (f) It is declared that if an investment in a proposed or existing enterprise cannot be categorized as falling under foreign investment, the Secretary must make findings and determine whether such investment should be classified

foreign investment or investment by US citizens.

**B. PROPOSED CHANGES TO THE FOREIGN INVESTORS CERTIFICATE**

**PAGE ONE - ADOPTED RULES AND REGULATIONS**  
**FOREIGN INVESTORS VISAS**  
**DEPARTMENT OF LABOR & IMMIGRATION**

Section 2.4. "who presents a currently valid passport or certificate of identity for himself and any member of his immediate family seeking such permit."

to add

"who presents a currently valid passport and a certificate of identity for himself and any member of his immediate family seeking such permit."

Section 4.a.1. "a non-refundable application fee of five hundred (\$500.00) dollars for the holder of the Certificate of Foreign Investment, and"

to change

"a non-refundable application fee of two thousand five hundred dollars for the holder of the Certificate of Foreign Investment, and

Section 4.a.2. "a non-refundable application fee of five hundred (\$500.00) dollars for each member of the holders family for which he desires issuance of a Foreign Investment Visa."

to change

"a non-refundable application fee of two thousand five hundred dollars for each member of the holder's family for which he desires issuance of a Foreign Investment Visa".

**PAGE TWO -** **ADOPTED RULES AND REGULATIONS**  
**CERTIFICATES OF FOREIGN INVESTMENT**  
**DEPARTMENT OF COMMERCE**

Section 1.2 This section is deleted.

Section 1.3.a "the relatives need for or desirability of the type of enterprise described by the applicant"

to correct

from relatives to relative

Section 5. "An application for a certificate of Foreign Investment shall be accompanied by a non-refundable fee of \$2,500 for the processing of the application."

to change

"An application for a certificate of Foreign Investment shall be accompanied by a non-refundable fee of ten thousand dollars (\$10,000.00) for the processing of the application."

### GENERAL CHANGES

1. Change all references to the "Director of Commerce and Labor" to the "*Secretary of Commerce*".
2. Change all references to the "Office of Immigration & Naturalization" to "Department of Labor and Immigration."
3. Change all references of "Director" to "Secretary"

### INSERT TO APPLICATION FORM

Number 7.C. "The number and description of employment positions which will be created for qualified Commonwealth residents,

to add

and any Human Resource Development plans;

Number 17. To add in space provided:

*"If needed, please attach a separate sheet to this application."*

Number 18. To add in space provided:

*"If needed, please attach a separate sheet to this application."*

The amended Rules and Regulations of Foreign Investor Visas and Certificates of Foreign Investment are contained herein:

**ADOPTED RULES AND REGULATIONS  
FOREIGN INVESTORS VISAS  
DEPARTMENT OF LABOR AND IMMIGRATION**

**ADOPTED RULES AND REGULATIONS  
CERTIFICATES OF FOREIGN INVESTMENT  
DEPARTMENT OF COMMERCE**



The Secretary of Labor and Immigration, pursuant to the authority vested in him under Public Law 1-8 and Title 53, Trust Territory Code, hereby issues the following rules and regulations establishing standards for the issuance of a FOREIGN INVESTOR VISA.

**Section 1. Definitions.**

a. "Approved Investment" means an investment made by an Alien Investor in the Commonwealth pursuant to a Certificate of Foreign Investment issued by the Secretary of Commerce.

b. "Alien Investor" means an individual, but not legal entities such as corporations, partnerships or other entities existing solely by virtue of the law. An "Alien Investor" is a person without United States citizenship, Commonwealth permanent residency or certificate of identity, or former Trust Territory citizenships, that qualifies as a holder of a Certificate of Foreign Investment issued by the Secretary of Commerce.

c. "Certificate of Foreign Investment" mean a Certificate issued by the Secretary of Commerce pursuant to rules and regulations issued by the Secretary of Commerce. The Certificate constitutes proof of the holder's participation as an Alien Investor in an Approved Investment in the Commonwealth of the Northern Mariana Islands.

d. Secretary means the Secretary of Labor and Immigration for the Commonwealth of the Northern Mariana Islands.

e. "Family" of a holder of a Certificate of Foreign Investments means the holder's spouse, the holder's children by blood and the holder's children by legal adoption effective one year prior to the date of application for Certificate of Foreign Investment.

f. "Foreign Investor Visa" means a Visa issued by the Secretary to a holder of a Certificate of Foreign Investment that complies with the conditions of issuance of a "Foreign Investor Visa" provided herein. The Visa is issued for purposes of providing entry and exit into the Commonwealth of the Northern Mariana Islands for a holder of a Certificate of Foreign Investment, as long as the Certificate remains in force and effect. A "Foreign Investor Visa" is issued to any holder of a valid Certificate of Foreign Investment, and members of the holder's family complying with the conditions enumerated below.

**Section 2. Foreign Investor Visa.**

a. The Secretary shall issue a Foreign Investor Visa to any Alien Investor (and members of his family) for each alien Investor:

1. who presents to the Secretary a current Certificate of Foreign Investment issued to himself or to a person of such relation that the applicant would be considered a member of a Certificate holder's family;
2. who admits evidence of good moral character in seeking such visa which evidence shall be obtained from a competent authority of and certified by an officer in the United States Consulate, or law enforcement official, of the country in which the Alien Investor permanently resides; such has police clearances;
3. who submits payments of a non-refundable application fee for issuance of a Foreign Investor Visa, as specified below; and
4. who presents a currently valid passport and/or certificate of identity for himself and any member of his immediate family seeking such permit.

b. The Foreign Investor Visa shall allow the Alien Investor entry and exit, of any frequency or duration, to and from the commonwealth of the Northern Mariana Islands. The Visa shall have no effect other than for the purposes of Foreign Investment and shall not vest in the holder thereof, or his immediate family, rights and rights to permanent residency for reasons unrelated to operation of an Approved Investment, or rights to CNMI citizenship or United States citizenship.

c. The Foreign Investor Visa shall be valid for an indefinite period of time, subject to revocation upon the conditions specified below.

d. The Secretary shall review and take action (issuance or denial within fifteen (15) days following receipt a complete application.

e. In the event the Secretary denies the Alien Investor's application for a Foreign Investor Visa, he shall state the reasons for the denial, in writing, within the time period specified in Section 2(d).

**Section 3. Revocation of Foreign Investor Visa.**

a. Upon written notification from the Secretary of Commerce that a Certificate of Foreign Investment has been revoked, the  
COMMONWEALTH REGISTER VOLUME 16 NUMBER 09 SEPTEMBER 15, 1994 PAGE 12354

Secretary shall revoke the Visas of the holder and his family; provided, however, that the revocation shall not take effect until six (6) months following the date of revocation of the Certificate of Foreign Investment.

b. Upon written notice from the Secretary of Commerce of the revocation of a certificate of Foreign Investment, the Secretary shall send written notice of revocation of the Foreign Investor Visas for the Certificate holder and his family to the Certificate holder. This written notice shall specify the date of termination of the Visas which shall be six (6) months from the date of revocation of the Certificate of Foreign Investment.

**Section 4. Schedule of Fees.**

a. An application for a Foreign Investor Visa shall be accompanied by:

1. a non-refundable application fee of two thousand five hundred (\$2,500.00) dollars for the holder of the Certificate of Foreign Investment, and
2. a non-refundable application fee of two thousand five hundred (\$2,500.00) dollars for each member of the holder's family for which he or she desires issuance of a Foreign Investment Visa.

Date: January 27, 1983  
Amended: August 23, 1994

ADOPTED RULES AND REGULATIONS  
CERTIFICATES OF FOREIGN INVESTMENT  
DEPARTMENT OF COMMERCE

The Secretary of Commerce, pursuant to the authority, vested in him under Public Law 1-8 and Public Law 3-11, hereby issued the following rules and regulations establishing standards and criteria for the issuance of a CERTIFICATE OF FOREIGN INVESTMENT.

**Section 1. Definitions.**

a. "Alien Investor" means any individual seeking or holding a Certificate of Foreign Investment but does not include entities such as corporations, partnerships or other entities existing solely by virtue of the law. An "Alien Investor" is an individual without United States citizenship, a Commonwealth certificate of identity or permanent residence status, or former Trust Territory citizenship who wished to participate in an Approved Investment in the Commonwealth of the Northern Mariana Islands. An "Alien Investor" shall be an individual of good moral character, with no conviction for any crime which could have been punished by greater than one year imprisonment if committed in the Commonwealth, with no conviction for a felony under the laws of the United States government, and with no convictions for any crime in any jurisdiction involving moral turpitude.

b. "Approved Letter" means a letter issuable by the Secretary certifying acceptance of an Approved Investment subject to minimum investment amounts and investment standards set forth in Section 1(e) herein.

c. "Approved Investment" means an investment approved by the Secretary, which approval shall be subject to the following standards:

1. Minimum Amount of Investment. The amount of the "Approved Investment" shall be \$100,000 per person in an aggregate "Approved Investment" in excess of \$2,000,000; or \$250,000 by an individual in a single "Approved Investment".
2. Approved Investment Standards. In reviewing the acceptability of an Approved Investment for purposes of determining issuance or denial of a Certificate of Foreign Investment, the Secretary shall consider:
  - (a) the relative need for or desirability of the type of enterprise described by the applicant;
  - (b) whether or not the proposed enterprise is in compliance with local and/or federal laws.
  - (c) the number and description of employment positions created by the enterprise or which will be created for qualified Commonwealth residents and the extent to which non-residents personnel are or will be utilized at the outset of the applicant's enterprise, the quality and projected performance of a resident employee training program, if any;
  - (d) the effect which the enterprise will have upon the ecology of the Commonwealth including its pollutant or non-pollutant status, its potential impact on the fresh water table, and the likelihood of creating waste products that would be detrimental to the environment.
  - (e) the personal integrity and business reputation of the Alien Investor and any associate investors involved in the enterprise;
  - (f) to the extent that such factor can be determined, the likelihood that the enterprise will continue its operation in the Commonwealth for a substantial period of time;
  - (g) the extent to which contractors, subcontractors, labor and materials and other supplies available locally have been or will be utilized in the establishment, construction and operation of the enterprise;
  - (h) the extent to which the enterprise will impact upon power and water resources in the Commonwealth, whether or not the enterprise includes water catchments, separate power plant, separate water wells, other independent water or power resource; and if not, the amounts of water and power necessary for establishment, construction, and operation of the enterprise;
  - (i) the likelihood that the enterprise has not been organized in good faith or with a permanent character or that the issuance of a Certificate of Foreign Investment will be misused;
  - (j) nothing in these standards shall preclude the Foreign Investor from investing in an ongoing enterprise.

d. "Certificate of Foreign Investment" means a Certificate issued by the Secretary under the standards and conditions enumerated herein as proof of the holder's participation as an Alien Investor in an Approved Investment in the commonwealth of the Northern

Mariana Islands. The Certificate shall be required by the holder in order to apply for a Foreign Investment Visa issuable by the Secretary of Labor and Immigration.

e. Secretary means the Secretary of Commerce for the Commonwealth of the Northern Mariana Islands.

## Section 2. Issuance of Certificates of Foreign Investment.

a. The Alien Investor shall submit an application for an Approved Investment subject to the standards and criteria outlined in section 1. The applicant shall provide all information necessary for the Secretary to conduct a background check to ensure that the Alien Investor is of good moral character and that the criteria listed in section 1 will be met. The application shall be accompanied with a non-refundable application fee in the amount specified in section 5.

b. The Secretary shall review the application for Approved Investment and, in the event that the proposal complies with the standards and criteria outlined in Section 1, he shall issue an Approval Letter indicating acceptance of the plan. The Approval Letter shall not be evidence of a Certificate of Foreign Investment as referenced in section 1(a). The Approval Letter shall be issued or denied within a time period not to exceed forty-five (45) days from the date of application.

c. After receiving an Approval Letter regarding a proposed Approved Investment, the Alien Investor shall secure the necessary financial backing to proceed with the Approved Investment.

d. After obtaining necessary financial backing to finance the approved Investment, the Alien Investor shall supply documentary proof of such backing to the Secretary for his review and approval. This documentation shall be sufficient to convince the Secretary that the Alien Investor has sufficient backing to initiate the Approved Investment within one hundred and eighty (180) days following the issuance of a Certificate of Foreign Investment. This documentation may include cash deposits, letters of credit, or any other evidence of financial ability acceptable to the Secretary.

e. Upon receipt and approval of documentation proving financial ability of the Alien Investor, the Secretary shall issue a Certificate of Foreign Investment. Issuance or denial of the Certificate of Foreign Investment shall be effected by the Secretary within a time period not to exceed thirty (30) days after the receipt of the financial backing documentation.

f. In the event the Secretary denies issuance of either an Approval Letter or a Certificate of Foreign Investment to any applicant, the Secretary shall deliver the reasons for denial in writing to the applicant within the time periods specified in section 2(b) and or section 2(e).

## Section 3. Duration of Certificate of Foreign Investment.

The duration of the Certificate of Foreign Investment shall be perpetual; provided that the Approved Investment continues to comply with the standards of issuance.

## Section 4. Annual report.

The holder of a Certificate of Foreign Investment must submit to the Secretary an annual report of investment activities in the Commonwealth on or before January 1 of each year. The report shall contain the information necessary for the Secretary to determine whether or not the Certificate holder is under continuing compliance with the standards of issuance.

## Section 5. Schedule of Fees.

An application for a Certificate of Foreign Investment shall be accompanied by a non-refundable fee of \$10,000.00 for the processing of the application.

## Section 6. Revocation of Certificate of Foreign Investment.

a. The Secretary, after permitting the Certificate holder (or his authorized representative) to appear before him, in person, and finding, upon a preponderance of the evidence reviewed by him, that the Alien Investor has:

- (1) not maintained an Approved Investment in continuing compliance with the standards of issuance of a Certificate of Foreign Investment; and/or
- (2) committed fraud or misrepresentation in any material assertion in the application for the Approval Letter, the Certificate of Foreign Investment, or the Annual Report required pursuant to Section 4 herein; and/or
- (3) been subjected to an adjudication of bankruptcy regarding the Alien Investment; and/or
- (4) failed to comply with any conditions or obligations stated in the Certificate of Foreign Investment, after having been afforded by the Secretary reasonable period within which to correct such failure; provided, however, that should the alien Investment fail for reasons beyond the control of the Alien Investor, the Secretary shall provide reasonable time to the

Alien Investor within which to refinance the Approved Investment, or secure participation in an alternative Approved Investment.

(5) been subjected to a finding by the Attorney General that the corporate parent for the enterprise, if any, has been dissolved; and/or

(6) violated any provision of these rules and regulations.

shall either take steps to secure correction of any insufficiency or non-compliance, or revoke the Certificate of Foreign Investment, the Alien Investor shall be afforded a six-month grace period following termination or revocation of his Certificate, in order to take steps necessary to liquidate, transfer or otherwise dispose of assets connected with the Alien Investor's Approved Investment activity. The Secretary shall inform the Secretary of Labor and Immigration in writing of his decision to revoke and/or deny renewal of the Certificate of Foreign Investment, and compute the six month's grace period date commencing from the date of denial and/or revocation. The Alien Investor's Foreign Investment Visa (and any visas held by members of his immediate family) shall be valid up to and including the final day of the six-month grace period following termination of the Certificate of Foreign Investment.

#### **Section 7. Other Foreign Investment.**

Nothing in these rules and regulations shall preclude foreign investment in the Commonwealth; however, any other manner of foreign investment shall not entitle the Alien Investor to a Certificate of Investment.

#### **Fee Schedule:**

1. Regular Term Business Entry Permit, \$200;
2. Long Term Business Entry Permit, \$1,000;
3. Foreign Investment Visa
  - a) \$2,500 to a holder of a Foreign Investment Certificate;
  - b) 2,500 per family member;
4. Foreign Investment Certificate \$10,000;
5. Penalties for any violation of these rules and regulations: \$100 per day the violation is not resolved and \$100 per violation.

All Fees collected under the Business Entry Permit and Foreign Investment Visa and Certificate Programs shall be deposited with the CNMI Treasurer, and the Secretary of Finance shall permit the Secretary of Commerce to use the funds for the enforcements of these regulations.

Date: January 27, 1983  
Amended August 23, 1994

**INSURANCE COMPANY REGULATIONS PART III**

**A. RULE REQUIRING ANNUAL AUDITED FINANCIAL REPORTS AND SECURITY DEPOSITS**

Pursuant to the authority vested in the Insurance Commissioner of the Commonwealth of the Northern Mariana Islands by 4 CMC Section 7105(b) of the Commonwealth Insurance Act of 1983, the Insurance Commissioner hereby gives notice of intent to promulgate rules establishing a requirement for authorized insurers to file annual audited financial reports, and to require such insurers to place with the Insurance Commissioner security deposits.

The purposes of these rules are to improve the Office of the insurance Commissioner's surveillance of the financial condition of insurers by requiring an annual examination by independent certified public accountants of the financial statements reporting the financial position and the results of operations of insurers and to ensure reserves are allocated for certain risks.


All persons interested in submitting data, views, or arguments in writing, concerning this rule may do so by submitting them to:

Insurance Commissioner  
Department of Commerce  
Caller Box 10007  
Capitol Hill, Saipan, MP 96950

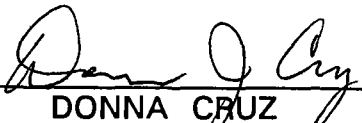
Written comments must be submitted no later than thirty (30) calendar days following the date of publication of this notice in the Commonwealth Register.

Issued by:   
OSCAR C. SAMACHO  
Insurance Commissioner

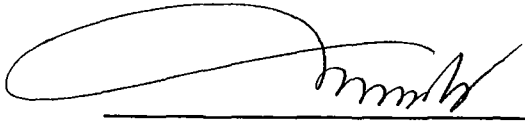
  
DATE

  
PEDRO Q. DELA CRUZ  
Secretary of Commerce

  
DATE

Filed with:   
DONNA CRUZ  
Secretary to the Governor

8/24/94  
DATE

  
SOLEDAD B. SASAMOTO  
Registrar of Corporations

8/24/94  
DATE

OFFICE OF THE INSURANCE COMMISSIONER  
DEPARTMENT OF COMMERCE AND LABOR  
CAPITOL HILL, SAIPAN, MP 96950

Rule Requiring Annual Audited Financial Reports

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**Section 1. AUTHORITY**

This rule is promulgated by the Commissioner of Insurance pursuant to 4 CMC Section 7105(b) of the Commonwealth Insurance Act of 1983 as amended.

**Section 2. PURPOSES AND SCOPE**

The purposes of these rules are to improve the Office of the Commonwealth Insurance Commissioner's surveillance of the financial condition of insurers by:

- 1) Requiring an annual examination by independent certified public accountants of the financial statements reporting the financial position and the results of operations of insurers.
- 2) To ensure reserves are allocated for certain risks.

Every insurer, as defined in Section 3, shall be subject to the first rule. Insurers having direct premiums written in the CNMI of less than 450,000 in any calendar year and less than 50 policyholders or certificate holders of directly written policies at the end of such calendar year shall



be exempt from the rule for such year unless the Commissioner makes a specific finding that compliance is necessary for the Commissioner to carry out statutory responsibilities) except that insurers having assumed premiums pursuant to contracts and/or treaties of reinsurance of \$50,000 or more will not be so exempt.

Foreign or alien insurers filing audited financial reports in another state, pursuant to such other state's requirement of audited financial reports which has been found by the commissioner to be substantially similar to the requirements herein, are exempt from this rule if:

- A. A copy of the Audited Financial Report, Report on Significant Deficiencies in Internal Controls, and the Accountant's letter of Qualifications which are filed with such other state are filed with the Commissioner in accordance with the filing dates specified in sections 4, 11, and 12 respectively.
- B. A copy of any Notification of Adverse Financial Condition Report filed with such other state is filed with the Commissioner within the time specified in Section 10.

This rule shall not prohibit, preclude or in any way limit the commissioner of Insurance from ordering and/or conducting and/or performing examinations of insurers under the rules and regulations and the practices and procedures of the Office of the Insurance commissioner.

There is no exception to the second rule, the imposition of security deposits on all insurers providing for labor bonds and/or surety on alien laborers.

### **Section 3. DEFINITIONS**

- A. "Audited financial report" means and includes those items specified in section 5 of this rule.
- B. "Accountant" and "Independent Certified Public Accountant" means an independent certified public accountant or accounting firm in good standing with the American Institute of CPA's and in all states in which they are licensed to practice.
- C. "Insurer" means an authorized insurer as defined in 4 CMC Section 7301(a) and (b) of the Commonwealth Insurance Act of 1983.
- D. "State" means any state of the United States, the governments of Puerto Rico, American Samoa and Guam.
- E. Labor bond is defined in the Alien Labor Rules and Regulations adopted on April 15, 1988 Section II page 5515 and is herein incorporated.

### **Section 4. FILING AND EXTENSIONS FOR FILING OF ANNUAL AUDITED FINANCIAL REPORTS.**

All insurers shall have an annual audit by an independent certified public accountant and shall file an audited financial report with the Commissioner on or before June 1 for the year ended December 31

immediately preceding. The Commissioner may require an insurer to file an audited financial report earlier than June 1 with ninety (90) days advance notice to the insurer.

Extensions of the June 1 filing date may be granted by the Commissioner for thirty-day periods upon showing by the insurer and its independent certified public accountant the reasons for requesting such extension and determined by the Commissioner of good cause for an extension. The request for extension must be submitted in writing not less than ten (10) days prior to the due date in sufficient detail to permit the Commissioner to make an informed decision with respect to the requested extension.

## **Section 5. CONTENTS OF ANNUAL AUDITED FINANCIAL REPORT.**

The Annual Audited Financial Report shall report the financial position of the insurer as of the end of the most recent calendar year and the results of its operations, cash flows and changes in capital and surplus for the year then ended in conformity with statutory accounting practices prescribed, or otherwise permitted, by the Department of Insurance of the state of domicile.

The Annual Audited Financial Report shall include the following:

- A. Report of independent certified public accountant.
- B. Balance sheet reporting admitted assets, liabilities, capital and surplus.
- C. Statement of operations.
- D. Statement of cash flows.
- E. Statement of changes in capital and surplus (For domestic insurers, the statement of changes in capital and surplus).
- F. Notes to financial statements. These notes shall be those required by the appropriate NAIC Annual Statement Instructions and any other notes required by generally accepted accounting principles and shall also include:
  - (1) A reconciliation of differences, if any, between the audited statutory financial statements and the Annual Statement filed pursuant to 4 CMC Section 7306(o)(1), 7396(d), and 7308(e), respectively, of the Commonwealth Insurance Act with a written description of the nature of these differences.
  - (2) A summary of ownership and relationships of the insurer and all affiliated companies.
- G. The financial statements included in the Audited Financial Report shall be prepared in a form and using language and groupings substantially the same as the relevant sections of the Audited Statement of the insurer filed with the Commissioner, and the financial statement shall

be comparative, presenting the amounts as of December 31 of the current year and the amounts as of the immediately preceding December 31. However, in the first year in which an insurer is required to file an audited financial report, the comparative data may be omitted.

#### **Section 6. DESIGNATION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.**

Each insurer required by this rule to file an annual audited financial report must within sixty (60) days after becoming subject to such requirement, register with the Commissioner in writing the name and address of the independent certified public accountant or accounting firm (generally referred to in this rule as the "accountant") retained to conduct the annual audit set forth in this rule. Insurers not retaining an independent certified public accountant on the effective date of this rule shall register the name and address of their retained certified public accountant not less than six (6) months before the date when the first audited financial report is to be filed.

The insurer shall obtain a letter from the accountant, and file a copy with the Commissioner stating that the accountant is aware of the provisions of the Insurance Code and the Rules and Regulations of the Insurance Department of the state of domicile that relate to accounting and financial matters and affirming that he will express his opinion on the financial statements in terms of their conformity to the statutory accounting practices prescribed or otherwise permitted by the Department, specifying such exceptions as he may believe appropriate.

If an accountant who was the accountant for the immediately preceding filed audited financial report is dismissed or resigns the insurers shall within five (5) business days notify the Commissioner of this event. The insurers shall also furnish the Commissioner with a separate letter within ten (10) business days of the above notification stating whether in the twenty-four (24) months preceding such event there were any disagreements with the former accountant on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure; which disagreements, if not resolved to the satisfaction of the former accountant, would have caused him to make reference opinion. The disagreements required to be reported in response to this Section include both those resolved to the former accountant's satisfaction and those not resolved to the former accountant's satisfaction. Disagreements contemplated by this section are those that occur at the decision-making level, i.e., between personnel of the insurer responsible for presentation of its financial statements and personnel of the accounting firm responsible for rendering its report. The insurer shall also in writing request such former accountant to furnish a letter addressed to the insurer stating whether the accountant agrees with the statements contained in the insurer's letter and, if not, stating the reasons for which he does not agree; and the insurer shall furnish such responsive letter from the former accountant to the Commissioner together with its own.

#### **Section 7. QUALIFICATION OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.**

- A. The Commissioner shall not recognize any person or firm as a qualified independent certified public accountant that is not in good standing with the American Institute of CPAs and in all states in which the accountant is licensed to practice.

- B. Except as otherwise provided herein, an independent certified public accountant shall be recognized as qualified as long as he or she conforms to the standards of his or her profession, as contained in the Code of Professional Ethics of the American Institute of Certified Public Accountants.
- C. No partner or other person responsible for rendering a report may act in that capacity for more than seven (7) consecutive years. Following any period of service such person shall be disqualified from acting in that or a similar capacity for the same company or its insurance subsidiaries or affiliates for a period of two (2) years. An insurer may make application to the Commissioner for relief from the above rotation requirement on the basis of unusual circumstances. The Commissioner may consider the following factors in determining if the relief should be granted:
- (1) Number of partners, expertise of the partners or the number of insurance clients in the currently registered firm;
  - (2) Premium volume of the insurer; or
  - (3) Number of jurisdictions in which the insurer transacts business.

The requirement of this paragraph shall become effective two (2) years after the enactment of this rule.

- D. The Commissioner shall not recognize as a qualified independent certified public accountant, nor accept any annual Audited Financial Report, prepared in whole or in part by, any natural person who:
- (1) Has been convicted of fraud, bribery, a violation of the Racketeer Influenced and Corrupt Organizations Act, 18 U.S.C. Section 1961-1968, or any dishonest conduct or practices under federal or state law;
  - (2) Has been found to have violated the insurance laws of this state with respect to any previous reports submitted under this rule; or
  - (3) Has demonstrated a pattern or practice of failing to detect or disclose material information in previous reports filed under the provisions of this rule.
- E. The Commissioner of Insurance, as provided in 4 CMC Section 7201(i) of the Commonwealth Insurance Act, may hold a hearing to determine whether a certified public accountant is qualified and, considering the evidence presented, may rule that the accountant is not qualified for purposes of expressing his opinion on the financial statements in the annual Audited Financial Report made pursuant to this rule and require the insurer to replace the accountant with another whose relationship with the insurer is qualified within the meaning of this rule.

## **Section 8. CONSOLIDATED OR COMBINED AUDITS.**

An insurer may make written application to the Commissioner for approval to file audited consolidated or combined financial statements in lieu of separate annual Audited Financial Statements if the insurer is part of a group of insurance companies which utilizes a pooling or one hundred percent reinsurance agreement that affects the solvency and integrity of the insurer's reserves and such insurer cedes all of its direct and assumed business to the pool. In such cases, a columnar consolidating or combining worksheet shall be filed with the report, as follows:

- A. Amounts shown on the consolidated or combined Audited Financial Report shall be shown on the Worksheet.
- B. Amounts for each insurer subject to this section shall be stated separately.
- C. Noninsurance operations may be shown on the worksheet on a combined or individual bases.
- D. Explanations of consolidating and eliminating entries shall be included.
- E. A reconciliation shall be included of any differences between the amounts shown in the individual insurer columns of the worksheet and comparable amounts shown on the Annual Statements of the insurers.

## **Section 9. SCOPE OF EXAMINATION AND REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT.**

Financial statements furnished pursuant to Section 5 hereof shall be examined by an independent certified public accountant. The examination of the insurer's financial statements shall be conducted in accordance with generally accepted auditing standards. Consideration should also be given to such other procedures illustrated in the Financial Condition Examiner's Handbook promulgated by the National Association of Insurance Commissioners as the independent certified public accountant deems necessary.

## **Section 10. NOTIFICATION OF ADVERSE FINANCIAL CONDITION.**

The insurer required to furnish the annual Audited Financial Report shall require the independent certified public accountant to report, in writing, within five (5) business days to the board of directors or its audit committee any determination by the independent certified public accountant that the insurer has materially misstated its financial condition as reported to the Commissioner as of the balance sheet date currently under examination or that the insurer does not meet the minimum capital and surplus requirement of the Commonwealth Insurance Act of that date. An insurer who has received a report pursuant to this paragraph shall forward a copy of the report to the commissioner within five (5) business days of receipt of such report and shall provide the independent certified

public accountant making the report with evidence of the report being furnished to the Commissioner. If the independent certified public accountant fails to receive such evidence within the required five (5) business day period, the independent certified public accountant shall furnish to the Commissioner a copy of its report within the next five (5) business days.

No independent public accountant shall be liable in any manner to any person for any statement made in connection with the above paragraph if such statement is made in good faith in compliance with the above paragraph.

If the accountant, subsequent to the date of the Audited Financial Report filed pursuant to this rule, becomes aware of facts which might have affected his report, the Office of the Insurance Commissioner notes the obligation of the accountant to take such action as prescribed in Volume 1, Section AQ 561 of the Professional Standards of the American Institute of Certified Public Accountants.

#### **Section 11. REPORT ON SIGNIFICANT DEFICIENCIES IN INTERNAL CONTROLS.**

In addition to the Annual Audited Financial Statements, each insurer shall furnish the Commissioner with a written report prepared by the accountant describing significant deficiencies in the insurer's internal control structure noted by the accountant during the audit. ASA No. 60, Communication of Internal Control Structure Matters Noted in an Audit (AU Section 325 of the Professional Standards of the American Institute of Certified Public Accountants) requires an accountant to communicate significant deficiencies (known as "reportable conditions") noted during a financial statement audit to the appropriate parties within an entity. No report should be issued if the accountant does not identify significant deficiencies. If significant deficiencies are noted, the written report shall be filed annually by the insurer with the Office of the Insurance Commissioner within sixty (60) days after the filing of the annual Audited Financial Statements. The insurer is required to provide a description of remedial actions taken or proposed to correct significant deficiencies, if such actions are not described in the accountant's report.

#### **Section 12. ACCOUNTANT'S LETTER OF QUALIFICATIONS**

The accountant shall furnish the insurer in connection with, and for inclusion in, the filing of the annual audited financial report, a letter stating:

- A. That the accountant is independent with respect to the insurer and conforms to the standards of his or her profession as contained in the Code of Professional Ethics and pronouncements of the American Institute of Certified Public Accountants.
- B. The background and experience in general, and the experience in audits of insurers of the staff assigned to the engagement and whether each is an independent certified public accountant. Nothing within this rule shall be construed as prohibiting the accountant from utilizing such staff as he or she deems appropriate where use is consistent with the standards prescribed by generally accepted auditing standards.

- C. That the accountant understands the annual audited financial report and his opinion thereon will be filed in compliance with this rule and that the Commissioner will be relying on this information in the monitoring and regulation of the financial position of insurers.
- D. That the accountant consents to the requirements of Section 13 of this rule and that the accountant consents and agrees to make available for review by the Commissioner, his designee or his appointed agent, the workpapers, as defined in Section 13.
- E. A representation that the accountant is properly licensed by an appropriate state licensing authority and is a member in good standing in the American Institute of Certified Public Accountants.
- F. A presentation that the accountant is in compliance with the requirements of Section 7 of this rule.

### **Section 13. DEFINITIONS, AVAILABILITY AND MAINTENANCE OF CPA WORKPAPERS.**

Workpapers are the records kept by the independent certified public accountants of the procedures followed, the tests performed, the information obtained, and the conclusions reached pertinent to his examinations of the financial statements of an insurer. Workpapers, accordingly, may include audit planning documentation, work programs, analyses, memoranda, letters of confirmation and representation, abstracts of company documents and schedules or commentaries prepared or obtained by the independent certified public accountant in the course of his examination of the financial statements of an insurer and which support his opinion thereof.

Every insurer required to file an Audited Financial Report pursuant to this rule, shall require the accountant to make available for review by the Commissioner's examiners, all workpapers prepared in the conduct of his examination and any communications related to the audit between the accountant and the insurer, at the offices of the insurer, at the Office of the Insurance Commissioner or at any other reasonable place designated by the Commissioner. The insurer shall require that the accountant retain the audit workpapers and communications until the Office of the Insurance Commissioner has filed a Report on examination covering the period of the audit but no longer than seven (7) years from the date of the audit report.

In the conduct of the aforementioned periodic review by the Commissioner's examiners, it shall be agreed that photocopies of pertinent audit workpapers may be made and retained by the Office of the Insurance Commissioner. Such reviews by the Commissioner's examiners shall be considered investigations and all working papers and communications obtained during the course of such investigations shall be afforded the same confidentiality as other examination workpapers generated by the Office of the Insurance Commissioner.

### **Section 14. EXEMPTIONS AND EFFECTIVE DATES.**

Upon written application of any insurer, the Commissioner may grant an exemption from compliance

with this rule if the Commissioner finds, upon review of this application, that compliance with this rule would constitute a financial or organizational hardship upon the insurer. An exemption may be granted at any time and from time to time for a specified period or periods. Within ten (10) days from a denial of an insurer's written request for an exemption from this rule, such insurer may request in writing a hearing on its application for an exemption. Such hearing shall be held in accordance with 4 CMC Section 7201(i) through (v) of the Commonwealth Insurance Act pertaining to administrative hearing procedures.

Domestic insurers retaining a certified public accountant on the effective date of this rule who qualify as independent shall comply with this Rule for the year ending December 31, 1994 and each year thereafter unless the Commissioner permits otherwise.

Domestic insurers not retaining a certified public accountant on the effective date of this rule who qualify as independent may meet the following schedule for compliance unless the Commissioner permits otherwise.

A. As of December 31, 1994, file with the Commissioner:

- (1) Report of independent certified public accountant;
- (2) Audited balance sheet;
- (3) Notes to audited balance sheet.

B. For the year ending December 31, 1994 and each year thereafter, such insurer shall file with the Commissioner all reports required by this rule.

Foreign Insurers shall Comply with this Rule for the year ending December 31, 1994 and each year thereafter, unless the Commissioner permits otherwise.

#### **Section 15. SECOND RULE. SECURITY DEPOSIT.**

A. As security for the faithful performance of its obligations, each insurer before engaging in the business of surety for labor as required by the Chief of Labor on the bonding of nonresident workers shall deposit with the Treasurer of the Commonwealth twenty five percent of its surety risk exposure directly on the bonding of nonresident workers in time deposits for a period of not less than one year in a bank licensed by the CNMI Director of Banking; and such value must be maintained at all times. The Insurance Commissioner prescribes the following procedures and guidelines:

- (1) On or before renewal of an insurer's Certificate of Authority it must present to the Insurance Commissioner the required security deposit and a listing of all nonresident labor bonds. The listing shall include such items as names of insured, employers, amount of coverage, and dates of the expiration of such bonds;



- (2) Time deposit account must show "Insurance company "and " the CNMI Treasurer "or" the Insurance Commissioner" as holders of the account;
- (3) The Commissioner shall notify Treasurer and Company of accounts maturity date and Treasurer shall be authorized to renew or terminate such account pursuant to instructions from the Commissioner;
- (4) Release of the Security deposit shall be accomplished by authority from the Insurance Commissioner and only upon satisfaction of the following conditions:
  - (a) Insurer files for bankruptcy, or
  - (b) A reasonable determination by the Insurance Commissioner and after making findings that the circumstances surrounding the release warrants for such release. Reasons, findings, and determinations must be documented.
  - (c) The Insurance Commissioner shall conduct examinations and request insurance companies to provide listing of new bonds issued, and require such companies to increase security deposits relative to the increase in the risk exposure as found by the Insurance Commissioner.
  - (d) The Chief of Labor shall furnish the Insurance Commissioner a summary of nonresident labor bond information. Information shall include names of insurance companies, the number of employees insured by such companies, and total amount of coverage per insurance company. This summary should be presented to the Commissioner on or before December 15th of each year.

#### **Section 16. SEVERABILITY PROVISION.**

If any section or portion of a section of these rules or the applicability thereof to any person or circumstance is held invalid by a court, the remainder of the rules or the applicability of such provisions to other persons or circumstances shall not be affected thereby.

**B. The Review Committee under the direction of the Secretary of Commerce shall adopt specific criterias and establish standard operating procedures and shall be incorporated into these regulations: forms, standard operating procedures and guidelines, public notices and service announcements, memorandums, and other miscellaneous items.**

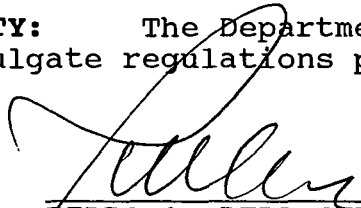
**PUBLIC NOTICE OF ADOPTION OF EMERGENCY REGULATIONS  
AND NOTICE OF INTENT TO ADOPT AMENDMENTS TO THE  
ALIEN LABOR RULES AND REGULATIONS**

**EMERGENCY:** The Agency finds that the public interest requires amendment to the Labor Regulations, upon less than thirty (30) days notice of regulations, to restrict the issuance and renewal of Labor Identification Certificates to Nonresident Workers who can speak, read or write the English language.

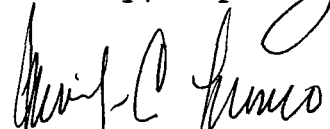
**CONTENTS:**

**PUBLIC COMMENTS:** All interested persons may submit written data, views, or arguments about the proposed amendments to the Director, Department of Commerce and Labor, Administration Building, Capitol Hill, Saipan, MP 96950, on or before October 17, 1994.

**AUTHORITY:** The Department of Commerce and Labor is authorized to promulgate regulations pursuant to 1 CMC §§ 2454, 9104.

  
\_\_\_\_\_  
PEDRO Q. DELA CRUZ  
Secretary, Department of Commerce

9/7/94  
Date

Concurred:   
\_\_\_\_\_  
FROILAN C. TENORIO  
Governor

9/7/94  
Date

for:   
\_\_\_\_\_  
SOLEDAD B. SASAMOTO  
Filed by Registrar of Corporations

9/7/94  
Date

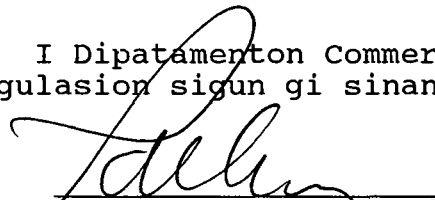
**NUTISIAN PUBLIKU PUT I MA ADAPTAN I REGULASION SIHA PUT GOTPE  
NA NISISIDAT YAN NUTISIA PUT I INTENSION PARA U MA ADAPTA I  
AMENDASION SIHA GI AREKLAMENTO YAN REGULASION ALIEN LABOR**

**GOTPE NA NISISIDAT:** I ahensia ha sodda' na i interes publiku ha nisisita amendasion gi Regulasion Hotnaleru, i menus di trenta (30) dias na notisia gi regulasion, siha ni para i priba i ni latngus yan renueban i Labor Certifikasion para Nonresident Workers ni ti sina kumentus, mangge, yan manaitai gi finu Ingles.

**SUHETU:**

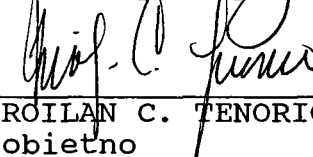
**KOMENTUN PUBLIKU:** Todu man enteresau na taotao pot i propositu amendasion, pot fabot, tugi pa ya na halom gi Ofisina Direktot, Department of Commerce and Labor, Administration Building, Capitol Hill, Saipan, MP 96950 gi dia Octubre 17, 1994.

**ATURIDAT:** I Dipatamenton Commerce and Labor ma aturisa para u famatinas Regulasion sigun gi sinangan i 1 CMC §§ 2454, 9104.

  
\_\_\_\_\_  
PEDRO Q. DELA CRUZ  
Secretary, Department of Commerce

9/7/94  
Fecha

Inakanfotman:

  
\_\_\_\_\_  
FROILAN C. TENORIO  
Gobietno

9/7/94  
Fecha

*for:*   
\_\_\_\_\_  
SOLEDAD B. SASAMOTO  
Ha file i Registrar of Corporations

9/7/94  
Fecha


**ARONGORONGOL TOWLAP  
ARONGORONG REEL ADOPTION-UL ALLEGHUL EMERGENCY  
ME ARONGORONG IGHA REKKE MANGIY BWE REBWE ADAPTAALIL  
LLIIWEL KKA LLOL OWTOL ALLEGHUL ALIEN LABOR**

**EMERGENCY:** Dipatamento yeel e schungi bwe reel igha ghatch ngalir towlap, arongorong ral regulations esop allu sangi (30) ral, nge e nisisooriyo bwe ebwe yoor lliiwel mellol owtol Alleghul Labor bwe ebwe aighu mille isilillol me ffeer Sefaalil Certificates-il Application nge bwal reel nonresident worker ka re metaf-reel ar rebwe kapas me iishil loll English.

**OWTOL:**

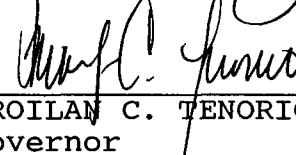
**TIPEER ME MANGEMANGIIR TOWLAP:** Aramas ye e tipali nge emmwel schagh bwe ebwe ischiitiw meta tipal me mangemangil reel lliiwel kkaal nge raa afanga ngali Director, Dept. of Commerce and Labor, Admin. Building, Capitol Hill, Saipan, MP 96950 mwal October 17, 1994.

**BWANG:** Dipatamentool Commerce and Labor eyoor bwangil bwe ebwe ffeer Alleghul sangi bwangil me aileewal mille 1 CMC §§ 2454, 9104.

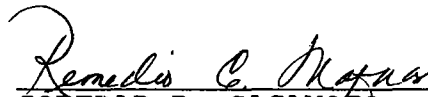
  
\_\_\_\_\_  
PEDRO Q. DELA CRUZ  
Secretary, Dipatamentool Commerce

9/7/94  
Ral

Alleghuuyal:

  
\_\_\_\_\_  
FROILAN C. TENORIO  
Governor

9/7/94  
Ral

for:   
\_\_\_\_\_  
SOLEDAD B. SASAMOTO  
File-liiyal Registrar of Corporations

9/7/94  
Ral

**CONTENTS: EMERGENCY REGULATION AND PROPOSED AMENDMENT  
TO THE ALIEN LABOR RULES AND REGULATIONS,  
Commonwealth Register, vol. 10, no 4, at 5515-16,  
(April 15, 1988), Sections II G 3 h, and II C 1 h, i:**

**SECTION II. APPLICATION PROCEDURES.**

**B. Initial Application.**

**3. Submission, Review of other Required Documents**

- h. A Declaration that the Nonresident Worker can speak, read or write the English language.**

**C. Renewal of Labor Certificates.**

**1. Procedures and Requirement**

- h. The policy of Personal Accident Insurance required to Renew Labor Certificates by Section II C 1 g of the ALIEN LABOR RULES AND REGULATIONS, Commonwealth Register, vol. 16, no. 6, at 12044-46 (June 15, 1994) *effective date* September 26, 1994 is inapplicable to the Renewal of Labor Identification Certificates of Nonresident Workers covered by Medical Insurance pursuant to 3 CMC § 4437(c).**
- i. Prior to the Renewal of any Labor Identification Certificate, the Nonresident Worker shall execute and provide to the Chief of Labor, or his designee, a Declaration to the effect that the Nonresident Worker has no existing Wage or Hour Claims against his Employer, and that the Nonresident Worker can speak, read or write the English language.**



**Commonwealth of the Northern Mariana Islands**  
**Office of the Governor**  
 Saipan, Mariana Islands 96950

FOR OFFICIAL USE  
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 GOV. NMI SAIPAN  
 REPLY TO:  
 Dept., C & CA  
 Div. of NAP

**PUBLIC NOTICE**

**ADJUSTMENT TO ELIGIBILITY GUIDELINES AND MAXIMUM BENEFIT LEVELS  
 FOR THE  
 NUTRITION ASSISTANCE PROGRAM GUIDELINES  
 DEPARTMENT OF COMMUNITY & CULTURAL AFFAIRS**

The Director of the Department of Community & Cultural Affairs is changing certain guidelines governing the operations of the Nutrition Assistance Program in the Northern Marianas.

This matter relates to the NAP Manual of Operations policies and procedures in the area of:

- Exhibit C: Income Eligibility Guidelines
- Exhibit D: Maximum Benefit Levels

The effective date for the change is October 1, 1994.

Information on this matter is available for review during regular working hours, Monday through Friday, at the Department of Community and Cultural Affairs, NAP Division, JTV Building, As Lito Road, Saipan, MP 96950.

Anyone interested in commenting on the change may do so by submitting comments in writing to the Director, DCCA, Garapan Saipan, MP 96950, no later than October 1, 1994.

Date: 8/22/94

\_\_\_\_\_  
 THOMAS A. TEBUTEB  
 Director, DC&CA

Date: 8/23/94

for: SOLEDAD B. SASAMOTO  
 \_\_\_\_\_  
 Filed by: Registrar of Corp.

Date: 8/23/94

\_\_\_\_\_  
 DONNA J. CRUZ  
 Filed by Governor's Office



Commonwealth of the Northern Mariana Islands  
Office of the Governor  
Saipan, Mariana Islands 96950

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REPLY TO:  
Dept., C & CA  
Div. of NAP

NUTISIAN PUBLEKU

TINULAIKA GI MANERAN ELIHIBLE YAN BENEFIO I PRUGRAMAN  
AYUDON NEGKANNO'  
DEPATTAMENTON Y KOMUNIDAT YAN KUTTURA

I Direktot i Depattamenton Community and Cultural Affairs man pruponponi amendasion para i regulasion ni ginebebetna i ma'atministran Prugraman Ayudon Nengkanno' gi halom i Sangkattan na Islan Marianas.

Este siha na tinulaika para i NAP Manual of Operations ha sasangan i areglo siha yan taimanu ma'aplika'na gi sigiente siha na patte:

- Exhibit C: Gross Monthly Income Guidelines
- Exhibit D: Maximum Benefit Levels

I fecha ni para u efektibu este na tinulaika para Oktobre 1, 1994.

I tinulaika mana'guaha para u ma'ina gi duranten i oran cho'cho gubenamento, Lunes asta Betnes, gi Depattamenton Kuminida yan Kottura, Division of NAP, JTV Building, As Lito Road, Saipan, MP 96950.

Haye interesao mannai ayudu para i tinulaika sina ha na'halom i tinige'-na pot i ma sangan na tinulaika guato gi Direktot i DCCA, Garapan, Saipan, MP 96950 gi antes di Oktobre 1, 1994.

FECHA: 8/22/94

THOMAS A. TEBUTEB

Fecha: 8/22/94

SOLEDAD B. SASAMOTO  
Filed by: Registrar of Corp.

Fecha: 8/23/94

DONNA J. CRUZ  
Filed by: Governor's Office

**Exhibit c**

**MAXIMUM INCOME GUIDELINES  
EFFECTIVE OCTOBER 1, 1994**

<u>HOUSEHOLD SIZE</u>	<u>MAXIMUM GROSS MONTHLY INCOME</u>
1.....	\$ 510
2.....	634
3.....	759
4.....	880
5.....	1,005
6.....	1,129
7.....	1,257
8.....	1,375
9.....	1,498
10.....	1,622
11.....	1,743
12.....	1,868
13.....	1,989
14.....	2,110
15.....	2,237
16.....	2,359
17.....	2,479
18.....	2,603
19.....	2,728
20.....	2,851
21.....	2,973
22.....	3,096

**For households with more than 22 members, add \$122 for each additional member.**



Exhibit D

MAXIMUM BENEFIT LEVELS  
EFFECTIVE OCTOBER 1, 1994

<u>HOUSEHOLD SIZE</u>	<u>MAXIMUM MONTHLY ALLOTMENT</u>
1.....	\$ 129
2.....	236
3.....	338
4.....	431
5.....	510
6.....	579
7.....	678
8.....	771
9.....	869
10.....	966
11.....	1,061
12.....	1,159
13.....	1,254
14.....	1,349
15.....	1,447
16.....	1,540
17.....	1,636
18.....	1,733
19.....	1,829
20.....	1,927
21.....	2,021
22.....	2,117

For households with more than 22 members, add \$95 for each additional member.

BOARD OF EDUCATION

NOTICE OF PROPOSED AMENDED POLICIES

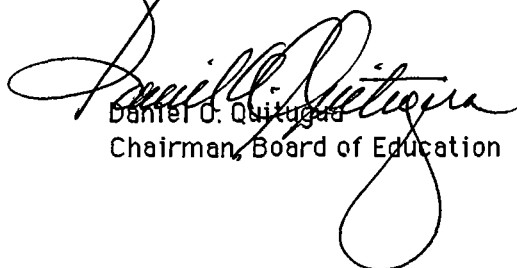
The Board of Education, Commonwealth of the Northern Mariana Islands, hereby notifies the general public of its intention to adopt certain proposed policies. The proposed policies, which would have the force and effect of law, are promulgated pursuant to the authority provided by the Education Act of 1988 and the Administrative Procedures Act.


The policies involve the following subject area:

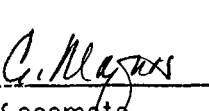
- |                       |  |
|-----------------------|--|
| 1. Amend. Policy 503  | Teacher Certification                  |
| 2. Amend. Policy 506  | Education & Training Educational Leave |
| 3. Amend. PSSPRR 7105 | Leave with Pay                         |
| 4. Amend. PSSPRR 7107 | Leave without Pay                      |

The text of the proposed policies are published following this notice. Anyone interested in commenting on the proposed policies may do so by submitting comments in writing to the Chairperson, Board of Education, P.O. Box 1370 CK, Saipan, MP 96950 within thirty days of the date of publication of this issue of the Commonwealth Register.

September 06, 1994

  
Daniel O. Quitugua  
Chairman, Board of Education

Received By:  9/9/94  
Donna Cruz, Governor Office

Filed By:   
fr: Soledad B. Sasamoto  
Registrar of Corporations

BOARD OF EDUCATION

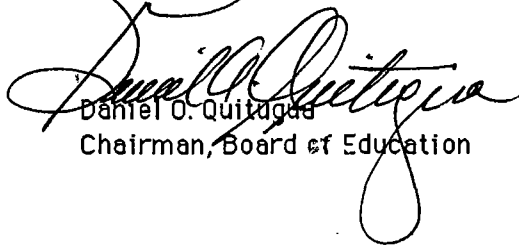
NUTISIA POT I MANNUEBU NI MANMAPROPOPONI NA POLICIES

I Board of Education, Commonwealth of the Northern Mariana Islands, ha emfotma i publiku pot i extension-ña na para u fanadapta nuebu na amendasion para policies. I manmapropoponi na policies u gai fuetsa taiguihi ha i lai ni macho'gue sigun aturidat i Education Act of 1988 yan i Administrative Procedures Act.

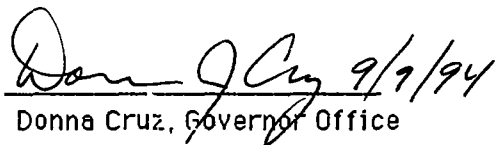
- |                       |   |
|-----------------------|---|
| 1. Amenda Policy 503  | <u>Teacher Certification</u>                      |
| 2. Amenda Policy 506  | <u>Education &amp; Training Educational Leave</u> |
| 3. Amenda PSSPRR 7105 | <u>Leave with Pay</u>                             |
| 4. Amenda PSSPRR 7107 | <u>Leave without Pay</u>                          |

I intension i ma amenda na amendasion yan i nuebu na policies siempre u fan mapublika huyong despues di malaknos-ña este na notisia. Hai na petsona malago' mama'tinas rekomendasion pot este siha na policies, siña ha tuge' papa' ya u submiti halom gi Chairperson, Board of Education, P.O. Box 1370 CK, Saipan, MP 96950 gi halom trenta (30) dias despues di mapublika huyong este na nutisia gi Commonwealth Register.

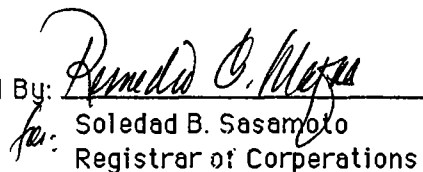
Septembre 06, 1994

  
Daniel O. Quitugua  
Chairman, Board of Education

Received By:

  
Donna Cruz, Governor Office

Filed By:

  
Soledad B. Sasamoto  
Registrar of Corporations

BOARD OF EDUCATION

ARONGORONG REEL FFEERUL ALLEGH

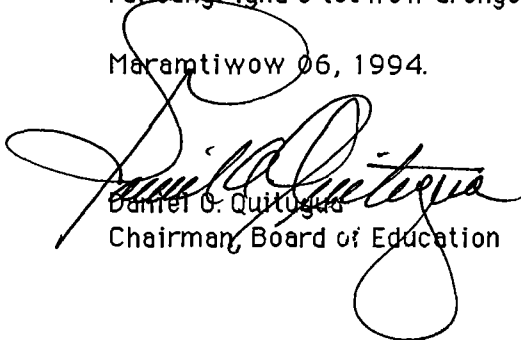
Schóól Board of Education, mellól Commonwealth of the Northern Mariana Islands, rekke arongaar towap reel mángemángiir igha rebwe adaptááilil allégh kka e efféetá.. Allégh kka rebwe féerúl, nge e pwal yoor bwángil me allégh nge re bwal féerú sáangi bwángil me ailéewal Education Act of 1988 me Administrative Procedures Act.

Llól allégh kkaal nge e bwal toolong ffél kka faal:

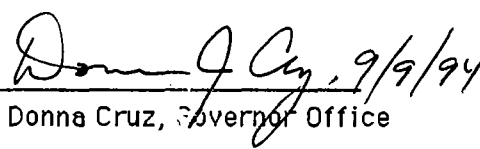
- |                   |      |   |
|-------------------|------|---|
| 1. Elliwel Policy | 503  | <u>Teacher Certification</u>                    |
| 2. Elliwel Policu | 506  | <u>Education &amp; Training Education Leave</u> |
| 3. Elliwel PSSPRR | 7105 | <u>Leave with Pay</u>                           |
| 4. Elliwel PSSPRR | 7107 | <u>Leave without Pay</u>                        |

Owtól allégh yeel nge ebwe toowow mwiril arongorong yeel. Iyo e mwuschál bwe atotoolong meetá tipal me mángemángil nge ebwe ischiitiw nge aa afanga ngáli Chairperson, Board of Education, P.O. Box 1370 CK, Saipan, MP 96950. Llól eliigh rái sáangi igha e toowow arongorong yeel llól Commonwealth Register

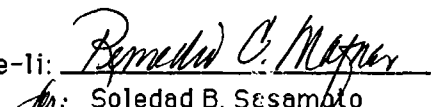
Marantiwow 06, 1994.

  
Daniel G. Quitugua  
Chairman, Board of Education

Iyo E Risibiiy:

  
Donna Cruz, Governor Office

Iyo E File-li:

  
Soledad B. Sasamoto  
Registrar of Corporations

## **POLICY 503 TEACHER CERTIFICATION**

503.1 Except as otherwise provided herein, no person shall be initially employed as a classroom teacher unless such person is a holder of or is immediately eligible for the issuance of the Continuing Certificate, as defined herein. Two types of certificates will be issued to teachers: a Continuing Certificate or a Specialized Skills Certificate. when developed.

503.2 Every person who is employed or to be employed as a classroom teacher is eligible for and shall be issued a Continuing Certificate if such person possesses a baccalaureate, masters, or doctorate degree, or is the holder of a comparable teaching certificate issued by an authority of any jurisdiction of the United States of America or its territories or possessions, as long as such person also meets the requirements for fitness set forth in this policy.

A classroom teacher who is unable to receive a Continuing Certificate but has demonstrated satisfactory performance in previous experience or specialized training in the area of vocational education, arts and crafts, or music is eligible for and shall be issued a Specialized Skills Certificate upon approval by the Board.

In addition to possessing a baccalaureate, masters, or doctorate degree, classroom teachers are required to take complete the following courses requirements:

- ~~(a) Introduction to Bilingual/Bicultural education~~
- ~~(b) Structure of Chamorro and Carolinian Languages~~
- ~~(c) TESL Methods~~
- ~~(d) Reading and Writing Methods in specialize area~~
- ~~(e) Northern Mariana Islands History~~

### **TRACK 1 - Teachers with Degrees in Education**

1. College Course (HI 255) NMI History
2. Seminar which encompasses the following:
  - Teaching Second Language Learners
  - Multicultural
  - Local Culture/Language

### **TRACK 2 - Teachers with Non-Education Degrees**

1. College Course (HI-255) NMI History
2. Seminar which encompasses the following:
3. College Course on "Teaching Strategies" which includes the following:
  - Higher Order Thinking Skills (HOTS)
  - Cooperative Learning
  - Test Construction
  - Lesson Planning/Syllabus Design

4. Seminar/workshop on any two (2) of the following:

Alternative Assessment

Computer

Inter-Disciplinary Strategies

Library Skills

Special Education

Content Area Course/Studies

Classroom Organization & Management Program

The Commissioner of Education or his designee is authorized to approve a substitute for any of the above courses if it is determined to be of comparable content.

503.3

Every person who is employed as a classroom teacher prior to the effective date of this paragraph and who, while not a holder of or eligible for the issuance of a Continuing Certificate ~~or Specialized Skills Certificate~~, has an AA degree, shall be eligible for and be issued a Temporary Certificate. A Temporary Certificate is valid for a period of one year from the date of its issuance, and is renewable for additional successive one school year periods if the Commissioner of Education finds that the holder of such certificate has successfully progressed toward a BA/BS degree according to an individual plan agreed to and signed by the employee.

## POLICY 506 EDUCATION & TRAINING EDUCATIONAL LEAVE

The Committee on Education Training and Training Educational Leave shall recommend Education Training and Training Educational Leave to the Commissioner of Education for employees of the Public School System to the extent that funds are available for such purpose and in accordance with the following criteria which are listed in the order of their precedence:

- (a) The applicant is a local hire US citizen who has been employed by the Public School System for at least three (3) years prior to receiving Training and Educational Leave.
  - (ab) The extent to which the employee's proposed course of study will meet the present and future needs of the Public School System;
  - (bc) The need for continuing education to enable the employee to ~~maintain~~ remain ~~curreney~~ current with in his or her field of endeavor;
  - (ed) The employee's nearness to the completion of degree requirements; and
  - (de) The employee's performance of his or her duties with the Public School System (in this connection, the Commissioner shall take into consideration all factors bearing upon performance, including but not limited to past personnel evaluations);
- ~~1) Upon the recommendation of the Committee, Education and Training Leave may be extended by the Commissioner of Education.~~
  - 21) An employee who is in the status of Education Training and Training Educational Leave shall be entitled to benefits as provided by the Public School Personnel System Rules and Regulations.
  - 32) An employee who is on Education Training and Training Educational Leave is expected to be a full time student at the institution which he or she attends. For this purpose, employees shall carry a minimum full-time load as defined by the institution. The employee is also expected to maintain a 2.5 minimum grade point average for undergraduate and 3.0 grade point average for graduate level, their academic grade level as required by the institution.
  - 43) The Commissioner shall require each employee to meet certain reporting requirements concerning her or his course of study and performance therein. Any employee who fails to comply with such reporting requirements shall be placed on leave status, and shall not be entitled to reinstatement of Education Training and Training Educational Leave status unless and until such requirements are complied with. Any employee who, while on Education Training and Training Educational Leave status, fails to comply with the conditions under which such leave was granted, shall be placed upon Annual Leave status or Leave Without Pay status, as appropriate,

- 54) Every employee who is on ~~Education~~ Training and ~~Training~~ Educational Leave status shall cause to be sent to the Commissioner of Education a certification of her or his participation in the course of study attended, which certification shall indicate the number of credits carried, if applicable. Within thirty (30) days after completion of every grading period while the employee is on such status, transcripts of the grades received and courses taken must be submitted to the Commissioner of Education.
- 65) Failure to comply with the conditions herein may be used as the basis for the revocation of the ~~Education~~ Training and ~~Training~~ Educational Leave status. In the event that Education and Training Leave is revoked, the employee will reimburse the Public School System for government incurred expenses while on such leave.



**PSS PERSONNEL RULES & REGULATIONS**

**7105 LEAVE WITH PAY.**

- E. Training and Educational Leave. Leaves for the purposes of job-related training and education may be granted employees on permanent status for a period not to exceed one (1) year, by the Commissioner of Education.

~~The Commissioner of Education may extend this period, upon recommendation of the appointing authority.~~ The leave period shall not affect the employee's service anniversary date.

**7107 LEAVES WITHOUT PAY.**

- B. Training and Educational Leave. Public School System employees who are ineligible for further or education leave with pay, as provided for under Section 7105.E of this regulation, or who wish to pursue their education on a full-time basis without financial assistance by the Public School System, may be granted leaves of absence without pay for a period not to exceed one (1) year. Such employees shall have the right to return to their positions at the satisfactory conclusion of their education or training, and their service anniversary dates shall be adjusted by the amount of leave without pay taken. The Commissioner of Education is responsible for approving or disappointing requests for Training and Educational Leave, upon recommendation by the Board of Education.



# Department of Finance

Office of the Director

Commonwealth of the Northern Mariana Islands

P.O. Box 5234 CHRB

Saipan, MP 96950

Cable Address

Gov. NMI Saipan

Phone: 664-1100

Facsimile: 664-1115

September 15, 1994

## PUBLIC NOTICE

### DEPARTMENT OF FINANCE

#### PROPOSED OVERTIME OR COMPENSATORY TIME WORKED SERVICE CREDIT REGULATION NO. 1700

The Secretary of the Department of Finance hereby provides public notice of the proposed Overtime or Compensatory Time Worked Service Credit Regulation No. 1700. The Proposed Overtime or Compensatory Time Worked Service Credit Regulation No. 1700 is to provide uniform standards for all government agencies to account and report overtime or compensatory time worked for the determination of vesting service credits pursuant to Public Law 8-24. This proposed Overtime or Compensatory Time Worked Service Credit Regulation No. 1700 is to be promulgated under the authority given to the Secretary of Finance by virtue of 1 CMC §2553 and 1 CMC §2557.

The proposed regulation is published in the Commonwealth Register. Copies of the Commonwealth Register may be obtained from the Attorney General's office.

Anyone interested in commenting on this proposed Overtime or Compensatory Time Worked Service Credit Regulation No. 1700 may do so in writing addressed to the Secretary of Finance, Commonwealth of the Northern Mariana Islands, P.O. Box 5234 CHRB, Saipan, MP 96950, not later than thirty (30) days from the date of its publication in the Commonwealth Register.

Issued by:	<u>Maria D Cabrera</u> MARIA D. CABRERA Secretary of Finance	<u>9/13/94</u> Date
Concurred by:	<u>Froilan C. Tenorio</u> FROILAN C. TENORIO Governor	<u>9/14/94</u> Date
Filed and Recorded by:	<u>Soledad B. Sasamoto</u> SOLEDAD B. SASAMOTO Registrar of Corporations	<u>9/14/94</u> Date



# Department of Finance

Office of the Director

Commonwealth of the Northern Mariana Islands

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Saipan, MP 96950

Cable Address

Gov. NMJ Saipan

Phone: 664-1100

Facsimile: 664-1115

Septembre 15, 1994

**NUTISIAN PUPBLIKU**

**DIPATAMENTON FAINANSIAT**

**I MAPROPOPONI NA OVERTIME OSINO COMPENSATORY GI SETBISIUN**

**CHO'CHO' REGULASION NO. 1700**

I Sekretarian Dipatamenton Fainansiat ginen este ha nutitisia i pupbliku henerat put i mapropoponi na overtime osino compensatory, put setbisiun cho'cho' Regulasion No. 1700. I mapropoponi na overtime osino compensatory put setbisiun cho'cho' Regulasion No. 1700 para u prubeni parehu na areklamento para todou ahensian gobetno gi a'pas yan ripot overtime yan compensatory sigun gi Lai Pupbliku 8-24. Este i mapropoponi na Regulasion overtime yan compensatory No. 1700 macho'gue sigun gi tina'go yan aturidat ni ma imposta guatu gi Sekretarian Fainansiat sigun bittud ginen 1 CMC \$2553 yan 1 CMC \$2557.

I mapropoponi na regulasion manmapupblika huyong gi Rehistran Commonwealth. Para hayi interesao na petsona siña mañule kopian Rehistran Commonwealth gi Ofisinan Attorney General.

Hayi interesante mamatinas komentu put i mapropoponi na Regulasion overtime osino compensatory put Setbisiun cho'cho' Regulasion No. 1700, siña matuge' papa ya u ma address guatu para i Sekretarian Finance, Commonwealth of the Northern Mariana Islands, P.O. Box 5234 CHRB, Saipan, MP 96950, ti u mas di trenta (30) dias despues di mapupblika huyong este na nutisia gi halom Rehistran Commonwealth.

Linakños:	<u>Maria D Cabrera</u> MARIA D. CABRERA Secretary of Finance	<u>9/13/94</u> Fecha
Inakonfotman:	<u>Froilan C. Tenorio</u> FROILAN C. TENORIO Gobietno	<u>9/14/94</u> Fecha
Ma file yan Rekot as:	<u>Soledad B. Sasamoto</u> SOLEDAD B. SASAMOTO Registrar of Corporations	<u>9/14/94</u> Fecha

**Abiba i Kuttura yan Lennguahen i Tano' siha**



# Department of Finance

Office of the Director

Commonwealth of the Northern Mariana Islands

P.O. Box 5234 CHRB

Saipan, MP 96950

Cable Address

Gov. NMJ Saipan

Phone: 664-1100

Facsimile: 664-1115

Septembre 15, 1994

ARONGORONGOL TOWLAP

DIPATAMENTOOL FINANCE

**FFÉÉRÚL ALLÉGHÚL OVERTIME ME COMPENSATORY REEL OTÓL KKA RE  
ANGAANG NGÁLI ALLÉGH NO. 1700**

Sekretóriyaal Dipatamentool Finance, sáangi milleel nge ekke arongaar towap igha ekke fféér Allégh reel Overtime me Compensatory reel ótol kka re angaang ngáli Allegh No. 1700. Fféérúl Alléghúl Overtime me Compensatory ye Allegh No. 1700 nge ebwe ayoorá mille ebwe weewe fengál mwóghutughut mellól alongal government agencies reel account me ripoodul overtime me compensatory reel rebwe ditedminaay sáangi ailéewal Alléghúl Towlap ye 8-24. Fléérúl Alléghúl Overtime me Compensatory ree ótol kka reghal angaang ngáli nge re féérú sáangi bwángil Sekretóriyaal Finance iye mwet sáangi 1 CMC §2553 me 1 CMC §2557.

Fféérúl allégh kkaal nge aa takkal toowow mellól Commonwealth Register. Aramas ye e tipáli nge emwel schagh bwe ebweló bweibwogh kopiyaal Commonwealth Register mellól Bwulasiyool Atoorney General.

Aramas ye e tipáli bwe ebwe atotoolong meta tipal me mángemángil reel ówtol alléghúl Overtime me Compensatory reel óto igha reghal angaang Allégh No. 1700 nge emwel bwe ebwe ischiitiw nge aa afanga ngáli Sekretóriyaal Finance, Commonwealth Government of the Northern Mariana Islands, P.O. Box 5234 CHRB, SAIPAN, MP 96950, essóbw alúúw sáangi eliigh (30) rál igha e toowow arongorong yeel mellól Commonwealth Register.

Féruúyál: Maria D Cabrera 9/13/94  
MARIA D. CABRERA Rál  
Sekretóriyaal Finance

Allgéhúuyal: Froilan C. Tenorio 9/14/94  
FROILAN C. TENORIO Rál  
Gubenko

File-liiyal me Rekodiyaal: Soledad B. Sasamoto 9/14/94  
Soledad B. SASAMOTO Rál  
Registrar of Corporations

**OVERTIME OR COMPENSATORY TIME WORKED  
SERVICE CREDIT REGULATION NO. 1700**

**Section 1700.1            Authority.**

The authority for the promulgation and issuance of Overtime or Compensatory Time Worked Service Credit Regulation No. 1700 is by virtue of 1 CMC §2553(d) and 1 CMC §2557.

**Section 1700.2.            Purpose.**

The purpose of these Regulations is to provide uniform standards for all the government agencies to account and report overtime or compensatory time worked for determination of vesting service credits pursuant to Public Law 8-24.

**Section 1700.3.            Definitions.**

(a) Overtime or Compensatory Time Performed means any time for which an employee received compensation for such performance and includes sick leave, annual leave, administrative leave and compensatory time.

(b) Compensatory Time means any time for which an employee is paid or compensated with time away from the work place and includes annual leave or sick leave.

**Section 1700.4.            Service Credit.**

Vesting service credit shall be given for any overtime or compensatory time performed in excess of 2,080 hours per annum.

(a) Annual or sick leave is a benefit that accrues as a result of an employee's performance of a job which is compensated by payment for that time and is included in the determination of the vesting service credit at the time the leave is taken.

(b) Advance leave is merely an employee receiving compensation for future services and is credited for purposes of the vesting service credit at the time leave is taken.

(c) Administrative leave is leave authorized by the government and shall be treated the same as annual leave or sick leave for purposes of computing vesting service credit.

(d) Overtime vesting credit is determined by the number of hours worked in excess of forty (40) hours per week pursuant to the rules and regulations of the Fair Labor Standards Act. For purposes of vesting service credit, overtime hours shall not include one and one-half (1½) the actual time work was performed.



# COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT  
P.O. BOX 1055 • SAIPAN • MP 96950  
Phone: (670) 234-8315/6/7 FAX: (670) 234-5962

## PUBLIC NOTICE OF PROPOSED AMENDMENTS TO COMMONWEALTH PORTS AUTHORITY AIRPORT RULES AND REGULATIONS

The Commonwealth Ports Authority, pursuant to the authority of 2 CMC § 2122 (j), and in accordance with the provisions of 1 CMC 9104(a), hereby gives notice to the public of its intention to adopt Amendments to the Harbor Regulations for the Commonwealth Ports Authority. The proposed amendments to the Harbor Regulations are published herewith.

All interested persons are requested to submit data, views, or arguments, in writing, concerning the Amendments to Commonwealth Ports Authority Harbor Regulations. Written comments must be submitted to the Executive Director, Commonwealth Ports Authority, not later than the close of business thirty (30) calendar days following the date of publication of this Notice.

DATED, this 14<sup>th</sup> day of September, 1994.

ROMAN T. FUDELA  
Executive Director  
Commonwealth Ports Authority

Filed by: Remedio C. Mapua  
for: SOLEDAD B. SASAMOTO  
Registrar of Corporations

Date: 9/14/94

Filed by: Donna J. Cruz  
DONNA J. CRUZ  
Governor's Office

Date: 9/14/94



# COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT

P.O. BOX 1055 • SAIPAN • MP 96950

Phone: (670) 234-8315/6/7 FAX: (670) 234-5962

## NUTISIAN PUPBLIKU PUT AMENDASION SIHA GI HALOM AREKLAMENTO YAN REGULASION AIRPORT GI COMMONWEALTH PORTS AUTHORITY

I Commonwealth Ports Authority sigun gi aturidat yan fuetsan 2 CMC ¶ 2122 (j) yan ginen prubinsion gi 1 CMC 9104(a), ginen este ha nutittisia i pupbliku put i intension-na, esta para u Adapta Amendasion siha gi Regulasion Harbor para Commonwealth Ports Authority. I amendasion gi Regulasion Harbor manmapublika guine.

Hayi interesao siha na petsona siha mansubiti halom komentu, opinion, pat rekomendasion put i Amendasion gi Regulasion Harbor para Commonwealth Ports Authority. Todu i komentu siha debi di u fanmatugé papa ya u fanmasubmiti guatu gi Executive Director, Commonwealth Ports Authority, ti u mas di trenta (30) dias despues di mapublika huyong este na Nutisia.

Mafecha guine na dia 14 Septiembre, 1994.

ROMAN T. TUDELA

Executive Director

Commonwealth Ports Authority



# COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT  
P.O. BOX 1055 • SAIPAN • MP 96950  
Phone: (670) 234-8315/6/7 FAX: (670) 234-5962

## ARONGORONGOL TOWLAP REEL LLIWEL KKA LLÓL ÓWTOL ALLÉGHÚL AIRPORT MELLÓL COMMONWEALTH PORTS AUTHORITY

Schóól Commonwealth Ports Authority, sangi bwangil 2 CMC § 2122(j) me ailéewal 1 CMC 9104(a), nge ekke arongaar towlap igha ebwele adaptááilil lliiwel kkewe llól ówtol Alléghúl Harbor mellól Commonwealth Ports Authority. Lliiwelil ówtol Allégh kkaal elo ighaal.

Aramas ye e tipáli nge emmwel schagh ebwe ischiitiw meta tipal me mángemángil reel lliiwel kka llól ówtol Alléghúl Harbor mellól Commonwealth Ports Authority. Tiip me mángemáng kkaal nge rebwe afanga ngáli Executive Director, Commonwealth Ports Authority, eesóbw aluw sángo elligh (30) rál sángo igha e towow Arongorong yeel.

Efféer llól rááilil ye 14 Septembre, 1994.

ROMAN T. TUDELA  
Executive Director  
Commonwealth Ports Authority



AMENDMENTS TO  
COMMONWEALTH PORTS AUTHORITY  
HARBOR REGULATIONS

AMENDMENTS

Part V of the Commonwealth Ports Authority Harbor Regulations is deleted in its entirety and replaced with the following:

PART V. PILOTAGE

CPA offers no tugboat or Pilot services. Such services may be available from the private sector, but CPA does not warrant such availability. The terms of any contract for such services are matters between the parties only except to the extent specifically provided herein.

- 5.1 Pilots will normally board inbound vessels and leave outbound vessels well outside the buoys marking the channel entrance to a harbor.
- 5.2 Pilots and Masters will observe all harbor, quarantine, immigration and other CNMI and Federal regulations.
- 5.3 All commercial vessels while underway in the territorial waters of the Northern Mariana Islands shall require a Master duly licensed by Federal or Commonwealth Laws.
- 5.4 A Pilot is required, when bringing in or conducting a vessel of more than 400 gross tons or above to or from a wharf or berth, to use the aid of tug(s) or any safe docking devices.
- 5.5
  - A) Vessels of 400 gross tons or less are not required to have the aid of tug(s) or a Pilot, except that a Pilot shall be required for a ship's or a master's first voyage to or from any and each wharf or birth at a seaport of the Northern Mariana Islands.
  - B) For reasons of safety, the Port Superintendent may require any vessel to use the service of a tug(s) or Pilot.
- 5.6
  - A) A Pilot will offer his services in the order of priority established by the Port Superintendent unless another vessel is observed approaching a dangerous position in which case effort will be made to offer to board and assist the latter vessel.

- B) A Pilot will aid and assist by every means in his power, any vessel in distress.
- 5.7 A Pilot bringing a vessel inward, unless required to anchor for quarantine, will bring the vessel to such wharf or berth as the Port Superintendent may direct.
- 5.8 A Master and/or Pilot will not conduct a vessel to sea unless she has been regularly cleared by CNMI Customs and Immigration, the Agent, and the Port Superintendent. Any person having a complaint to make against a Pilot is requested to make such complaint in writing to the Port Superintendent, who shall immediately investigate the complaint and report thereon to the Executive Director.
- 5.9 Duties of the Pilot and the vessel's Master: No vessel, other than publicly-owned vessels, 400 gross tons and above, including tugs with tows, shall enter or leave or otherwise be underway without a Pilot aboard, unless such vessel is sailing under enrollment with a Pilot duly licensed by Federal law on board. (For the purpose of the section, tug and tow shall be considered as one vessel.) It shall be the duty of the Master to acquaint the Pilot with the peculiarities or possible defects of his vessel. It shall be the duty of the Master thereof to relieve such Pilot of the particular duty in which he is engaged and to take such steps as the Master may deem necessary to insure the safety of such vessel and prevent damage to port facilities.
- 5.10 Every person operating small craft in a harbor or through channels or entrances leaving or approaching such harbor shall do so at his own risk.
- 5.11 Tugs and tows, homeported in Guam or the Northern Mariana Islands, operating inter-island within the Marianas chain of islands, will not require a Pilot. This does not relieve the tug's Master and/or Operator from all Federal requirements pertaining to the operations of vessels of certain lengths, classes, and tonnages within U.S. waters, however.



# COMMONWEALTH PORTS AUTHORITY

Main Office: SAIPAN INTERNATIONAL AIRPORT

P.O. BOX 1055 • SAIPAN • MP 96950

Phone: (670) 234-8315/6/7 FAX: (670) 234-5962

## CERTIFICATION OF AMENDMENTS TO COMMONWEALTH PORTS AUTHORITY AIRPORT RULES AND REGULATIONS

I, ROMAN T. TUDELA, Executive Director of the Commonwealth Ports Authority, which is promulgating amendments to the Harbor Regulations by signature below, hereby certifies that the Amendments to Commonwealth Ports Authority Harbor Regulations are a true, complete and correct copy of the Amendments to Commonwealth Ports Authority Harbor Regulations adopted by the Board of Directors of the Commonwealth Ports Authority.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 14<sup>th</sup> day of September, 1994, at Saipan, Commonwealth of the Northern Mariana Islands.

ROMAN T. TUDELA

Executive Director

Commonwealth Ports Authority

PUBLIC NOTICE OF INTENT TO ADOPT AMENDMENTS  
TO THE ALIEN LABOR RULES AND REGULATIONS

CONTENTS: PROPOSED AMENDMENT TO THE ALIEN LABOR  
RULES AND REGULATIONS, Commonwealth Register,  
vol. 10, no 4, at 5526, (April 15, 1988), Section VI F 12:

SECTION VI. ADMINISTRATIVE HEARING.

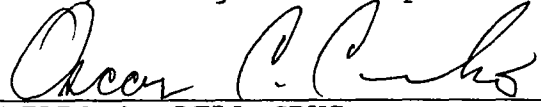
F. Hearing: Procedure and Conduct.

12. ALIEN LABOR RULES  
OF PRACTICE AND PROCEDURE

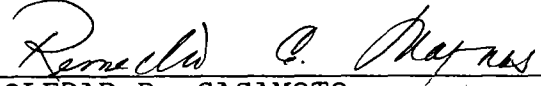
(See Attached Proposed Rules)

**PUBLIC COMMENTS:** All interested persons may submit written data, views, or arguments about the proposed amendments to the Director, Department of Commerce and Labor, Administration Building, Capitol Hill, Saipan, MP 96950, on or before Oct. 17, 1994.

**AUTHORITY:** The Department of Commerce and Labor is authorized to promulgate regulations pursuant to 1 CMC §§ 2454, 9104.

*for:*   
PEDRO Q. DELA CRUZ  
Director, Department of Commerce and Labor

9/13/94  
Date

*for:*   
SOLEDAD B. SASAMOTO  
Filed by Registrar of Corporations

9/13/94  
Date

ARONGORONGOL TOWLAP REKKE MANGIY BWE REBWE  
ADAPTAALIL LLIWEL KKA LLOL OWTOL ALLEGHUL ALIEN LABOR

OWTOL: NGELAR LLIWEL MELLOL OWTOL ALLEGHUL ALIEN LABOR  
Commonwealth Register, vol. 10, no. 4,  
rel 5526, (Abrit 15, 1988), rel Talil VI F 12:

TALIL VI. ADMINISTRATIVE HEARING.

F. Hearing: Mwoghutughut me Ffeerer.

12. ALLEGHUL ALIEN LABOR  
NGALI PRACTICE AND PROCEDURE

(Atool kkal Alleghul)

**TIPEER ME MANGEMANGIIR TOWLAP:** Aramas ye e tipali nge emmwel schagh bwe ebwe ischiitiw meta tipal me mangemangil reel lliwel kkaal nge raa afanga ngali Director, Dept. of Commerce and Labor, Admin. Building, Capitol Hill, Saipan, MP 96950 mwal Oct. 17, 1994.

**BWANG:** Dipatamentool Commerce and Labor eyoor bwangil bwe ebwe ffeer Alleghul sangi bwangil me aileewal mille 1 CMC \$\$ 2454, 9104.

*for:* Pedro Q. DeLa Cruz  
PEDRO Q. DELA CRUZ  
Director, Dipatamentool Commerce and Labor

9/13/94  
Ral

*for:* Soledad B. Sasamoto  
SOLEDAD B. SASAMOTO  
File-liiyal Registrar of Corporations

9/13/94  
Ral

NUTISIAN PUPBLIKU PUT I INTENSION PARA U MA ADAPTA I  
AMENDASION SIHA GI AREKLAMENTO YAN REGULASION ALIEN LABOR

SUHETU: PROPOSITU NA AMENDASION GIREGULASION YAN  
AREKLAMENTON ALIEN LABOR Commonwealth Register, vol. 10,  
no. 4, gi 5526, (Abrit 15, 1988), na Seksiona VI F 12:

SEKSIONA VI. ADMINISTRATIVE HEARING.

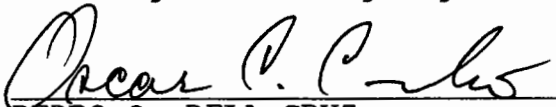
F. Hearing: Conducta yan Areglamento.

12. AREGLAMENTO YAN REGULASION  
I "ALIEN LABOR" AREGLOS

(Areglos Propositu Gaigi Na)

**KOMENTUN PUPBLIKU:** Todu man enteresau na taotao pot i propositu  
amendasion, pot fabot, tugi pa ya na halom gi Ofisina Direktot,  
Department of Commerce and Labor, Administration Building, Capitol  
Hill, Saipan, MP 96950 gi dia Oct. 17, 1994.

**ATURIDAT:** I Dipatamenton Commerce and Labor ma aturisa para u  
famatinas Regulasion sigun gi sinangan i 1 CMC §§ 2454, 9104.

for:   
PEDRO Q. DELA CRUZ  
Director, Department of Commerce and Labor

9/13/94  
Fecha

for:   
SOLEDAD B. SASAMOTO  
Ha file i Registrar of Corporations

9/12/94  
Fecha

ALIEN LABOR RULES  
OF PRACTICE AND PROCEDURE

RULE 1  
SCOPE OF RULES

These Rules govern the practice and procedure in the Division of Labor, Department of Labor and Immigration of the Commonwealth of the Northern Mariana Islands (hereinafter referred to as Labor) in all actions pursued by the Chief of Labor and/or other litigants.

RULE 2  
APPLICATION

Cases Pending When Rules Adopted. Proceedings in all cases or other matters before Labor upon the effective date of these rules shall be governed by these rules, unless the proceeding was initiated prior to the effective date of these rules, in which case the parties may or may not stipulate to the adoption of these rules in any proceeding initiated prior to the effective date of these rules.

RULE 3  
TWO FORMS OF ACTIONS

There shall be two forms of actions; one of which will be known as an "Agency Case", the other of which will be known as a "Labor Case."

RULE 4  
COMMENCEMENT OF ACTIONS

An Agency Case is commenced by the issuance of a Notice of Warning or Notice of Violation; a Labor Case is also commenced, following the issuance by the Chief of Labor of a Notice of Warning or Notice of Violation, by the filing of a written complaint signed by the Complainant or his counsel and containing the following:

(a) The caption setting forth the name of the Division of Labor;

(b) The names and addresses of the parties;

(c) The nature of the complaint; and

(d) The relief requested or demanded, provided however that if the relief requested or demanded is the termination of the employment relationship or an application for transfer relief, an unsuccessful good faith attempt to settle the dispute with the Chief of Labor must precede the commencement of a Labor Case.

(e) A \$20.00 filing fee unless a written determination of indigency is made by the Chief of Labor or his designee, or the

Director of Labor in which case the petitioner shall be permitted to proceed in forma pauperis.

RULE 5  
REQUIRED INVESTIGATIONS

Upon receipt of a written complaint or confidential oral complaint, later reduced to writing, the Chief of Labor or his designee shall immediately conduct an investigation concerning an alleged violation of any rules or regulations promulgated or contracts or agreements entered, pursuant to the Nonresident Worker's Act, 3 CMC § 4411 et seq., or the Minimum Wage and Hour Act, 4 CMC § 9211 et seq., or any injury to a nonresident worker, or working conditions, or employer-provided housing conditions. Within ten (10) days of the initiation of an investigation the Chief of Labor or his designee shall either:

(a) Issue a warning and request to correct the violation of the alleged violator, in which the alleged violator shall comply within ten (10) days of receipt of the issuance of the warning or the Director of Labor shall immediately issue a Notice of Violation and conduct a hearing pursuant to 1 CMC § 9109, or

(b) Issue a Notice of Violation and conduct a hearing pursuant to 1 CMC § 9109.

RULE 6  
ISSUANCE OF NOTICES OF WARNINGS AND VIOLATIONS;  
SERVICE AND TIME LIMIT FOR COMPLAINTS AND ANSWERS

(a) Notice of Warning: Issuance. The issuance of a Notice of Warning shall occur upon the service of the Notice of Warning on the named Respondent(s). The Chief of Labor, his designee, or an interested or disinterested third party shall be responsible for prompt service of the Notice of Warning.

(b) Notice of Violation: Issuance. The issuance of a Notice of Violation shall occur upon the service of the Notice of Violation on the named Respondent(s). The Chief of Labor, his designee, or an interested or disinterested third party shall be responsible for prompt service of the Notice of Violation.

(c) Service of Complaint. Upon the issuance of a Notice of Warning or Notice of Violation, a Complainant, his counsel, or an interested or disinterested third party shall serve, no later than five (5) days following the issuance of a Notice of Warning or Notice of Violation, upon the named Respondent(s) a copy of the Complaint meeting the requirements of Rule 3(a-d). Service of a Complaint shall be made anywhere within the territorial limits of the Commonwealth of the Northern Mariana Islands.

(d) Service of Complaint: Person to be Served. The service



of a Complaint by a Complainant, his counsel, or an interested or disinterested third party shall be upon the named Respondent(s) in the following manner:

(i) By delivery at the dwelling house(s) or usual place(s) of abode with some person of suitable age and discretion then residing therein or to an agent authorized by appointment or law to receive such service;

(ii) By mailing to a Respondent(s) at the address provided by the Respondent(s) on the Employment Contract, unless the Respondent(s) has notified Labor in writing of a change of address in which case the service by mailing shall be made to the address last provided by a party;

(iii) Where a party is represented by an attorney, service may be made upon the attorney in lieu of service upon the party, by delivery or mailing, to the attorney or office of the attorney.

(e) Service of Answer. Upon the receipt of a Complaint from a Complainant, his counsel, or an interested or disinterested third party, the named Respondent(s) shall, within ten (10) calendar days, file an Answer in writing with the Division of Labor and serve such Answer on the Complainant or his counsel.

#### RULE 7 TIME

(a) Computation. In computing any period of time prescribed or allowed by these rules, the day of the act, event, or default from which the designated period of time begins to run shall not be included. The last day of the period so computed shall be included, unless it is a Saturday, a Sunday, or a legal holiday; or, when the act to be done is the filing of a paper at Labor, a day in which weather or other conditions have made the offices of Labor inaccessible, in which event the period runs until the end of the next day which is not one of the aforementioned days. When a period of time prescribed or allowed is less than 11 days, intermediate Saturdays, Sundays, and legal holidays shall be excluded in the computation. As used in this rule, "legal holiday" includes New Year's Day, Commonwealth Day, President's day, Good Friday, Memorial Day, Independence Day, Labor Day, Columbus Day, Citizenship Day, Veteran's Day, Thanksgiving Day, Constitution Day, Christmas Day, and any other day appointed as a holiday by the President or the Congress of the United States, or by the Northern Mariana Islands.

(b) Enlargement. When by these rules or by a notice given thereunder or by administrative order an act is required or allowed to be done at or within a specified time, the Administrative Hearing Officer, for good cause shown, may at any time in his

discretion:

(1) with or without motion or notice, by administrative order, enlarge the period if request therefor is made before the expiration of the period originally prescribed or as extended by a previous order, provided:

A. A Request for continuance of an administrative hearing must be submitted in writing at least five days prior to the hearing and at least one day prior in "emergency" situations. The requesting party shall serve notice on all parties including the agency, and unless the parties stipulate to the continuance, a hearing on the request for continuance shall be mandatory.

B. The request for continuance of an administrative hearing must be accompanied by a written explanation of the reasons for the continuance.

C. The request may be granted only for good cause shown and for no more than thirty (30) days absent exceptional circumstances.

D. In the event a request for a continuance of an administrative hearing is denied, the Administrative Hearing Officer may conduct the hearing at the scheduled date and time with or without the parties or may proceed ex parte in the case of the non-attendance of either or both of the parties in a labor or agency case, or their witnesses or counsel if notice was given, pursuant to Rule 6, to the parties at least ten (10) days prior to the hearing either by mail.

(2) upon motion made after the expiration of the specified period permit the act to be done where the failure to act was the result of excusable neglect.

(d) For Motions--Affidavits. A written motion, other than one which may be heard ex parte, and notice of the hearing thereof shall be served not later than fourteen (14) days before the time specified for the hearing by Labor, unless a different period is fixed by these rules or by administrative order. Such an administrative order may for cause shown be made on ex parte application. When a motion is supported by affidavit, the affidavit shall be served with the motion; and opposing affidavits may be served not later than five (5) days before the hearing, unless permitted by administrative order to be served at some other time.

#### RULE 8

#### PLEADINGS ALLOWED; FORM OF MOTIONS/PETITIONS

(a) Pleadings. There shall be Notice of Violation, Notice of Warning, Complaint and an Answer; a Reply to a Counterclaim if

denominated as such in an Answer; an Answer to a Cross-claim, if the Answer contains a Cross-claim. No other pleading shall be allowed, and the failure of a third-party to Answer a third-party Complaint shall not function as a bar to continuation of the proceedings.

(b) Motions and Petitions.

(1) An application to the Administrative Hearing Officer for an order shall be by motion which, unless made during an administrative hearing, shall be made in writing, shall state with particularity the grounds therefor, and shall set forth the relief or order sought.

(2) A petition for a hearing with an Administrative Hearing Officer, with the exception of a petition for a declaratory ruling pursuant to 1 CMC § 9107, shall be made by any party aggrieved by a finding or determination of the Chief or his designee within fifteen (15) days of the issuance of such finding or determination. If no such petition is filed within fifteen (15) days, the finding or determination shall be unreviewable administratively.

A. Any petition filed pursuant to Rule 8(b)(2) shall be typewritten and signed by the petitioner or the petitioner's counsel and shall be accompanied by a \$25.00 filing fee unless a written determination of indigency is made by the Chief of Labor or his designee, or the Director of Labor in which case the petitioner shall be permitted to proceed in forma pauperis.

B. Any petition filed pursuant to Rule 8(b)(2) shall be served by the Petitioner, his counsel, or an interested or disinterested third party, upon the Respondent no later than five (5) days following the filing of the petition.

(3) A petition for a declaratory ruling pursuant to 1 CMC § 9107 shall be treated as a motion, except as to the status of the disposition of the petition as provided for in 1 CMC § 9107.

(4) The rules applicable to captions and other matters of form of pleadings apply to all motions and petitions provided for by these rules.

(5) All motions and petitions shall be signed in accordance with Rule 11.

RULE 9  
PERMISSIBLE MOTIONS

(a) Submission of Motion and Opposition to Motion.

(1) Submission of Motion. A party making a motion shall file together with the motion a separate memorandum of reasons, including citation of supporting authorities, why the motion should be granted. Affidavits and other documents setting forth or evidencing facts on which the motion is based shall be filed with the motion.

(2) Submission of Opposition to a Motion and Reply. A party opposing a motion may file and serve any opposition to the motion not later than five (5) days preceding the noticed date of hearing, unless another period is fixed by administrative order. The party shall file together with the opposition to the motion a separate memorandum of reasons, including citation of supporting authorities, why the motion should not be granted. Affidavits and other documents setting forth or evidencing facts on which the opposition is based shall be filed with the opposition. The movant shall serve and file any reply to the opposition not less than two (2) days preceding the hearing date.

(b) Service. All papers filed pursuant to Section (a) of this Rule shall be served pursuant to Rule 6(d)(i-iii).

(c) Permissible Motions. The following are the only permissible motions before Labor in the practice and procedure of an Agency Case or a Labor Case:

(i) Motion to Dismiss. A motion to dismiss may be filed on the following grounds:

- A. lack of jurisdiction over the subject matter;
- B. lack jurisdiction over the person;
- C. insufficiency of process;
- D. insufficiency of service of process;
- E. failure to state a claim upon which relief can be granted.

If, on a motion to dismiss asserting the failure to state a claim upon which relief can be granted, matters outside the pleading are presented to and not excluded by the agency, the motion shall be treated as one for summary disposition and disposed of as provided in Rule 9(c)(ii), and all parties shall be given reasonable opportunity to present all material made pertinent to such a motion by Rule 9(c)(ii)(A).

(ii) Motion for Summary Disposition. A motion for summary disposition may be filed with respect to the whole or part of an action taken by the Chief of Labor or with respect to a claim, counterclaim, or cross-claim on the following grounds:

- A. no genuine issue of material fact exists as to the subject matter of which the movant asserts and the movant is entitled to disposition as a matter of law as to the subject matter of the movant's assertion.

(iii) Motion for Disposition on the Pleadings. After the pleadings are closed but within such time as not to delay the hearing, any party may move for disposition on the pleadings. If, on a motion for disposition on the pleadings, matters outside the pleadings are presented to and not excluded by the agency, the motion shall be treated as one for summary disposition and disposed of as provided in Rule 9(c)(ii), and all parties shall be given reasonable opportunity to present all material made pertinent to such a motion by Rule 9(c)(ii)(A).

(iv) Motion to Enforce Bond. A motion to enforce the liability of a surety may be filed on the following grounds:

- A. The successful conclusion of an Agency Case by the Chief or his designee whereby such findings of fact and conclusions of law indicate that the Respondent has violated a provision of the Nonresident Worker's Act, 3 CMC § 4411 et seq., or the Minimum Wage and Hour Act, 4 CMC § 9211 et seq., or duly promulgated regulations thereto, which findings of fact and conclusions of law are not the subject of an administrative or judicial appeal.
- B. The successful conclusion of a Labor Case by the Complainant whereupon such findings of fact and conclusions of law indicate that the Respondent has violated a provision of the Nonresident Worker's Act, 3 CMC § 4411 et seq., or the Minimum Wage and Hour Act, 4 CMC § 9211 et seq., or duly promulgated regulations thereto, which findings of fact and conclusions of law are not the subject of an administrative or judicial appeal.

(v) Motion for Sanctions. A motion to recover sanctions and attorney's fees for an opposing party's advocacy of a claim or defense that is frivolous, without merit, or in bad faith shall be permitted pursuant to Rule 11 of these rules.

RULE 10  
APPLICATION FOR DEFAULT

(a) Application for Default. When an application for an entry of a default or a default judgment occurs such application is a representation that due service has been made of all pleadings or

papers required by these Alien Labor Rules of Practice and Procedure to be made as a condition to the relief sought.

(b) Relief from Default. A party who has been prejudiced by failure to receive due notice may apply to the agency for appropriate relief.

RULE 11  
FRIVOLOUS, MERITLESS, OR BAD FAITH CLAIMS OR DEFENSES

Any Complainant or Respondent may by motion, file and recover sanctions and attorney's fees for an opposing party's advocacy of a claim or defense that is frivolous, without merit, or in bad faith.

RULE 12  
GENERAL RULES OF PLEADING

(a) Effect of Failure to Deny. Averment in a pleading to which a responsive pleading is required, other than those as to the amount of damage, are admitted when not denied in the responsive pleading. Averments in a pleading to which no responsive pleading is required or permitted shall be taken as denied or avoided.

(b) Pleading To Be Concise and Direct. Each averment of a pleading shall be simple, concise, and direct. A party may set forth two or more statements of a claim or defense alternately or hypothetically, either in one count or defense or in separate counts or defenses. When two or more statements are made in the alternative and one of them if made independently would be sufficient, the pleading is not made insufficient by the insufficiency of one or more of the alternative statements. All statements shall be made subject to the obligations set forth in Rule 11.

(c) Appearance Whenever it appears by suggestion of the parties or otherwise that the agency lacks jurisdiction of the subject matter, the agency shall dismiss the action.

(d) Construction of Pleadings. All pleadings shall be construed as to do substantial justice.

RULE 13  
PRE-HEARING PROCEDURE: FORMULATION OF ISSUES, ETC.;  
SETTLEMENT NEGOTIATIONS

In any action, the agency may in its discretion or upon the request of any party to the litigation direct the attorneys for the parties to appear before it for a conference to consider simplification of the issues; the possibility of obtaining admissions of fact and of documents which will avoid unnecessary proof; the limitation of the number of expert witnesses; or such

other matters as may aid in the disposition of the action, to include an expedited period of discovery.

The agency shall make an order which recites the action taken at the conference, the amendments allowed to the pleadings, and the agreements made by the parties as to any of the matters considered, and which limits the issues for hearing to those not disposed of by admissions or agreements of counsel; and such order when entered controls the subsequent course of the action, unless modified at the hearing to prevent manifest injustice. The agency in its discretion may establish by rule a pre-hearing calendar on which actions may be placed for consideration as above provided.

RULE 14  
DEPOSITIONS AND DISCOVERY

Following the commencement of an Agency Case or a Labor Case, the Chief or his designee, the Respondent, the Complainant, or the Employee on whose behalf the Chief or his designee is acting, may take discovery by depositions upon oral examination or written questions; production of documents or things; or physical and mental examinations pursuant to Rule 15. Unless provided otherwise by the Agency, the parties will, in good faith, attempt by stipulation to provide that depositions, if necessary, will be taken before any qualified person, at any reasonable time or place and upon reasonable notice.

RULE 15  
DEPOSITIONS; DOCUMENT PRODUCTION; and EXAMINATIONS

(a) Discovery Methods. Parties may obtain discovery by one or more of the following methods: depositions upon oral examination or written questions; production of documents or things; or physical and mental examinations.

(b) Depositions upon Oral Examination. After commencement of the action and following a good faith attempt to stipulate to a deposition schedule, any party may take the testimony of any party, to include those who act in the official capacity of a party, by deposition upon oral examination.

(1) Notice of Examination. A party desiring to take the deposition of any party upon oral examination shall give reasonable notice in writing to every other party to the action. The notice shall state the time and place for taking the deposition and the name and address of each person to be examined, if known, and, if the name is not known, a general description sufficient to identify him or the particular class or group to which he belongs.

(2) Non-stenographic Recording. The testimony at a deposition may be recorded by other than stenographic means. In such a case, the notice of taking the deposition shall state the

manner of recording and the methods and means of transcribing the testimony into written form to assure that the recorded testimony will be accurate and trustworthy. The party calling the deposition shall cause the same to be transcribed. The tape recording shall be made available should a question arise as to the accuracy of the written transcription. Any objections, changes made by the witness, signature identifying the deposition, or the statement of the officer that is required if the witness does not sign, or the certification of the officer shall be set forth in a writing to accompany a deposition recorded by non-stenographic means.

(3) Production of Documents and Things. The notice to a party deponent may be accompanied by a request for the production of documents and tangible things at the taking of the deposition.

(4) Deposition of Organization. A party may in his notice and in a subpoena name as a party deponent a private corporation or a partnership or association and describe with reasonable particularity the matters on which examination is requested. In that event, the organization so named shall designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf, and may set forth for each person designated, the matters on which he will testify. A subpoena shall advise the party deponent of its duty to make such a designation. The persons so designated shall testify as to matters known or reasonably available to the organization.

(5) Notice of Filing. When the deposition is filed the party taking it shall promptly give notice thereof to all other parties.

(c) Depositions upon Written Questions.

(1) Service Questions; Notice. After commencement of the action and following a good faith attempt to stipulate to a deposition schedule, any party may take the testimony of any party, by deposition upon written questions. A party desiring to take a deposition upon written questions shall serve them upon every other party with a notice stating:

A. the name and address of the person who is to answer them, if known, and if the name is not known, a general description sufficient to identify him or the particular class or group to which he belongs; and

B. the name or descriptive title and address of the officer before whom the depositions is to be taken. A deposition upon written questions may be taken of a private corporation or a partnership or association in accordance with the provisions of Rule 15(b)(4).

C. Within ten (10) days after the notice and



written questions are served, a party may serve cross questions upon all other parties. Within five (5) days after being served with cross questions, a party may serve redirect questions upon all other parties. Within five (5) days after being served with redirect questions, a party may serve recross questions upon all other parties.

(2) Officer to Take Responses and Prepare Record. A copy of the notice and copies of all questions served shall be delivered by the party taking the deposition to the officer designated in the notice, who shall proceed to take the testimony of the witness in response to the questions and to prepare, certify, and file or mail the deposition, attaching thereto the copy of the notice and the questions received by him.

(3) Notice of Filing. When the deposition is filed the party taking it shall promptly give notice thereof to all other parties.

(d) Production of Documents or Things.

(1) Scope. Any party may serve on any other party a request to produce and permit the party making the request, or someone acting on his behalf, to inspect and copy, any designated documents (including writings, drawings, graphs, charts, and other data compilations from which information can be obtained, translated, if necessary, by the respondent through detection devices into reasonably usable form), or to inspect and copy, or sample any tangible things which constitute or contain relevant matters which are in the possession, custody or control of the party upon whom the request is served.

(2) Procedure. The request may be served upon any party after commencement of the action and, if necessary, may be accompanied by a subpoena issued by the Chief for the production of documentary evidence at a deposition or at a hearing. The request shall set forth the items to be inspected either by individual item or by category, and describe each item and category with reasonable particularity. The request shall specify a reasonable time, place, and manner of making the inspection and performing the related acts. The party upon whom the request is served shall serve a written response within 10 days after the service of the request, or waive any objection to the request.

The response shall state, with respect to each item or category, that inspection and related activities will be permitted as requested, unless the request is objected to, in which event the reasons for objection shall be stated. If objection is made to part of an item or category, the part shall be specified. The party submitting the request may move for an administrative order with respect to any objection to or other failure to respond to the request or any part thereof, or any failure to permit inspection.

A party who produces documents for inspection shall produce them as they are kept in the usual course of business or shall organize and label them to correspond with the categories in the request.

(3) Duty to Produce Business Records. Upon the request of a party, the Agency shall have the general power to order production of books, papers, documents and records required to be kept by a party by statute or regulation.

(e) Physical and Mental Examinations.

(1) Order for Examination. When the mental or physical condition (including the blood group) of a party, or of a person in the custody or under the legal control of a party, is in controversy, the Agency in which the action is pending may order the party to submit to a physical examination by a physician, or mental examination by a physician or psychologist or to produce for examination the person in his custody or legal control. The order may be made only on petition for good cause shown and upon notice to the person to be examined and to all parties and shall specify the time, place, manner, conditions, and scope of the examination and the person or persons by whom it is to be made.

(2) Report of Examining Physician or Psychologist.

(a) If requested by the party against whom an order for an examination is made or the person examined, the party causing the examination to be made shall deliver to him a copy of a detailed written report of the examining physician or psychologist setting out his findings, including results of all tests made, diagnoses and conclusions, together with like reports of all earlier examinations of the same condition. After delivery the party causing the examination shall be entitled upon request to receive from the party against whom the order is made a like report of any examination, previously or thereafter made, of the same condition, unless, in the case of a report of examination of a person not a party, the party shows that he is unable to obtain it. The Agency, upon petition, may make an order against a party requiring delivery of a report, and if a physician or psychologist fails or refuses to make a report the Agency may exclude his testimony if offered at the hearing.

(b) By requesting and obtaining a report of the examination so ordered or by taking the deposition of the examiner, the party examined waives any privilege he may have in that action or any other involving the same controversy, regarding the testimony of every other person who has examined or may thereafter examine him in respect of the same mental or physical condition.

(c) This subdivision applies to examinations made by agreement of the parties, unless the agreement expressly

provides otherwise. This subdivision does not preclude discovery of a report of an examining physician or psychologist or the taking of a deposition of the physician or psychologist in accordance with the provisions of any other rule.

(3) Definition. For the purposes of this rule, a psychologist is a psychologist licensed or certified by a state, District of Columbia, the Commonwealth of the Northern Mariana Islands, or any member country of the Commonwealth of Nations of the United Kingdom.

RULE 16  
DISCOVERY SCOPE AND LIMITS

(a) Discovery Scope and Limits. Unless otherwise expanded by Agency Order in accordance with these rules, the scope of discovery is limited as follows:

(1) In General. Parties may obtain discovery regarding any matter, not privileged, which is relevant to the subject matter involved in the pending action, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, condition and location of any books, documents, or other tangible things and the identity and location of parties; to include officers, directors, managing agents of a party organization, or other persons which have the consent of the organization to testify on its behalf, having knowledge of any discoverable matter.

(2) Limitation. The frequency or extent of use of the discovery methods set forth in subdivision (1) shall be further limited by the Agency if it determines that:

A. the discovery sought is unreasonably cumulative or duplicative, or is obtainable from some other source that is more convenient, less burdensome, or less expensive;

B. the party seeking discovery has had ample opportunity by discovery in the action to obtain the information sought; or

C. the discovery is unduly burdensome or expensive, taking into account the needs of the case, the amount in controversy, limitations on the parties' resources, and the importance of the issues at stake in the litigation.

(3) Trial Preparation: Materials.--Subject to the provisions of subdivision 2 of this rule, a party may obtain discovery of documents and tangible things otherwise discoverable under subdivision 1 of this rule and prepared in anticipation of litigation or for trial by or for another party or by or for that

other party's representative (including his attorney, consultant, surety, indemnitor, insurer, or agent) only upon a showing that the party seeking discovery has a clear and substantial need of the materials in the preparation of his case and that he is unable without undue hardship to obtain the substantial equivalent of the materials by other means. In ordering discovery of such materials when the required showing has been made, the Agency shall protect against disclosure of the mental impressions, conclusions, opinions, or legal theories of an attorney or other representative of a party concerning the litigation.

A party may obtain without the required showing a statement concerning the action or its subject matter previously made by that party. For purposes of this paragraph, a statement previously made is:

(a) a written statement signed or otherwise adopted or approved by the person making it, or

(b) a stenographic, mechanical, electrical, or other recording, or a transcription thereof, which is a substantially verbatim recital of an oral statement by the person making it and contemporaneously recorded.

(4) Hearing Preparation: Experts.--Discovery of facts known and opinions held by experts qualified before the hearing in which the expert is expected to testify, are to be disclosed at least five (5) days prior to the hearing in which the expert is expected to testify.

(b) Protective Orders. Upon petition by a party and for good cause shown, the Agency may make any order which is required to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, including one or more of the following:

(1) that the discovery not be had;

(2) that the discovery may be had only on specified terms and conditions, including a designation of the time or place;

(3) that the discovery may be had only by a method of discovery other than that selected by the party seeking discovery;

(4) that certain matters not be inquired into, or that the scope of the discovery be limited to certain matters.

If the petition for a protective order is denied in whole or in part, the agency may, on such terms and conditions as are just, order that any party provide or permit discovery.

(c) Supplementation of Responses. A party who has responded

to a request for discovery with a response when made is under no duty to supplement his response to include information thereafter acquired, except as follows:

(1) A party is under a duty seasonably to supplement his response with respect to any question directly addressed to the identity of each person expected to be called as an expert witness at trial, the subject matter on which he is expected to testify, and the substance of his testimony.

(2) A party is under a duty seasonably to amend a prior response if he obtains information which shows his response was incorrect when made, or he knows that the response though correct when made is no longer true and the circumstances indicate that a failure to amend the response is in substance a knowing concealment.

(d) Discovery Conference. At any time after commencement of an action the Agency may direct the attorneys for the parties to appear before it for a conference on the subject of discovery. The Agency shall do so upon petition by the attorney for any party if the petition includes:

- (1) A statement of the issues as they then appear;
- (2) A proposed plan and schedule of discovery;
- (3) Any limitations proposed to be placed on discovery;
- (4) Any other proposed orders with respect to

discovery; and

(5) A statement showing that the attorney making the petition has made a reasonable effort to reach agreement with opposing attorneys on the matters set forth in the petition. Each party and his attorney are under a duty to participate in good faith in the framing of discovery if a plan is proposed by the attorney for any party. Notice of the petition shall be served on all parties. Objections or additions to matters set forth in the petition shall be served not later than seven (7) days after service of the petition.

Following a discovery conference, the Agency shall enter an order tentatively identifying the issues for discovery purposes, establishing a plan and schedule for discovery, setting limitations on discovery, if any; and determining such other matters, including the allocation of expenses, as are necessary for the proper management of discovery in the action. An order may be altered or amended upon a petition showing good cause.

Subject to the right of a party who properly petitions

for a discovery conference to prompt convening of the conference, the agency may combine the discovery conference with a pre-trial hearing authorized by Rule 13.

(e) Signing of Discovery Requests, Responses, and Objections. Every request for discovery or response or objection thereto made by a party represented by an attorney shall be signed by at least one attorney of record in his individual name, whose address shall be stated. A party who is not represented by an attorney shall sign the request, response, or objection and state his address. The signature of the attorney or party constitutes a certification that he has read the request, response, or objection, and that to the best of his knowledge, information, and belief formed after a reasonable inquiry it is not in furtherance of a claim or defense that is frivolous, without merit, or in bad faith. If a request, response, or objection is not signed, it shall be stricken unless it is signed promptly after the omission is called to the attention of the party making the request, response, or objection and a party shall not be obligated to take any action with respect to it until it is signed.

(f) Persons before whom Depositions may be Taken. Within the Northern Mariana Islands, the United States, the Trust Territory of the Pacific Islands, or a territory or insular possession subject to the dominion of the United States, or in foreign countries, depositions shall be taken on notice before a person authorized to administer oaths in the place in which the examination is held, either by the law thereof or by the laws of the Northern Mariana Islands or of the United States.

(g) Examination and Cross Examination; Record of Examination; Oath; Objections. Examination and cross-examination of witnesses may proceed as permitted at the hearing under the provisions of the Administrative Procedure Act. The officer before whom the deposition is to be taken shall put the witness on oath and shall personally, or by someone acting under his direction and in his presence, record the testimony of the witness. The testimony shall be taken stenographically or by audiotape or videotape. If requested by one of the parties, the testimony shall be transcribed. All objections made at the time of the examination to the qualifications of the officer taking the deposition, or to the manner of taking it, or to the evidence presented, or to the conduct of any party, and any other objection to the proceedings, shall be noted by the officer upon the deposition. Evidence objected to shall be taken subject to the objections. In lieu of participating in the oral examination, parties may serve written questions in the sealed envelope on the party taking the deposition and he shall transmit them to the officer, who shall propound them to the witness and record the answers verbatim.

(h) Petition to Terminate or Limit Examination. At any time during the taking of the deposition, on petition of a party or of

the deponent and upon a showing that the examination is being conducted in bad faith or in such manner as unreasonably to annoy, embarrass, or oppress the deponent or party, the Agency may order the officer conducting the examination to cease forthwith from taking the deposition, or may limit the scope and manner of the taking of the deposition as provided within the ambit of Rules 16(a)(2)(A-C) and 16(b)(1-4). If the order made terminates the examination, it shall be resumed thereafter only upon the order of the Agency in which the action is pending. Upon demand of the objecting party or deponent, the taking of the deposition shall be suspended for the time necessary to make a petition for an order. The provisions of Rule 11 apply to the award of expenses incurred in relation to the petition.

(i) Submission to Witness; Changes, Signing. When the testimony is fully transcribed, the deposition shall be submitted to the witness for examination and shall be read to or by him, unless such examination and reading are waived by the witness and by the parties. Any changes in form or substance which the witness desires to make shall be entered upon the deposition by the officer with a statement of the reasons given by the witness for making them. The deposition shall then be signed by the witness, unless the parties by stipulation waived the signing or the witness is ill and cannot be found or refuses to sign. If the deposition is not signed by the witness within ten (10) days of its submission to him, the officer shall sign it and state on the record the fact of the waiver or of the illness or absence of the witness or the fact of the refusal to sign together with the reason, if any, given therefor; and the deposition may then be used as fully as though signed.

(j) Certification and Filing by Officer; Exhibits; Copies; Notice of Filing.

(1) The officer shall certify on the deposition that a witness was duly sworn by him and that the deposition is a true record of the record of the testimony given by the witness. Unless otherwise ordered by the Agency, he shall then securely seal the deposition in an envelope endorsed with the title of the action and marked "deposition of [here insert name of witness]" and shall promptly file it with the Agency in which the action is pending.

Documents and things produced for inspection during the examination of the witness, shall, upon request of a party, be marked for identification and annexed to the deposition and may be inspected and copied by any party, yet if the documents or thing produced for inspection cannot be annexed to the deposition it shall be made available for the requesting party for inspection and or copying at a reasonable place and at reasonable times.

(2) Upon payment of reasonable charges therefor, the officer shall furnish a copy of the deposition to any party.

(3) The party taking the deposition shall give prompt notice of its filing to all other parties.

(k) Failure to Attend; Expenses.

(1) If the party giving the notice of the taking of a deposition fails to attend and proceed therewith and another party attends in person or by attorney pursuant to the notice, the Agency may order the party giving the notice to pay to such other party the reasonable expenses incurred by him and his attorney in attending, including reasonable attorney's fees.

RULE 17

USE OF DEPOSITIONS; FAILURE TO MAKE DISCOVERY

(a) Use of Depositions. At a hearing, any part or all of a deposition, so far as admissible under the Administrative Procedure Act as though the witness were then present and testifying, may be used against any party who was present or represented at the taking of the deposition or who had reasonable notice thereof, in accordance with any of the following provisions:

(1) Any deposition may be used by any party for the purpose of contradicting or impeaching the testimony of a deponent as a witness, or for any other purpose permitted by the Administrative Procedure Act.

(2) The deposition of a party or of anyone who at the time of taking the deposition was an officer, director, managing agent, or a person designated to testify on behalf of a private corporation, partnership or association which is a party may be used by an adverse party for any purpose.

(3) The deposition of a party may be used by any party for any purpose if the Agency finds:

A. that the witness is dead; or

B. that the witness is out of the Northern Mariana Islands, unless it appears that the absence of the witness was procured by the party offering the deposition; or

C. that the witness is unable to attend or testify because of age, illness, infirmity, or imprisonment; or

D. that the party offering the deposition has been unable to procure the attendance of the witness by subpoena; or

E. upon application and notice, that such exceptional circumstances exist as to make it desirable, in the interest of administrative efficiency and with due regard to the



importance of presenting the testimony of witnesses orally in agency proceedings, to allow the deposition to be used.

(4) If only part of a deposition is offered in evidence by a party, an adverse party may require him to introduce any other part which ought in fairness to be considered with the part introduced, and any party may introduce any other parts.

(b) Effect of Errors and Irregularities in Depositions.

(1) As to Notice. All errors and irregularities in the notice for taking a deposition are waived unless written objection is promptly served upon the party giving the notice.

(2) As to Disqualification of Officer. Objection to taking a deposition because of disqualification of the officer whom it is to be taken is waived unless made before the taking of the deposition begins or as soon as thereafter as the disqualification becomes known or could be discovered with reasonable diligence.

(3) As to Taking of Deposition.

A. Objections to the competency of a deponent or prospective deponent or to the competency, relevancy, or materiality of testimony are not waived by failure to make them before or during the taking of the deposition, unless the ground of the objection is one which might have been obviated or removed if presented at the time.

B. Errors and irregularities occurring at the oral examination in the manner of taking the deposition, in the form of the questions or answers, in the oath or affirmation, or in the conduct of parties, and errors of any kind which might be obviated, removed, or cured if promptly presented, are waived unless seasonable objection thereto is made at the taking of the deposition.

C. Objections to the form of written questions are waived unless served in writing upon the party propounding them within five (5) days after service of the questions.

(4) As to Completion of Return of Deposition. Errors and irregularities in the manner in which the testimony is transcribed or the deposition is prepared, signed, certified, sealed, indorsed, transmitted, filed, or otherwise dealt with are waived unless served in writing upon the party noticing the deposition within seven (7) days after service of the transcription.

(c) Petition for Order Compelling Discovery. A party upon reasonable notice to other parties and all persons affected thereby, may petition for an order compelling discovery as follows:

(1) Application. An application for an order compelling discovery may be made to the Agency.

(2) Petition. If a party deponent fails to answer a question propounded or submitted under Rule 15, or a corporation or other entity fails to make a designation under Rule 15(b)(4), or if a party, in response to a request for inspection submitted under Rule 15(b)(3), fails to respond that inspection will be permitted as requested or fails to permit inspection as requested, the discovering party may petition for an order compelling an answer, or a designation, or an order compelling inspection in accordance with the request. When taking a deposition on oral examination, the proponent of the question may complete or adjourn the examination before he applies for an order.

If the Agency denies the petition in whole or in part, it may make such protective order as it would have been empowered to make on a petition made pursuant to Rule 16(b).

A. Evasive or Incomplete Answer. For purposes of Rule 17(c) an evasive or incomplete answer is to be treated as a failure to answer.

B. Award of Expenses of Petition. If the petition is granted, the Agency shall, after opportunity for hearing, require the party or deponent whose conduct necessitated the petition or the party or attorney advising such conduct or both of them to pay to the petitioning party the reasonable expenses incurred in obtaining the order, including attorney's fees, unless the Agency finds that the opposition to the petition was substantially justified or that other circumstances make an award of expenses an impairment to administrative efficiency.

If the petition is denied, the Agency shall, after opportunity for hearing, require the petitioning party or the attorney advising the petitioning party or both of them to pay to the party who opposed the petition the reasonable expenses incurred in opposing the petition, including attorney's fees, unless the Agency finds that the making of the petition was substantially justified or that other circumstances make an award of expenses an impairment to administrative efficiency.

If the petition is granted in part and denied in part, the Agency may apportion the reasonable expenses incurred in relation to the petition among the parties and persons in a just manner.

(d) Failure to Comply With Order.

(1) If a party deponent fails to be sworn or to answer a question after being directed to do so by the Agency, the failure may be considered a contempt of the Agency and any permissible

adverse inference may be drawn therefrom.

(2) If a party or an officer, director, or managing agent of a party or a person designated under Rule 15(b)(4) to testify on behalf of a party fails to obey an order to provide or permit discovery, including an order made under Rule 17(c) or if a party fails to obey an order entered under Rule 16(b), the Agency in which the action is pending may make such order in regard to the failure as are necessary to aid in administrative efficiency, and among others the following:

A. An order that the matters regarding which the order was made or any other designated facts shall be taken to be established for the purpose of the action in accordance with the claim of the party obtaining the order;

B. An order refusing to allow the disobedient party to support or oppose designated claims or defenses, or prohibiting him from introducing designated matters in evidence;

C. An order striking out pleadings or parts thereof, or staying further proceedings until the order is obeyed, or dismissing the action or proceeding or any part thereof, or rendering an order of default against the disobedient party;

D. In lieu of any of the foregoing orders or in addition thereto, an order treating as a contempt of the Agency the failure to obey any orders, except an order to submit to a physical or mental examination, and any permissible adverse inference may be drawn therefrom;

E. Where a party has failed to comply with an order under Rule 15(e)(1) requiring him to submit another to a physical or mental examination, such orders as are listed in Rule 17(d)(2)(A-C), unless the party failing to comply shows that he is unable to produce such person for examination.

In lieu of any of the foregoing orders or in addition thereto, the Agency shall require the party failing to obey the order or the attorney advising him or both to pay the reasonable expenses, including attorney's fees, caused by the failure, unless the Agency finds that the failure was substantially justified or that the other circumstances make an award of expenses an impairment to administrative efficiency.

(e) Failure for Party to Attend at Own Deposition or Respond to Request for Inspection. If a party or an officer, director, or managing agent of a party designated under Rule 15(b)(4) to testify on behalf of a party fails:

(1) to appear before the officer who is to take his deposition, after being served with a proper notice; or

(2) to serve a written response to a request for inspection submitted under Rule 15(b)(3), after proper service of the request, the Agency in which the action is pending on petition may make such orders in regard to the failure as are necessary to aid in administrative efficiency, and among others it may take any action authorized under Rule 17(d)(2)(A-C) In lieu of any order or addition thereto, the Agency shall require the party failing to act or the attorney advising him or both to pay the reasonable expenses, including attorney's fees, caused by the failure, unless the Agency finds that the failure was substantially justified or that other circumstances make an award of expenses an impairment to administrative efficiency.

The failure to act described in this subdivision may not be excused on the ground that the discovery sought is objectionable unless the party failing to act has applied for a protective order as provided by Rule 16(b).

(f) Failure to Take Part in the Framing of a Discovery Plan. If a party or his attorney fails to participate in a good faith attempt to stipulate to a deposition plan as is required by Rule 14, the Agency may, after opportunity for hearing, require such party or his attorney to pay to any other party the reasonable expenses, including attorney's fees, caused by the failure.

RULE 18  
SUBPOENAS

(a) For Attendance of Witnesses; Form; Issuance. Every subpoena shall be issued by the Agency, shall state the name of the Agency and the title of the action, and shall command each person to whom it is directed to attend a hearing and give testimony at a time and place therein specified. The Hearing Officer as may be appointed by the Director, shall issue a subpoena for the attendance of witnesses at a hearing, and the Chief may issue a subpoena for the production of documentary evidence at a deposition or at a hearing.

(b) For Production of Documentary Evidence. A subpoena may also command the person to whom it is directed to produce the books, papers, documents, or records designated therein; but the Agency, upon petition made promptly and in any event at or before the time specified in the subpoena for compliance therewith, may

(1) quash or modify the subpoena if it is unreasonable and oppressive or;

(2) condition denial of the petition upon the advancement by the person in whose behalf the subpoena is issued, with the exception of the Chief or his designee, the reasonable cost of producing the books, papers, documents, or records.

(c) Service. A subpoena may be served by the Chief or his designee in an Agency Case, or by any other person who is not a party and is not less than 18 years of age. Service of a subpoena upon a person named therein shall be made by delivering a copy thereof to such person.

The subpoena may command the person to whom it is directed to produce and permit inspection and copying of designated books, papers, documents, or tangible things which constitute or contain matters within the scope of the examination permitted by Rule 15, but in that event the subpoena will be subject to the provisions of a petition pursuant to subdivision (b) of this rule and subject to the proscriptions of Rules 16(a)(2)(A-C) and 16(b)(1-4).

The person to whom the subpoena is directed may, within seven (7) days after the service thereof, or on or before the time specified in the subpoena for compliance if such time is less than seven (7) days after service, serve upon the attorney designated in the subpoena written objection to inspection or copying of any or all of the designated materials. If objection is made, the party serving the subpoena shall not be entitled to inspect and copy the materials except pursuant to an order of the Agency. The party serving the subpoena may, if objection has been made, petition upon notice to the deponent for an order at any time before or during the taking of the deposition.

(2) A party deponent may be required to attend an examination only on the island wherein he resides or is employed or transacts his business in person, or at such other convenient place as is fixed by an order of the Agency.

(d) Subpoena for a Hearing. At a request of any party, a subpoena for the attendance of any witness at a hearing shall be issued by the Chief or his designee or an Administrative Hearing Officer. A subpoena requiring the attendance of a witness at a hearing may be served anywhere within the Northern Mariana Islands.

(e) Contempt. Failure by a person without adequate excuse to obey a subpoena served upon him may be deemed a contempt of the Agency from which the subpoena issued, and a permissible adverse inference may be drawn therefrom.

#### RULE 19 SURETIES

(a) Execution of Bond. The Director shall provide by regulation the necessary prerequisites for the acceptance of a bond. Upon fulfillment of these prerequisites, the Chief shall accept such a bond if the bond or similar undertaking is executed by the surety or sureties alone.

RULE 20  
SECURITY: PROCEEDINGS AGAINST SURETIES

Whenever, by statute or regulation, a bond is required and security is given in the form of a bond with one or more sureties, each surety submits himself to the jurisdiction of the agency and irrevocably appoints the Director as his agent upon whom any papers affecting his liability on the bond may be served. His liability may be enforced on motion by the agency or a prevailing complainant in a Labor Case without the necessity of an independent action. The motion and such notice of the motion as the agency prescribes may be served on the Director, who shall forthwith mail copies to the sureties if their addresses are known.

RULE 21  
TRANSLATORS

In any Agency or Labor Case which may require testimony to be translated in a language other than Chamorro, Carolinian, English or the predominant language of the Republic of the Phillipines, the party who anticipates producing such testimony shall provide for the translation at his own expense.

Rule 22  
PREPARATION OF TRANSCRIPTS OF COURT PROCEEDINGS  
FOR APPELLATE AND OTHER PURPOSES

Upon the request of any party for a transcript of any proceedings in Labor, aside from the transcription of a proceeding for the purposes of judicial review, the Agency, or the parties may transcribe the proceedings. If the Agency transcribes the proceedings, the party requesting the transcript shall receive the transcription upon paying the fee established by regulation.

In the case of transcripts needed for administrative appeals or further agency proceedings, and in the event one of the parties elects to transcribe the proceedings, it shall be the sole responsibility of the party requesting the transcript to assure that the transcript is completed, certified, and returned to the Agency within the time established by the Agency, and any extensions thereof, and to pay for the transcription costs.

Should the party requesting the transcript fail to procure the transcript by the ordered return date, and any reasonable extensions thereof, any opposing party may petition the Agency to dismiss the party's action or proceeding for which the transcript was ordered.

In the event an appellate transcript is sought for judicial review in the Commonwealth Superior Court or any successor forum, the applicable Commonwealth statute and the Commonwealth Rules of Civil Procedure shall govern the procedures concerning the

production of the transcript.

If any party or the Agency has any reason to doubt or question the accuracy of any transcription produced pursuant to this Rule, the original tape(s) shall be made available to ascertain the accuracy of the transcription. In the case of any conflict, the audio on the original tape(s), shall prevail.

In the event a person designated to do the transcription work dies, becomes incapacitated, or certifies to the court that for other reasons they are unable to complete the transcript within the time designated by the Agency, it is the responsibility of the party ordering the transcript to notify the Agency and opposing counsel as soon as such death, incapacity, or inability is discovered.

Extensions of time to prepare the transcript shall be given upon written request and for good cause being shown.

The Agency shall confer with the party's counsel or the party if not represented by counsel and any opposing party and/or counsel as well as the person designated by the party to transcribe the cassette tape(s) into written form. As a result of the conference and if the Agency is satisfied that an accurate transcript can be prepared, the Agency will order a return date for the transcript, giving due consideration to available reliable transcribing services, and necessary copies if it is needed for an appeal or further agency proceedings.

Any transcript prepared shall be in a form acceptable to the Agency. Any such transcript shall be accompanied by a written certification of the person actually doing the transcribing work, which certification shall be substantially in the following form:

"I, \_\_\_\_\_, did the actual transcription  
(Name)  
work for the above proceedings in the case of \_\_\_\_\_  
(Title of Agency Case or Labor Case and Case #). In performing this function I had possession of the duplicate/original (Circle One) cassette tape(s) provided to me by \_\_\_\_\_ (Name of Party) and converted the audio content thereon to the above written form to the best of my ability without any alteration, revision or editing. If there are any places in the above transcript which are noted as "unintelligible", "phonetic", or "?", I was unable to accurately determine that portion of the taped proceedings.

I further state that I have no personal interest in the above proceedings, nor does any employee of mine have any such interest. I have not been paid any bonus or gratuity for my work by anyone and have charged only what would be my normal charges.

I hereby declare under penalty of perjury that the above is true and correct. Executed at Saipan, Northern Mariana Islands,

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Signature of Transcriber





NORTHERN MARIANA ISLANDS RETIREMENT FUND

Tomas B. Aldan
Administrator

P. O. Box 1247 • Saipan, MP 96950
Tel: (670)234-7228 • Fax: (670)234-9624

Edward H. Manglona
Deputy Administrator

NOTICE OF THE PROPOSED AMENDMENTS
TO THE MEMBER HOME LOAN PROGRAM REGULATIONS

The Board of Trustees of the Northern Mariana Islands Retirement Fund hereby notifies the general public that it proposes to amend the Member Home Loan Program Regulations as published in Volume 11, No. 6, dated June 15, 1989, and as amended in Volume 12, No. 3, dated March 15, 1990, Volume 13, No. 4, dated April 15, 1991, Volume 13, No. 10, dated October 15, 1991, Volume 15, No. 3, dated March 15, 1993, Volume 15, No. 9, dated September 15, 1993 Volume 15, No. 12, dated December 15, 1993, Volume 16, No. 04, dated April 15, 1994 and further amended in Volume 16, No. 05, dated May 15, 1994 of the Commonwealth Register.

Dated this 22nd day of August, 1994.

[Handwritten signature of Teresita B. Aldan]

Teresita B. Aldan
Temporary Chairperson
Board of Trustees
NMI Retirement Fund

[Handwritten signature of Tomas B. Aldan]

Tomas B. Aldan
Administrator
NMI Retirement Fund

Date: 8/22/94

[Handwritten signature of Donna J. Cruz]

Filed by The Governor's Office

Date: 8/22/94

[Handwritten signature of Soledad B. Sasamoto]

Soledad B. Sasamoto
Filed by the Registrar of Corp.



NORTHERN MARIANA ISLANDS RETIREMENT FUND

Tomas B. Aldan
Administrator

P. O. Box 1247 • Saipan, MP 96950
Tel: (670)234-7228 • Fax: (670)234-9624

Edward H. Manglona
Deputy Administrator

NOTICIA POT I MA ADOPTA NA AMENDASION
I REGULASION YAN AREKLAMENTO
I MEMBER HOME LOAN PROGAM

I Board of Trustees, NMI Retirement Fund, man nanae noticia para i publico na ma propone i tinilaika gi regulasion i Member Home Loan Program anai i ma publika gi Volume 11, No. 6, Junio 15, 1989, ya ma amenda gi Volume 12, No. 3, Matso 15, 1990, Volume 13, No. 4, Abrit 15, 1991, Volume 13, No. 10, Octubre 15, 1991, Volume 15, No. 3, Matso 15, 1993, Volume 15, No. 9, Septiembre 15, 1993, Volume 15, No. 12, Diciembre 15, 1993, Volume 16, No. 04, Abrit 15, 1994 ya ma amenda talo gi Volume 16, No. 05, gi Mayo 15, 1994, Commonwealth Register.

Mafecha gi dia 22nd Agosto, 1994.

[Signature]
Teresita B. Aldan
Temporary Chairperson
Board of Trustees
NMI Retirement Fund

[Signature]
Tomas B. Aldan
Administrator
NMI Retirement Fund

Date: 8/22/94

[Signature]
Donna J. Cruz
Filed by The Governor's Office

Date: 8/22/94

[Signature]
Soledad B. Sasamoto
Filed by the Registrar of Corp.



Tomas B. Aldan  
Administrator

## NORTHERN MARIANA ISLANDS RETIREMENT FUND

P. O. Box 1247 • Saipan, MP 96950  
Tel: (670)234-7228 • Fax: (670)234-9624

Edward H. Manglona  
Deputy Administrator

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### NORTHERN MARIANA ISLANDS RETIREMENT FUND PROPOSED MEMBER HOME LOAN PROGRAM REGULATIONS

The Board of Trustees of the NMI Retirement Fund hereby proposes to amend the Member Home Loan Rules and Regulations as published in the Commonwealth Register in Volume 11 No. 06, dated June 15, 1989, and as amended in Volume 12, No. 3, dated March 15, 1990, Volume 13, No. 4, dated April 15, 1991, Volume 13, No. 10, dated October 15, 1991, Volume 15, No. 3, dated March 15, 1993, Volume 15, No. 9, dated September 15, 1993, and further amended in Volume 16, No. 5, dated May 15, 1994.

#### Part I. AUTHORITY

1. By virtue of the authority provided under 1 CMC § 8314(f), and the Administrative Procedures Act, at 1 CMC § 9101, et. seq., the Board of Trustees hereby promulgates these amendments to the Member Home Loan Program Regulations.

#### Part II. AMENDMENTS

1. To amend Part 4, Section 4.2 of the Member Home Loan Program Regulations, to add a new subsection (h) to read as follows:

"(h). The refinancing of an existing mortgage loan not made under the Member Home Loan Program and convert it to a second mortgage member home loan if the original mortgage was taken out for the purpose of:

(a) Making home improvements; or,

(b) Acquisition or construction of a new principal home."

2. To amend subsection 5.1(b) to delete the phrase "encumbered property or" in the first sentence, and to read as follows:

"(b) Unless the Board finds a compelling justification, otherwise on a case by case review, the Fund shall not purchase or approve a loan secured by property which is not served by any utilities, lacks or has difficult access to or from a public road, or does not conform to all applicable zoning and land use restrictions or building code regulations, is located on a substandard lot, is a lodging unit, or has any other unusual characteristic that the Fund determines to adversely affect its value. The participating lender may request the Fund's prior written approval as

to whether a specific property qualifies for purchase by the Fund before issuing a loan commitment to the applicant. The Board may establish a minimum lot size."

3. To amend Part 7, to add a new section 7.4 to read as follows:

**7.4 Second Mortgage Loans on Fee Simple or Leasehold Interests; Minimum and Maximum Loan Amounts; Insurance Required.**

- (a) No member home loan secured by a second mortgage on encumbered improved real estate owned in fee simple or under an acceptable leasehold shall exceed:
  - (1) \$150,000; and,
  - (2) Seventy-five percent (75%) of the difference between the appraised value of the real estate and improvements mortgaged to secure it and the original loan amount of the first mortgage.
- (b) No member home loan secured by a second mortgage on encumbered improved real estate owned in fee simple or under an acceptable leasehold shall be made in an amount less than \$15,000.
- (c) No member home loan secured by a second mortgage on encumbered improved real estate owned in fee simple or under an acceptable leasehold shall be given unless:
  - (1) the Borrower obtains the first lienholder's written consent; and,
  - (2) the Fund determines that the first mortgage does not contain any provisions which might jeopardize the security position of the Fund; and,
  - (3) the Fund has made a determination of the borrower's ability to repay the two mortgage loans using the same underwriting criteria as those used for first mortgages, except for the LTVR which utilizes the more stringent requirement set forth in subsection 7.4(a)(2).
- (d) As a condition of the loan, the Borrower of a second mortgage member home loan shall execute an assignment of all rental income due to the Borrower, if any, to the Fund in the event of default.
- (e) In the case of second mortgages, the Borrower is prohibited from securing additional financing from other lending institutions and using the same real estate mortgaged to the Fund, without first obtaining the prior written consent of the Fund. Prior to any consent by the Fund, the Fund shall first determine that the subsequent mortgage does not contain any provisions which might jeopardize the security position of the Fund or the borrower's ability to repay the three mortgage

loans.

- (f) All loans shall be further secured by an insurance or guarantee against default or loss under a mortgage insurance policy and property insurance policy issued by a casualty insurance company. Such policies are subject to the requirements under Section 7.1(d) of these regulations for mortgage or life insurance coverage and under Section 12.3 of these regulations for property insurance coverage.

4. To amend Part 12, to add a new subsection **Subsection 12.4(a)(4)** to include second mortgages and to read as follows:

"(4) Second mortgages on encumbered improved real property owned in fee simple or an acceptable leasehold as permitted under the conditions set forth in **Subsection 7.4.**"

5. To amend **Subsection 13.1(a)** to delete the last sentence of that paragraph and replace it with the following:

"(a) "...The current interest rate approved by the Board for a member home loan is **8.5%** for first mortgages and **10%** for second mortgages."

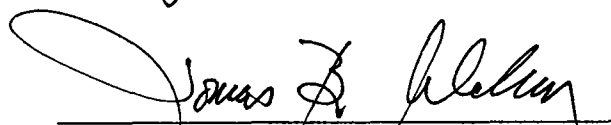
### PART III. EFFECTIVE DATE

The effective date of these proposed amendments shall be pursuant to 1 CMC § 9105(b).

Adopted as proposed amendments to the Member Home Loan Program Rules and Regulations by the Board of Trustees this 22nd day of August, 1994.



Teresita B. Aldan  
Temporary Chairperson  
Board of Trustees  
NMI Retirement Fund




Tomas B. Aldan  
Administrator  
NMI Retirement Fund

**PUBLIC NOTICE OF ADOPTION OF AMENDMENTS  
TO THE ALIEN LABOR RULES AND REGULATIONS  
UNDER THE AUTHORITY OF 1 CMC §§ 2454, 9104  
BY THE DEPARTMENT OF COMMERCE AND LABOR**

The Director of the Department of Commerce and Labor of the Commonwealth of the Northern Mariana Islands ("CNMI"), in accordance with 1 CMC §§ 2454, 9104 proposed amendments to the ALIEN LABOR RULES AND REGULATIONS at Commonwealth Register, vol. 16, no. 6, at 12044-46 (June 15, 1994). The proposed amendment pertains to the Procedures and Requirements for Renewal of Labor Identification Certificates.

Copies of the Procedures and Requirements for Renewal of Labor Identification Certificates are available and may be obtained from the Department of Commerce and Labor, P.O. Box 10007, Saipan, MP, 96950.

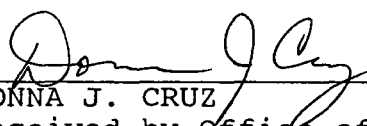
9/13/94  
Date

  
for: PEDRO Q. DELA CRUZ, Director  
Department of Commerce and Labor

9/13/94  
Date

  
for: SOLEDAD B. SASAMOTO  
Filed by Registrar of Corporations

9/13/94  
Date

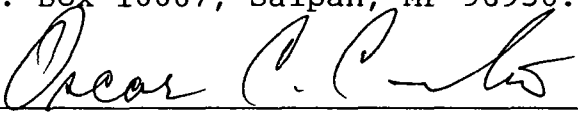
  
DONNA J. CRUZ  
Received by Office of the Governor

NUTISIAN PARA I PUPBLIKU POT I ADAPTASION SIHA  
PARA I AREKLAMENTO YAN REGULASION I "ALIEN LABOR"  
GI PAPA' AOTORIDAT I 1 CMC §§ 2454, 9104  
GINEN I DIPATTAMENTON I COMMERCE AND LABOR

I Direktot I Dipattamenton i Commerce and Labor gi Commonwealth of the Northern Mariana Islands ("CNMI"), sigun i 1 CMC §§ 2454, 9104, ha propoposa amendasion para i Areklamento Yan Regulasion i "Alien Labor" gi Commonwealth Register, vol. 16, no. 6, gi 12044-46 (Hunio 15, 1994). I mapropoposa na amendasion tiniteka i "Manehasion Yan Nissisidat Para Marinueban Settifikon Aidentefikasion Hotnaleru."

Kopian i "Manehasion Yan Nissisidat Para Marinueban Settifikon Aidentefikasion Hotnaleru" guaha yan sina machuchule' gi Department of Commerce and Labor, P.O. Box 10007, Saipan, MP 96950.


9/13/94  
Fecha

  
PEDRO Q. DELA CRUZ  
Director, Department of Commerce and Labor

9/13/94  
Fecha

  
SOLEDAD B. SASAMOTO  
Ha file i Registrar of Corporations

9/13/94  
Fecha

  
DONNA J. CRUZ  
Marisibisi gi Ofisinan Gobietno

AROGORONGOL TOWLAP REEL ADOPTION-UL LLIIWEL  
MELLOL OWTUL ALLEGHUL ALIEN LABOR  
MEREEL BWANGIL 1 CMC §§ 2454, 9104 SANGI  
DIPATAMENTOOL COMMERCE YAN LABOR

Direktoodul Dipatamentool Commerce me Labor mellol Commonwealth of the Northern Mariana Islands ("CNMI"), sangi bwangil 1 CMC §§ 2454, 9104 nge ebwe ayoora illiiwel mellol owtol ALLEGHU'L ALIEN LABOR i ye llol Commonwealth Register, vol 16, no. 6, me 12044-46 (Unniyo 15, 1994). Lliiwel kkaal nge e ghil ngali Mwoghutughutul me Ffeer Reel Renewal of Labor Identification Certificates.

Kkopiyaal Mwoghutughut me Ffeer Reel Renewal of Labor Identification Certificates, nge emmwel schagh bwe aramas ebwelo bweibwogh mellol Depatamentool Commerce me Labor, P.O. Box 10007, Saipan, MP 96950.

9/13/94  
Ral

*Pedro Q. Dela Cruz*  
for: PEDRO Q. DELA CRUZ, Direktoodul  
Dipatamentool Commerce me Labor

9/14/94  
Ral

*Soledad B. Sasamoto*  
for: SOLEDAD B. SASAMOTO  
File-liiyal Registrar of Corporations


9/13/94  
Ral

*Donna J. Cruz*  
DONNA J. CRUZ  
Igha re risibisi me Bwulasiyool Gubenko



**CERTIFICATION**

I, Pedro Q. Dela Cruz, Director of the Department of Commerce and Labor, which is promulgating the amendment to the ALIEN LABOR RULES AND REGULATIONS as hereinabove set forth, by signature below I hereby certify that such amendments to the regulations are a true, complete, and correct copy of the amendments to the ALIEN LABOR RULES AND REGULATIONS formally adopted by the Department of Commerce and Labor. I hereby declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 13<sup>th</sup> day of September, 1994 at Saipan, Commonwealth of the Northern Mariana Islands.

  
for: Pedro Q. Dela Cruz  
Director  
Department of Commerce and Labor



Commonwealth of the Northern Mariana Islands  
Coastal Resources Management

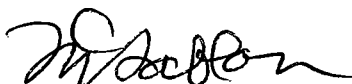
Office of the Governor  
Saipan, Mariana Islands 96950

CABLE ADDRESS  
GOV. NMI SAIPAN  
TELS. 234-6623/7320


NOTICE OF PERMANENT ADOPTION OF  
REGULATIONS TO DELETE AN EXCLUSION AREA  
FROM THE JET-SKI REGULATIONS

The CNMI Coastal Resources Management Program hereby notifies the general public of its adoption of regulations which delete Exclusion Area 102.(F) Chalan Laulau: from the current Jet-Ski Rules and Regulations. CRMO plans to permit future Jet-Ski operations in this area. The Administrator of Coastal Resources Management is authorized to do so under 2 CMC Section 1511 (3) B and this adoption is done in accordance with the Administrative Procedures Act, 1 CMC 9101, et.seq. Interested persons may obtain copies of the newly adopted regulations from the Coastal Resources Management Office located in the second floor of the Morgen Building, San Jose, Saipan.

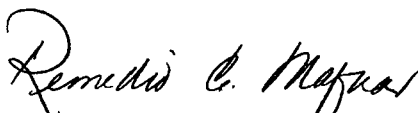
Date: 9/8/94

  
MANUEL C. SABLAN  
Director, Coastal Resources Management

Date: 9/9/94

  
DONNA CRUZ  
Governor's Secretary

Date: 9/9/94  
of  
Filing

  
So: SOLEDAD B. SASAMATO  
Registrar of Corporations



Commonwealth of the Northern Mariana Islands  
Coastal Resources Management

Office of the Governor  
Saipan, Mariana Islands 96950

CABLE ADDRESS  
GOV. NMI SAIPAN  
TELS. 234-6623/7320

NUTISIAN I PETMANENTI NA MA ADAPTA  
NA RIGULASION POT MANAFAN SUHA YA TIMANAFAN  
HALUM NA LUGAT  
GINEN I JET-SKI NA REGULASION

I CNMI Coastal Resources Management Program pot esti man manutitisa I henerat pupbliku pot I ma'adaptana i rigulasion imanasuhana timanafan halum na lugat 102. (F) Chalan Laulau: desde I presentia na lai yan rigulasion pot jet-ski siha. I CRMO ha planu put lisensia gi manmamailla pot operasion Jet Ski gueni na lugat. I Atministradot i Coastal Resources Management ma oatorisa na hu chogogue sigun gi papa 2 CMC seksiona 1511 (3) B. Yan esti ni ma'adapta esta sigun ginagagao gi atministratibu. Procedures Act, 1 CMC 9101, et. seq. man entrisante na petsona sina man manule kopia ni monhayan ma'adapta na rigulasion - ginen I Coastal Resources Management Ufisina ni gaige gi sigundu bibienda gi as Morgen na guma, San Jose, Saipan.

Date: 9/8/94

Manuel C. Sablan  
MANUEL C. SABLAN  
Director, Coastal Resources Management

Date: 9/9/94

Donna Cruz  
DONNA CRUZ  
Governor's Secretary

Date: 9/9/94  
of  
Filing

Remedio C. Magana  
for: SOLIDAD B. SASAMOTO  
Registrar of Corporations



**Commonwealth of the Northern Mariana Islands  
Coastal Resources Management**

Office of the Governor  
Saipan, Mariana Islands 96950

CABLE ADDRESS  
GOV. NMI SAIPAN  
TELS. 284-6623/7320

**CERTIFICATION OF ADOPTED REGULATIONS  
TO DELETE AN EXCLUSION AREA  
FROM THE JET-SKI REGULATIONS**

I, Manuel C. Sablan, Administrator of Coastal Resources Management Office, promulgating the amendments published in the Commonwealth Registrar August 15, 1994, Volume 16, Number 08, by signature below hereby certify that the published amendments are a true, correct and complete copy of the amendments formally adopted by the Coastal Resources Management Office. I further request and direct that this certification be published in the Commonwealth Registrar and then be attached by the Office of the Governor and Registrar of Corporations to the amendments referenced above.

I declare under the penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 8th day of September, 1994 at Saipan, Commonwealth of the Northern Mariana Islands.

A handwritten signature in cursive script, appearing to read "M. Sablan".

MANUEL C. SABLAN

Director, Coastal Resources Management



Commonwealth of the Northern Mariana Islands  
Coastal Resources Management

Office of the Governor  
Saipan, Mariana Islands 96950

CABLE ADDRESS  
GOV. NMI SAIPAN  
TELS. 234-6623/7820

PERMANENT ADOPTION OF REGULATIONS  
DELETING THE CHALAN LAULAU  
EXCLUSION AREA FROM THE COASTAL RESOURCE MANAGEMENT  
OFFICE JET-SKI REGULATIONS

Section 3. Section I 102. (F) only

102. Exclusion Areas

No jet ski may be landed, launched or operated within the following areas:

TO BE DELETED - (F) only

F. Chalan Laulau:

An area extending 200 yards seaward from the mean low water line from the northern edge of Civic Center Beach north to the Garapan Fishing Center dock.

(no changes beyond this point)

Date: 9/8/94

Manuel C. Sablan  
MANUEL C. SABLAN  
Director, Coastal Resources Management

Acknowledged: Donna J. Cruz  
DONNA J. CRUZ  
Governor's Office

Date: 9/9/94

Date of Filing: 9/9/94

Soledad B. Sasamoto  
SOLEDAD B. SASAMOTO  
Registrar of Corporations


**NORTHERN MARIANA ISLANDS RETIREMENT FUND**

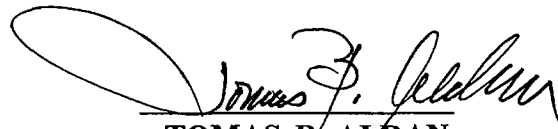
**PUBLIC NOTICE  
OF ADOPTED AMENDMENTS TO THE  
RETIREMENT FUND'S ADMINISTRATIVE RULES AND REGULATIONS**

The Board of Trustees of the NMI Retirement Fund hereby gives notice to the general public that it has adopted final amendments to the Fund's Administrative Rules and Regulations pursuant to Public Law 6-17, as amended, 1 CMC Section 8316(f) of the Northern Mariana Retirement Fund Act of 1988, and the Administrative Procedures Act, 1 CMC 9101, et. seq.

The purpose of these amendments is to provide for the effective administration of Public Law 6-17, and to provide updates to the existing regulations, and for other purposes.

DATED this 17<sup>th</sup> day of August, 1994.

  
\_\_\_\_\_  
MICHAEL A. WHITE  
Chairman

  
\_\_\_\_\_  
TOMAS B. ALDAN  
Administrator

NORTHERN MARIANA ISLANDS RETIREMENT FUND

Certification of the Adopted Amendments to the  
Fund's Administrative Rules and Regulations

I, Michael A. White, Chairman of the Board of Trustees, NMI Retirement Fund, which has promulgated the foregoing amendments to the Fund's Administrative Rules and Regulations, by my signature below, do hereby certify that these amendments are true, complete, and correct copy, formally adopted by the Board of Trustees.

DATED this 17<sup>th</sup> day of August, 1994.



Michael A. White  
Chairman

OFFICE OF THE GOVERNOR:

Received by: Don J. Cuy

Date: 8/22/94

OFFICE OF THE REGISTRAR OF CORPORATIONS:

Received by: [Signature]

Date: 8/22/94


NORTHERN MARIANA ISLANDS RETIREMENT FUND

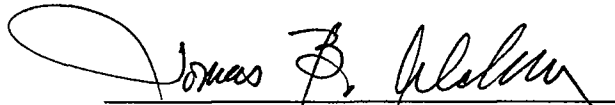
NOTICIAN PUBLIKO  
POT I MA ADOPTA NA TINILAIKA  
GI AREKLAMENTO YAN REGULASION I RETIREMENT FUND

I Board of Trustees i Northern Mariana Islands Fund man nana'e notisia para i henerat publiko na esta ha adopta i tinalaika gi areklamento yan regulasion i Retirement Fund sigun gi atoridat gi papa'i lai gi 1 CMC 8315(f), yan i Administrative Procedure Act, gi 1 CMC 9101, et. seq.


Esti na tinilaika pot para umas guaha efektibo na areklo yan atministrasion i Lai Publiko 8-39, yan pot para umana dinanche mas i gaigi pago na regulasion, yan otro lokue siha na proposito.

Ma fecha gi dia 17 de Agosto, 1994.


  
MICHAEL A. WHITE  
Chairman

  
TOMAS B. ALDAN  
Administrator

OFFICE OF THE GOVERNOR:

Received by:   
Date: 8/26/94

OFFICE OF THE REGISTRAR OF CORPORATIONS:

Received by:   
Date: 8/22/94



# **NORTHERN MARIANA ISLANDS RETIREMENT FUND RULES AND REGULATIONS**

The Board of Trustees for the Northern Mariana Islands Retirement Fund promulgates these amendments to the rules and regulations pursuant to Public Law 6-17, as amended, 1 CMC Section 8316(f) of the Northern Mariana Retirement Fund Act of 1988, and the Administrative Procedures Act, 1 CMC 9101, et. seq.

## **PART 1 - GENERAL PROVISIONS**

- 1.1 **Authority.** Under and by virtue of the provisions of 1 CMC Section 8316, the Board of Trustees for the Northern Mariana Islands Retirement Fund hereby promulgates these amendments to the rules and regulations.
- 1.2 **Purpose.** To amend Part 2 and Part 4 of the rules and regulations to add a new subsection (k) under Part 2 Definition; to add a new subsection 4.2(d); to add new subsection 4.50 and 4.51 to provide for interest determination; and to add new subsection 4.55 to provide for the effective administration of Public Law 8-39 relative to prior services performed for the United States District Court of the Northern Mariana Islands, National Health Corps, and the Commission on Federal Laws.

## **PART 2 - DEFINITION**

- (k) **Terminated Vested Member.** A member who terminated employment with the government with at least 3 years but less than 20 years of vesting service credits and who did not obtain a refund of his/her contributions.

## **PART 4 - BENEFIT**

- 4.2 **Early Retirement Benefits for Class I Members.**
- (d) A terminated vested member is not eligible to receive service retirement benefits under Section 8342, 1 CMC, Division 8.
- 4.50 **Refund of Contribution - Interest Computation.** Upon complete separation from government service, a member eligible for refund of contribution shall receive both contribution and interest upon submission of an application for refund. Computation of interest shall be given base on each complete year (January 1 to December 31) using 365 days per year. Examples in computing interest is as follows:

**EXAMPLE I:** Tom started working for the government on June 1992 and started contributing to the Fund. He stopped working on February 28, 1994. His contribution record showed that for 1992, he contributed \$1,000; for 1993, he contributed \$2,000; and for 1994, he contributed \$300. The total amount to be refunded is computed as follows:

1992 contribution	1,000.00
For 1992 interest ( $\$1,000 \times 3.5\% \times 180$ days divided by 365).....	17.26
Total contribution and interest January 1993.....	\$ 1,017.26
1993 contribution	2,000.00
1993 interest ( $\$3,017.26 \times 3.5\%$ ).....	105.60
Accumulated Contribution and Interest 1/94...	\$ 3,123.86
1994 contribution.....	300.00
TOTAL AMOUNT TO BE REFUNDED.....	\$ 3,423.86

No interest is given for 1994 because it is not a complete year.

**EXAMPLE II:** The same scenario as Example I except that Tom requested a refund on April 1, 1995. In this case, Tom would received a full interest for the accumulated contribution and interest through December 1994 and no interest for 1995.

Contribution and Interest to 12/94.....	\$3,423.86
Interest 01/95 ( $\$3,423.86 \times 3.5\%$ ).....	119.84
TOTAL AMOUNT TO BE REFUNDED 4/95...	\$3,543.70

**4.51 Interest Computation for Active Members.** Each year on January, regular interest of 3.5% shall be computed and added to the contribution record of the member. Method of computation of interest is the same as that provided under Section 4.50 of this rules and regulations.

**4.55 Prior Service Credit per Public Law 8-39.** Upon the effective date of this rules and regulations, prior service credit shall be given for services rendered to the following agencies base on the following terms and conditions:

(a) Agencies:

(1) The United States District Court for the Northern Mariana Islands, Appellate Division, between October 2, 1980 and May 1, 1989;

(2) The National Health Corps between September 1986 and September 1990 in the Northern Mariana Islands;

(3) The Commission on Federal Laws between January 1981 and May 1983.

(b) Terms and conditions: Such members must elect to receive such prior service within 90 days of the effective date of these regulations.

**PART 5. EFFECTIVE DATE**

The effective date of these regulations shall be pursuant to 1 CMC 9101, et.seq.

DATED THIS 17<sup>th</sup> OF AUGUST 1994.



**MICHAEL A. WHITE**  
Chairman



# Commonwealth of the Northern Mariana Islands

Department of Public Works  
Division of Environmental Quality  
P.O. Box 1304  
Saipan, Mariana Islands 96950



Tels: (670) 234-6114/6984  
Fax: (670) 234-1003

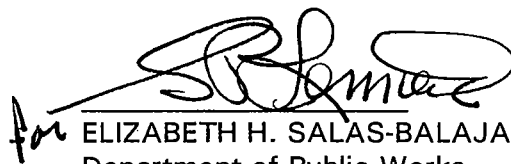
## PUBLIC NOTICE ADOPTION OF AMENDMENT TO DRINKING WATER REGULATIONS UNDER THE AUTHORITY OF 2 CMC §§ 3101 to 3134 and 1 CMC §§ 2601 to 2605 by the DEPARTMENT OF PUBLIC WORKS

The Secretary of the Department of Public Works, of the Commonwealth of the Northern Mariana Islands (CNMI), in accordance with 2 CMC §§ 3101 to 3134 and 1 CMC §§ 2601 to 2605, amend and revise the existing CNMI Drinking Water Regulations. These changes conform with the requirements imposed on Commonwealth in the Federal Safe Drinking Water Act.


The adopted changes pertain to the requirements set forth in the United States Environmental Protection Agency (EPA) National Primary Drinking Water Regulations which include maximum contaminant levels and monitoring requirements for fifty-seven (57) contaminants including inorganic chemicals, volatile organic compounds, and synthetic organic compounds. A minor modification in the definitions for drinking water regulations is also included to maintain consistency with the federal Surface Water Treatment Rule requirements. Due to the size and scope of these federal regulations, the adopted amendments are incorporated by reference into the existing CNMI Drinking Water regulations. A copy of the federal regulations that are incorporated by reference can be found in the Commonwealth Register Volume 16 Number 07 July 15, 1994 on pages 12151-12219.

Copies of the adopted Drinking Water Regulations are also available and may be obtained from the Department of Public Works, Division of Environmental Quality, located on the third floor of the Morgen Building in San Jose, Saipan (P.O. Box 1304, Saipan, MP 96950), within thirty days of publication in the Commonwealth Register.

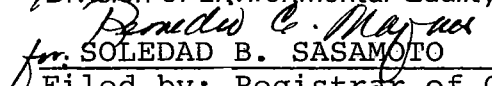
Date: 9-9-94

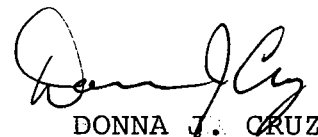
  
for ELIZABETH H. SALAS-BALAJADIA,, Secretary  
Department of Public Works

Date: 9/9/94

  
MIRIAM K. SEMAN, Director  
Division of Environmental Quality

Date: 9/9/94

  
for SOLEDAD B. SASAMOTO  
Filed by: Registrar of Corp.

  
DONNA J. CRUZ  
Recieved by Governor's Office



# Commonwealth of the Northern Mariana Islands

Department of Public Works  
Division of Environmental Quality  
P.O. Box 1304  
Saipan, Mariana Islands 96950



Tels: (670) 234-6114/6984  
Fax: (670) 234-1003

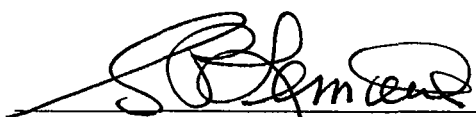
NUTISIAN PUPBLIKU  
MA ADAPTAN REGULASION HANOM MA' GIMEN  
SIGUN GI ATURIDAT  
2 CMC §§ 3101 ASTA 3134 YAN 1 CMC §§ 2601 ASTA 2605  
Ginen  
DIPATAMENTON PUBLIC WORKS

I Sekreterian Dipatamenton Public Works gi halom i Commonwealth gi Sankattan siha na Islan Marianas (CNMI), sigun gi sinangan 2 CMC §§ 3101 asta 3134 yan 1 CMC §§ 2601 asta 2605, na ha amenda yan ribisa esta i eksisite na Regulasion Hanom Ma' Gimen gi Halom CNMI. Este siha na tinulaika u fanakonfotma yan i nisisidat siha ni imposta kontra i Commonwealth ginen i Federal Safe Drinking Water Act.


I manma' adapta siha natinulaika u afakcha yan i ginaga'gao ginen i United States Environmental Protection Agency (EPA) National Primary Drinking Water Regulacions ni enklusu i kantidan binenu yan i ma'a'atan siha na nisisidat para singkuentai siette (57) na kemikat, enklusu inorganic chemicals, volatile organic compounds, yan synthetic organic compounds. Un menot na modifikasion gi difinision i regulasion hanom ma'gimen u enklusu lokkue' i ma'atienden i Federal Surface Water Treatment Rule yan Nisisidat. Sigun gi mineddong yan sinangan este siha regulasion federat, i manma adapta siha na amendasion mana fanhalom gi Regulasion Hanom Ma' Gimen CNMI. Kopian regulasion federat mana fanhalom ginen reference siña manma sodda' gi halom Rehistran Commonwealth Baluma 16, Numiru 07, Julio 15, 1994, gi pahina 12151 asta 12219.

Kopian I Ma' adapta na Regulasion Hanom Ma'Gimen siña manmachule' hayi siha man inetresao gi Dipatamenton Public Works, Division of Environmental Quality, ni gaige bi mina' tres bibenda hulo' gi Morgen Building giya San Jose, Saipan (P.O. Box 1304, Saipan, MP 96950), gi halom trenta (30) dias despues di malaknos este na nutisia gi halom Rehistran Commonwealth.

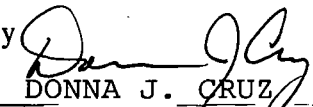
Fecha: 9-9-94

  
for ELIZABETH H. SALAS BALAJADIA, Secretary  
Dipatamenton Public Works

Fecha: Sept. 9, 1994

  
MIRIAM K. SEMAN, Director  
Division of Environmental Quality

Fecha: 9/7/94 for Soledad B. Sasamoto  
Filed by: Registrar of Corp.

  
DONNA J. CRUZ  
Recieved by Governor's  
Office



# Commonwealth of the Northern Mariana Islands

Department of Public Works  
Division of Environmental Quality  
P.O. Box 1304  
Saipan, Mariana Islands 96950



Tels: (670) 234-6114/6984  
Fax: (670) 234-1003

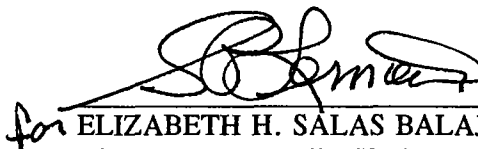
## ARONGORONGOL TOWLAP ADOPTION-UL LLIWEL MELLÓL ALLEGHÚL SCHALÚL UÚL SÁNGI BWÁNGIL 2 CMC §§ 3101 ngáli 3134 ME 1 CMC §§ 2601 ngáli 2605 Sáangi DIPATAMENTOOL PUBLIC WORKS

Sekretóriyaal Dipatamentool Public Works, mellól Commonwealth of the Northern Mariana Islands (CNMI), sáangi bwángil me ailéwal 2 CMC §§ 3101 ngáli 3134 me 1 CMC §§ 2601 ngáli 2605, e ayoorra lliiwel mellól Alléghúl Schalúl Uúl mellól CNMI. Lliiwel kkaal nge ebwe ghol fengál me akkúlé kka re akkúléew ngáli Commonwealth sáangi Alleghúl Federóód reel Schalúl Uúl.

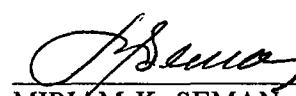
Adoption-ul lliiwel kkaal nge ebwe tabweey mwóghutughut kka e mwet sáangi United States Environmental Protection Agency (EPA) National Primary Drinking Water Regulation ikka ebwal toolong llapal bineeno kka limeigh me fisuuw (57) ikka inorganic chemicals, volatile organic compounds, me synthetic organic compounds. Eyoor eghus lliiwel reel ammatat mellól alleghúl schalúl uúl ikka ebwal toolong aghatchúl federal Surface Water Treatment Rule requirements. Reel llapal me ówtol alleghúl federóód kkaal, nge lliiwel kka re adaptááilil nge ebwal atotoolong llól Alléghúl Schalúl Uúl kka llól CNMI. Kopiyaal alléghúl federóód kka ebwal atotoolong nge elo llól Commonwealth Register Volume 16 Numuro 07 Ulliyo 15, 1994 llól schéel tiliigh kka 12151 mwet ngáli 12219.

Kopiyaal Alléghúl Uúl kka re adaptááilil nge emmwel schagh aramas ebweló bweibwogh sáangi Dipatamentool Public Works, Division of Environmental Quality, iye elo aiyeluuwal bibenda mellól Morgen Building San Jose, Saipan (P.O. Box 1304, Saipan, MP 96950), llól eliigh (30) rál sáangi igha toowow arongorong yeel mellól Commonwealth Register.

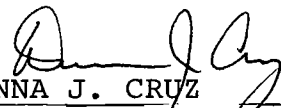
Rál: 9-9-94

  
for ELIZABETH H. SALAS BALAJADIA, Secretary  
Dipatamentool Public Works

Rál: Sept. 9, 1994

  
MIRIAM K. SEMAN, Director  
Division of Environmental Quality

Date: 9/7/94   
SOLEDAD B. SASAMOTO  
Filed by: Registrar of Corp.

  
DONNA J. CRUZ  
Received by Governor's  
Office



Commonwealth of the Northern Mariana Islands  
Office of the Secretary of Public Works

Saipan, Mariana Islands 96950

Tel: (670) 322-9482/9570  
Fax: (670) 322-3547

**CERTIFICATION**

I, Elizabeth H. Salas-Balajadia, the Secretary of the Department of Public Works which is promulgating the revisions to the Drinking Water Regulations as hereinabove set forth, by signature below I hereby certify that such Revisions to the Regulations are a true, complete, and correct copy of the revisions of the Regulations regarding Drinking Water formally adopted by the Department of Public Works. I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on the \_\_\_ th day of September, 1994 at Saipan, Commonwealth of the Northern Mariana Islands.

  
for Elizabeth H. Salas-Balajadia  
Department of Public Works

## Revisions to the Drinking Water Regulations

These amendments to the current CNMI Drinking Water Regulations, published in the Commonwealth Register, Volume 14, Number 12, December 15, 1992, pages 10215 through 10361, are promulgated under the authority of 2 CMC §§3101 to 3134 and 1 CMC §§2601 to 2605 and are intended to bring the Commonwealth into compliance with the federal Safe Drinking Water Act. The revised language is highlighted in bold print, and the amended sections shall read as set forth below.

Part 3, Definitions, section 3.15 shall be amended as follows:

3.15 "CT" or "CTcalc" is amended to incorporate by reference Tables 1.1 through 1.6, 2.1, and 3.1 as found in 40 C.F.R. § 141.74 (b)(3).

The introductory portion of Part 5, Drinking Water Quality Standards, shall be amended as follows:

This part of the regulations establishes the drinking water standards and the requirements for self-monitoring by the supplier of the water. **Except as specified otherwise, all public water systems must meet the drinking water quality standards and monitoring requirements of the existing CNMI Drinking Water regulations and the National Primary Drinking Water Regulations, as set forth in July 1, 1993 edition of the 40 C.F.R. §§ 141.1, 141.4, 141.5, 141.11 to 141.16 inclusive, 141.21 to 141.30 inclusive, 141.61, 141.62, 141.63, 141.100, 141.101, 141.110 and 141.111.**

**The National Primary Drinking Water Regulations, as set forth in the July 1, 1993 edition of 40 C.F.R. §§ 141.1, 141.4, 141.5, 141.11 to 141.16 inclusive, 141.21 to 141.30 inclusive, 141.40 to 141.42 inclusive, 141.61, 141.62, 141.63, 141.100, 141.101, 141.110 and 141.111, and attached hereto, are adopted by reference. Copies of the federal regulations are also available from the CNMI DEQ office located on the third floor of the Morgen Building in San Jose, Saipan (P.O. Box 1304, Saipan, MP 96950).**

**In those sections where the National Primary Drinking Water Regulations provide state discretion in establishing monitoring frequencies, checking sampling requirements, and determining compliance with maximum contaminant levels or recordkeeping or notification requirements, such discretion must be exercised by the Secretary of the Department of Public Works.**



Part 5, Drinking Water Quality Standards, Subsection 5.5.1(b), shall be amended as follows:

(b) The following are the maximum contaminant levels for inorganic chemicals:

<u>Contaminant</u>	<u>Level</u> <u>Milligrams Per Liter</u>
Asbestos	7 Million Fibers/liter (longer than 10 $\mu$ m.)
Arsenic	0.05
Barium	<b>2.0</b>
Cadmium	<b>0.005</b>
Chromium	<b>0.1</b>
Mercury	0.002
Nitrate (as N)	10.0
<b>Nitrite (as N)</b>	<b>1 (as Nitrogen)</b>
<b>Total Nitrate and Nitrite</b>	<b>10 (as Nitrogen)</b>
Selenium	0.01
Fluoride	<b>4.0</b>