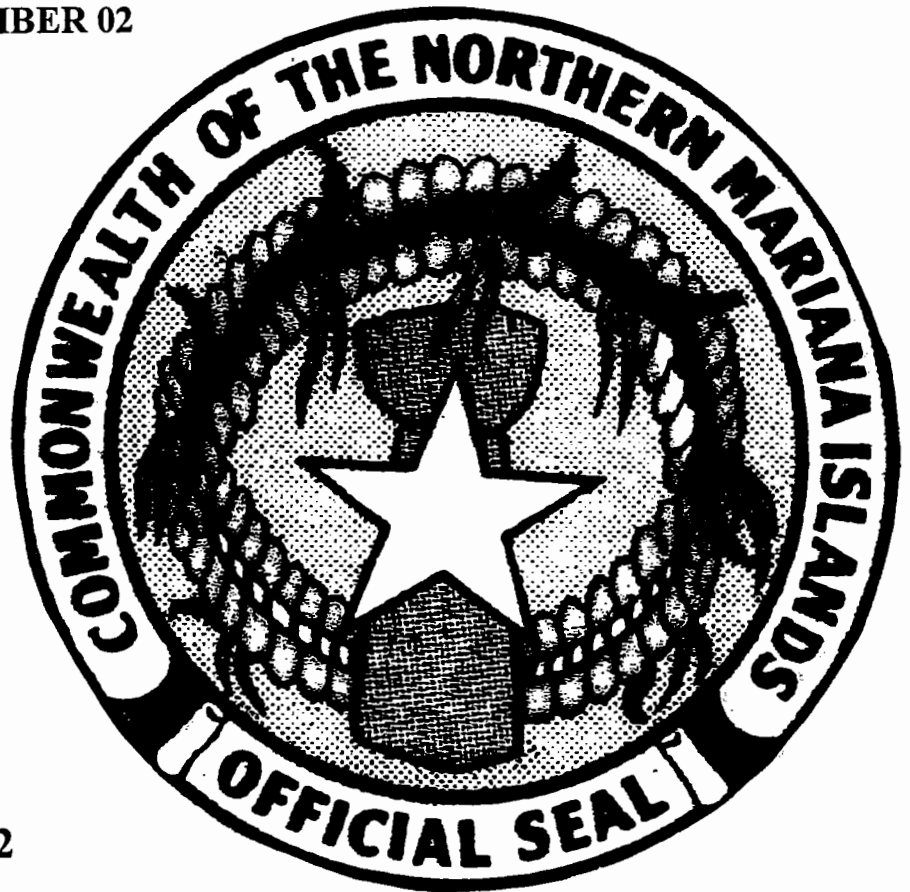


COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS
SAIPAN, MARIANA ISLANDS 96950

VOLUME 24 NUMBER 02



February 28, 2002

COMMONWEALTH

REGISTER

COMMONWEALTH REGISTER

VOLUME 24 NUMBER 02

FEBRUARY 28, 2002

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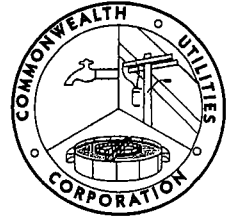
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Commonwealth Utilities Corporation



PUBLIC NOTICE


PROPOSED REGULATIONS REGARDING CUSTOMER BILLING AND DISPUTES

The Commonwealth Utilities Corporation (CUC) hereby gives notice that it proposes to adopt regulations regarding customer billing and disputes as authorized by 4 CMC 8157. These regulations standardize the billing terms for all utility services provided by the CUC and set forth the procedures for resolution of disputes with the CUC.

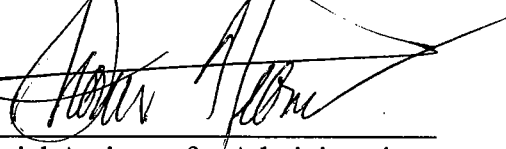
Written comments regarding the proposed regulations are to be submitted within thirty (30) days of publication of this notice in the Commonwealth Register and should be directed to the Executive Director, Commonwealth Utilities Corporation, third floor of the Joeten Dandan Building, P. O. Box 501220, Saipan, MP 96950-1220.

Certified by: 
EDWARD C. SABLAN
Board Chairman

Date: 1/31/02

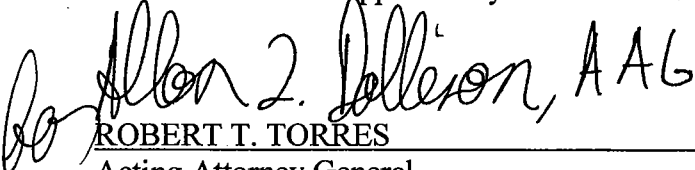
Filed by: 
SOLEDAD B. SASAMOTO
Registrar of Corporations

Date: 2/28/02

Received by: 
Special Assistant for Administration
Governor's Office

Date: 2/28/02

Pursuant to 1 CMC 2153 as amended by PL 10-50, the rules and regulations attached hereto have been reviewed and approved by the CNMI Attorney General's Office.


ROBERT T. TORRES
Acting Attorney General

Date: 2/26/02



Commonwealth Utilities Corporation



NUTISIAN PUPBLIKU

PRINIPONEN REGULASION SIHA PUT KUBRANSAN KASTUMA YAN KINENTRA SIHA

Commonwealth Utilities Corporation (CUC) ginen este manana'e nutisia put i ha propopone para u adapta i regulasion siha put kubransan kastuma siha ni ma aturisa ginen 4 CMC 8157. Esta siha na regulasion para u na'guaha parehu na kondision kubransa para todo setbisiun kandet yan hanom ginen CUC yan na'guaha lorkkue' kondision yan manera para satbasion kinentra yan CUC.

Manmatugue' papa siha na komento put maproponen este siha na regulasion u fanmasatmiti halom trenta (30) dias despues di mapupblika este na nutisia gi Rehistran Commonwealth ya u mana hanao guato para I Direktot Eksekatibu, Commonwealth Utilities Corporation, mina' tres bibenda gi Joeten Dandan Building, P.O. Box 501220, Saipan, MP 96950-1220.

Sinettifika as: Edward C. Sablan
Kabesiyun, Kuetpon CUC

Fecha: 1/31/02

Pine'lo as: Soledad B. Sasamoto
Rehistradoran Kotporasion

Fecha: 2/28/02

Rinisibi as: [Signature]
Espisiat na Ayudanten Administrasion
Ofisinan Gubetno

Fecha: 2/28/02

Sigun 1 CMC 2153 ni inamenda ni Lai Pupbliku 10-50, i areklamento yan regulasion siha ni chechetton guine esta manma ribisa yan apreba ginen Ofisinan Abugadon Henerat CNMI.

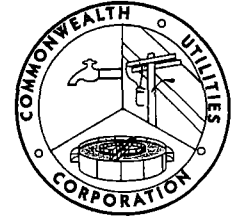
ROBERT T. TORRES
Acting Attorney General

Fecha: 2/26/02

/s/ ALLAN L. DOLLISON
Assistant Attorney General



Commonwealth Utilities Corporation



ARONGORONGOL TOULAP


POMWOL FFÉÉRÚL ALLÉGH REEL LEMELEMIL MOLOFITIIR ARAMAS ME ANGIINGI

Commonwealth Utilities Corporation (CUC) nge ekke arongaar toulap igha ekke pomwoli bwe ebwe adoptli Alléghúl molofitiir Aramas me angiiingi igha e téé sáangi bwángil 4 CMC 8157. Allégh kkaal nge ebwe ayoora aweewe reel lemelemil molofitil dengki me schaal iye e tooto mereel CUC me ayoora fféér ye ebwe aghatchú leepat me angiiingáli CUC.

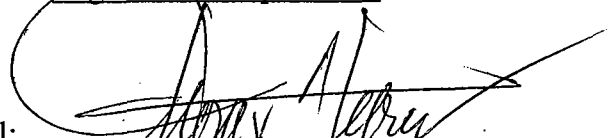
Alongalmángemeng me tiip kka re ischiitiw reel pomwol fféérúl allégh kkaal nge ebwe atotoolong eliigh (30) rál sáangi igha e rongoló arong yeel llól Commonwealth Register, nge rebwe afanga ngáli Executive Director, Commonwealth Utilities Corporation, aiyeluuwal bibenda llól Joeten Dandan Building, P. O. Box 501220, Seipél, MP 96950-1220.

Alléghúyal: 
EDWARD C. SABLAN
Board Chairman

Rál: 1/31/02

Isáliiyal: 
SOLEDAD B. SASAMOTO
Registrar of Corporations

Rál: 2/28/02

Bwughiiyal: 
Special Assistant for Administration
Buwlasiyool Sóulem

Rál: 2/28/02

Reel bwángi 1 CMC 2153 igha Alléghúl Toulap ye 10-50 e liwili nge allégh kka e schu me schéél tiliigh kkaal nge a takkal mwir me angúungú sáangi Bwulasiyool CNMI Attorney General.

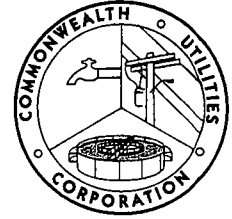
ROBERT T. TORRES
Acting Attorney General

Rál: 2/26/02

/s/ ALLAN L. DOLLISON
Assistant Attorney General



Commonwealth Utilities Corporation



PUBLIC NOTICE

PROPOSED REGULATIONS REGARDING CUSTOMER BILLING AND DISPUTES

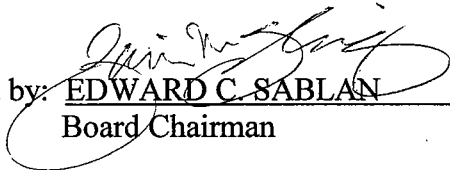
Citation of Statutory Authority: To establish rules and regulations pursuant to 4 CMC 8157, 4 CMC 8141 (f) and (a) and I CMC 9115

Statement of Goals & Objectives: To establish rules and regulations to provide uniform standards for customer billing and disputes.

Brief Summary of the Rules and Regulations: To standardize the billing terms and practices for all utility services provided by the CUC and establish procedures for resolution of disputes with CUC.

For further information contact: Ms. Victoria DLG. Celes at telephone number (670) 235-7025, extension 134. Facsimile (670) 235-6145.

Citation of Affected/Related Statutes/Codes: CUC Enabling Act, 4 CMC 8111 through 8302, and Administrative Procedures Act, 1 CMC 9101 through 9115.

Submitted by: 
EDWARD C. SABLAN
Board Chairman

Date: 1/31/02

PROPOSED

REGULATIONS REGARDING CUSTOMER BILLING AND DISPUTES COMMONWEALTH UTILITIES CORPORATION

Section 1. AUTHORITY

These regulations are adopted by the Commonwealth Utilities Corporation pursuant to 4 CMC 8157, 4 CMC 8141 (e) and (g) and 1 CMC 9115, and shall have the force of law.

Section 2. PURPOSE

The purpose of these regulations is to standardize billing and dispute procedures for all of the utility services provided by C.U.C., to bill and collect fees in a fair and rational manner, and to adopt procedures which permit consumers to contest their billings while allowing for the efficient management of the corporation. Sections 4 through 4.5, Customer Billing Disputes govern only billing disputes. It is contemplated that all other disputes shall be brought as allowed by and pursuant to the Administrative Procedure Act. (1 CMC 9101 et. seq.), may not be brought as a claimed offset, setoff, or counterclaim in a billing dispute, and that such disputes not concerning the correctness of a bill shall not serve as a basis to stay disconnection of service for non-payment.

Section 3. NON-BILLING DISPUTES

Any party may seek review of agency action other than the dispute of the correctness or accuracy of a billing by a written request for a hearing pursuant to the Administrative Procedure Act. (1CMC 9101 et. seq.) The matter shall be heard pursuant to 1 CMC 9109 and 9110 by a Hearing Officer employed or appointed by the Board of Directors of C.U.C. who shall initially decide the matter, and whose decision shall become final unless appealed in writing within fifteen (15) days of the initial decision. The initial decision of the Hearing Officer shall become the interim order of the agency and shall be given effect unless and until stayed, reversed, or modified by the action of the Board. The matter will be reviewed on the record made at the initial hearing and no further hearing shall be held unless good cause is shown and it is ordered by the Board.

Section 4. CUSTOMER BILLING DISPUTES

Within sixty (60) days of a billing or of becoming aware of facts which give rise to a complaint regarding a billing, a customer may dispute the billing. Such disputes are limited to:

- a. Dispute as to the applicable rate or fee
- b. Dispute as to the computation of charges

- c. Dispute as to delivery of services charged for, including disputes regarding accuracy of metering or estimates made by C.U.C.

The dispute shall be made in writing and clearly and directly state any theory or ground claimed for relief. Any factual allegations claimed to be personally known by the customer shall be made under penalty of perjury. Any factual allegations not claimed to be personally known may be made upon information and belief, but the customer shall identify all witnesses they will rely on as to those facts.

C.U.C. shall provide a form to aid the customer in complying with this section, and if the customer attempts to make a verbal complaint regarding a bill, C.U.C. shall advise the customer of the necessity of making a written complaint in order to obtain formal review customer in properly making his complaint.

Section 4.1 C.U.C. RESPONSE TO BILLING DISPUTE

Within twenty (20) days of receipt of a written billing dispute, C.U.C. shall cause a written response to be made to the customer. The response shall clearly and directly admit, deny, or explain each of the factual allegations contained in the customer complaint, give the C.U.C.'s position regarding any theories or grounds claimed for relief, and state whether the C.U.C. is willing to make an adjustment in whole or in part regarding the disputed billing. The C.U.C. response shall provide notice to the customer that if he wishes to appeal this determination of his complaint he must do so in writing within ten (10) calendar days of delivery of the C.U.C. response, or else further action on his claimed will be barred. If payment has been made of all undisputed charges, no disconnection or other action shall be taken on the disputed bill until ten (10) calendar days after C.U.C.'s delivery of its written response.

Section 4.2 INFORMAL SETTLEMENT

The C.U.C. or the customer may request an informal settlement conference at any stage of the proceedings, with or without the presence of an Administrative Hearing Officer. Informal settlement conferences are encouraged, but no such conference shall affect any time limits set by these regulations except upon an order issued by an Administrative Hearing Officer.

Section 4.3 RIGHT TO HEARING

Upon receipt of a written response of C.U.C. to a billing dispute the customer may request review of the matter by an Administrative Hearing Officer. Request for a

hearing must be in writing and delivered to the Administrative Hearing Office of C.U.C. within ten (10) calendar days of the customer's receipt of the C.U.C. response. Failure to request review with ten (10) calendar days shall result in waiver of the right of any further appeal or hearing, and the matter shall be finally resolved pursuant to the terms of C.U.C.'s written response. The hearing shall be conducted pursuant to 1 CMC 9109. The Hearing Officer shall issue a written decision and an order regarding disposition of the matter with ten (10) calendar days of conclusion of the hearing. No disconnection of the customer's account shall take place until an order of the Administrative Hearing Officer is issued provided that the customer has paid the undisputed portion of the billing and any undisputed charge occurring during adjudication.

Section 4.4 APPEAL FROM DECISION OF THE HEARING OFFICER

With ten (10) calendar days of the written decision of the Administrative Hearing Officer regarding a billing dispute, the customer or C.U.C. may appeal the decision to the Board of Directors of the C.U.C. Failure to request review with ten (10) calendar days shall result in waiver of the right of any further appeal. The appeal shall be in writing and state with particularity the parts of the hearing decision excepted to or claimed to be in error. No further hearing need be held unless desired by the Board and the Board may, but need not, review the entire record. Appeal to the Board shall not stay effect of the decision of the Hearing Officer, and unless or until the decision is stayed or reversed a customer may be disconnected for nonpayment of the disputed amount according to the terms of the decision and order of the Hearing Officer. The customer may pay the disputed amount and proceed with an appeal, or seek damages for wrongful termination should they prevail in their appeal after service is terminated.

The Board shall decide the appeal at its next meeting occurring after the appeal of a decision by the Hearing Officer, but may continue the matter should it require further submissions to decide the appeal.

Section 4.5 APPEAL FROM DECISION OF THE BOARD

A person aggrieved after the decision of the Board in a billing dispute may seek judicial review pursuant to 1 CMC 9112.

Section 5. RECORD FOR APPEAL

All hearings shall be recorded. The customer may obtain a copy of the tape recording of the hearing upon payment of the fee of five dollars (\$5.00) per tape. Should a written transcript be requested or required, it shall be at the expense of the party requesting it. Upon request, the Hearing Officer shall designate a person to prepare a transcript and upon completion certify its accuracy.

Section 6. AMENDMENT OF EXISTING REGULATIONS

In order to provide for uniform billing and collection for the various utility services provided by C.U.C. and in order to be consistent with these regulations, the following amendments of C.U.C.'s existing regulations are made:

A. Electric Service Regulations of the C.U.C.

Part 19.2 is revoked and a new Part 19.2 is made to read:

When a customer and the C.U.C. fail to agree on the amount of a bill for electric service, the dispute between the parties shall be adjudicated in accordance with the C.U.C. Regulations Regarding Customer Billing and Disputes. Should it be necessary to bring an action in court to collect any amount due or to appear in court to defend or enforce any order issued pursuant to these regulations, C.U.C. shall if it prevails receive its reasonable costs and attorney's fees.

B. Regulations Governing the Use of C.U.C. Water System

Article VII, Section 2. Is revoked and a new Article VII, Section 2 is made to read:

Section 2.

- (a) Any bill which is not paid within fifteen (15) days after presentation or deposit in the United States mail shall be deemed past due, and incur a one percent (1%) late charge.
- (b) This charge becomes part of the balance due. Thereafter, interest on the past due balance accrues at the rate of one percent (1%) per month, compounded yearly.
- (c) C.U.C. shall have the power to terminate water service to any customer who is past due in making payment of water service charges. The procedures for notice and governing termination shall be those set forth at Part 18, sections 18.3 through 18.7 of the Electric Service Regulations of the C.U.C.
- (d) When a customer and the C.U.C. fail to agree on the amount of a bill for water service, the dispute between the parties shall be adjudicated in accordance with the Regulations Regarding Customer Billing and Disputes.
- (e) Should it be necessary to bring an action in court to collect any amount due or to appear in court to defend or enforce any order issued pursuant to these regulations, C.U.C. shall if it prevails receive its reasonable costs and attorney's fees.

C. Regulations Governing the Use of Public Sewer

I. Article V, Section 6 is revoked and a new Article V, Section 6 is made to read:

All bills shall be due and payable upon deposit in the United States mail or upon other

presentation to the consumer. Payment shall be made to collectors duly authorized by the C.U.C. any bill which is not paid within fifteen (15) days after presentation or deposit in the United States mail shall be deemed past due, and incur a one percent (1%) charge. This charge becomes part of the balance due. Thereafter, interest on the past due balance accrues at the rate of one percent (1%) per month, compounded yearly.

2. Article VI, Section 1 is revoked and a new Article VI, Section 1 is made to read:

Section 1.

- a. C.U.C. shall have the power to terminate water service to any customer who is past due in making payment of sewer service charges. The procedures for notice and governing termination shall be those set forth at Part 18, 18-3 to 18-7 of the Electric Service Regulations of the C.U.C.
- b. When a customer and the C.U.C. fail to agree on the amount of a bill for sewer service, the dispute between the parties shall be adjudicated in accordance with the Regulations Regarding Customer Billing and Disputes.
- c. Should it be necessary to bring an action in court to collect any amount due or to appear in court to defend or enforce any order issued pursuant to these regulations, C.U.C. shall if it prevails receive its reasonable costs and attorney's fee's.

Section 7. PREVIOUS REGULATIONS

If any provision of any previous regulation is found to be in conflict with these regulations, it is the intention of C.U.C. that these regulations shall control in order to provide for uniform treatment of billings for all services provided by C.U.C.

Section 8. SEVERABILITY

If any provision or provisions of these regulations, or the application of any such provision or provisions to any person or circumstances, shall be held invalid by a court of competent jurisdiction, the remainder of these regulations, or the application of such provision or provisions to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

Section 9. EFFECTIVENESS

These regulations shall become effective upon compliance with 1 CMC 9105 (b) and shall apply to all matters that have not become final as of that date, except that matters which have already been heard shall proceed for appeal under existing regulations, with the initial decision of the Hearing Officer becoming final if not appealed in writing with fifteen (15) days.



BOARD OF PROFESSIONAL LICENSING

Commonwealth of the Northern Mariana Islands

P.O. Box 502078

Saipan, MP 96950

Tel. No.: (670) 234-5897


Fax No.: (670) 234-6040


**NOTICE OF PROPOSED AMENDMENTS TO THE
REGULATIONS FOR ENGINEERS, ARCHITECTS,
LAND SURVEYORS AND LANDSCAPE ARCHITECTS**

The Board of Professional Licensing hereby notifies the General Public that it proposes to amend its Regulations for Engineers, Architects, Land Surveyors and Landscape Architects. Interested persons may obtain copies of the proposed amendments from the Board of Professional Licensing office, 2nd Floor of ICC Building, Gualo Rai.

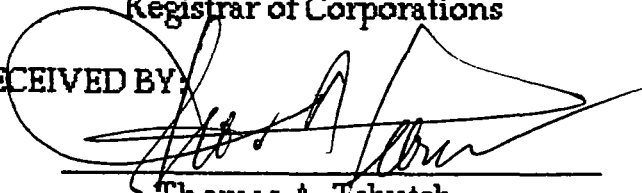
Anyone interested in commenting on the proposed amendments may do so within 30 days from the date of this notice is published in the Commonwealth Register.

Dated this 7th day of Feb., 2002.


Elizabeth S. Balajadia
Chairwoman

FILED BY: 
Soledad B. Sasamoto
Registrar of Corporations

2/28/02
Date


RECEIVED BY: 
Thomas A. Tebuteb
Special Assistant for Administration

2/28/02
Date

Pursuant to 1 CMC §2153 as amended by P.L. 10-50 the rules and regulations attached hereto have been reviewed and approved as to form and legal sufficiency by the CNMI Attorney General's Office.

Dated this 8th day of Feb., 2002.

Robert T. Torres
Attorney General

BY: 
Cynthia Fernandez-Romano
Assistant Attorney General



BOARD OF PROFESSIONAL LICENSING
Commonwealth of the Northern Mariana Islands

P.O. Box ⁵⁰²⁰⁷⁸
Saipan, MP 96950
Tel. No.: (670) 234-5897
Fax No.: (670) 234-6040

**NUTISIA PUT I MA PROPOPONI I AMENDASION
GI REGULASION PARA ENGINEERS, ARCHITECTS,
LAND SURVEYORS YAN LANDSCAPE ARCHITECTS**

I Board of Professional Licensing ginen este ha nutitisia i pupbliku enerat na ha propopone para u amenda i Regulasion para Engineers, Architects, Land Surveyors yan Landscape Architects. I man enteresao na indibiyuat siña manmañule kopian i Amendasion Regulasion gi Ofisinan Board of Professional Licensing gi mina dos bibenda gi ICC Building, Gualo Rai.

Hayi enteresao na indibiyuat siña muna'halom komento put i ma proponin Amendasion Regulasion gi halom trenta (30) dias despues di i fecha ni ma pupblika este na nutisia gi halom i Rehistran Commonwealth.

Ma fecha este gi dia 7 gi Febreru na mes, 2002.

Elizabeth S. Balajadia
Chairwoman

Ma satmiti as:

Soledad B. Sasamoto
Rehistradoran Korporasion

2/28/02
Fecha

Nirisibi as:

Thomas A. Tebuteb
Ofisinan Gobietnu

2/28/02
Fecha

Sigun gi 1 CMC §2153 ni inamenda ni Lai Puppbliku 10-50 i areklamento yan regulasion ni chechetton esta manmainan maolek yan ma apreba sigun i fotma kumo ligat yan suficiente ni Ofisialis Attorney General guine gi CNMI.

Ma fecha gi dia 8 gi Febreru na mes, 2002.

Robert T. Torres
Attorney General

Ginen:

Cynthia Fernandez-Romano
Assistant Attorney General

ARONGORONGOL TOWLAP REEL POMWOL LIIWEL MELLÓL ALLÉGH
REER ENGINEERS, ARCHITECTS, SCHÓOL AKKAPÉÉL FALÚW, BWAL
LANDSCAPE ARCHITECTS

Schóol Board of Professional Licensing eghal arongaar towap bwe e fféer pomwol liiwel reel.
Alléghúl Engineers, Architects, Schóol Akkapéél Falúw bwal Landscape Architects. Aramas ye e
tipeli ebwe bweibwogh kopiya yaal puuwú liiwel kkaal nge ebwe bweibwogh mereel Bwulasiyol
Board of Professional Licensing, 2nd Floor mellól ICC Building iye e lo Amairaw.

Iyo e tipeli ebwe isisilong yaal aiyegh me ngáre mángemáng bwelle, reel pomol liiwel kkaal nge
ebwe féerú schagh nge essóbw luuwuló eliigh (30) raal sáangi raal la e toolong arong yeel llól
Commonwealth Register.

Ráál ye 7 llól maram ye Feb., 2002.

ESular - Balajua
Elizabeth S. Balajadia
Chairwoman

Isaliyal:

Soledad B. Sasamoto
Registrar of Corporation

2/28/02
Ráál

Bwughiyal:

Thomas A. Tebuteb
Special Assistant for Administration

2/28/02
Ráál

Sáangi aileewal 2 CMCS2153 ye e liiwel mellól Alléghúl Towlap P.L. 10-50 reel allégh kkaal
ngáli Engineers, Architects, Schóol Akkapéél Falúw bwal Landscape Architects ikka e appasch
ighall nge atakkal amweri me alúghúlúgh lo mereel Bwulasiyol CNMI Attorney General.

Ráál ye 8th llól maram ye February, 2002.

Robert T. Torres
Attorney General

By: CRomano
Cynthia Fernandez-Romano
Assistant Attorney General



BOARD OF PROFESSIONAL LICENSING
Commonwealth of the Northern Mariana Islands

P.O. Box: 502078
Saipan, MP 96950
Tel. No.: (670) 234-5897
Fax No.: (670) 234-6040

Statutory Authority

The Board of Professional Licensing promulgated these proposed amendments pursuant to the powers granted it by Section 3108 of 4 CMC, Div. 3 (P.L. 1-8 and 4-53).

Statement of Goals and Objectives:

The intent of the amendments is to strengthen and clarify Section 7-Certificate of Authorization (COA) of the Regulations for Engineers, Architects, Land Surveyors and Landscape Architects and delete Section 5.7 B. 2. (c), in order for the Board to be more efficient and effective in protecting the health, welfare and safety of the people of the Commonwealth.

Brief Summary of the Proposed Amendments

The proposed amendments is to amend 4.5, Schedule of Fees, to amend the definition of "Certificate of Authorization", amend Section 7 of the regulations which requires all partnerships and corporations doing business in the CNMI who are engaging or offering to engage in the practice of engineering, architecture, land surveying or landscape architecture to have a valid COA, the requirements for the application of a COA, to amend Section 9.5 adding the word Land Surveyor as one of the disciplines and the deletion of Section 5.7 B. 2. (c).

Citation of Related and/or Affected Regulations

The proposed amendments would effect Section 2.13, 4.5, 5.7 B. 2. (c), 7.1, 7.2, 9.5 and 9.6. of the Regulations for Engineers, Architects, Land Surveyors and Landscape Architects.

For Further Information Contact:

Florence C. Sablan , Executive Director at 234-5897 or 235-5898 or fax at 234-6040.

2.13 Certificate of Authorization - The term "certificate of authorization" means a written certificate issued by the Board to a partnership or corporation which identifies the firm as legally entitled to engage or offer to engage in the practice of engineering, architecture, land surveying or landscape architecture in the CNMI.

4.5 Schedule of Fees

Application Fees:

Initial Application	100.00
Certificate of Authorization Application	100.00

Licensure Fees:

Initial License	200.00
Certificate of Authorization	200.00

Renewal Fees:

Certificate of Authorization	200.00
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5.7 B. 2. (c) Delete in its entirety.

VII. CERTIFICATE OF AUTHORIZATION

7.1 General Provisions

A. Any corporation or partnership "firm", whether organized under the laws of the CNMI or any other jurisdiction, hereafter offering to engage or engaging in the practice of engineering, architecture, land surveying or landscape architecture in the Commonwealth must have a valid Certificate of Authorization (COA) issued by the Board.

B. All engineers, architects, land surveyors, or landscape architects may practice engineering, architecture, land surveying, or landscape architecture on behalf of the firm provided that:

1. Each person also possess a valid license issued by the Board in the appropriate discipline and/or engineering branch; and
2. That such person is designated as being directly in charge and responsible for the work performed by the firm; and
3. That such person is a partner, officer or a full-time employee of the firm; and
4. That such person has been delegated the legal authority to bind the firm in all matters relating to the work performed.

C. No firm shall be relieved of responsibility for the conduct or acts of its agents, employees, officers, partners or managers by reason of its compliance with the provisions of this Section. No individual practicing engineering, architecture, land surveying or landscape architecture under the provisions of this regulations shall be relieved of responsibility by reason of their employment or other relationship with a firm holding a valid Certificate of Authorization.

D. A professional engineer, architect, land surveyor, or landscape architect who renders occasional, part-time, or consulting engineering, architectural, land surveying or landscape architectural services to, or for, a firm may not, for the purposes of this Section, be designated as being responsible for the professional activities of the firm.

E. All firms must have a valid Certificate of Authorization before advertising to offer professional engineering, architectural, land surveying, or landscape architectural services in the CNMI (see the definition of "advertise" in Section 2.2 of this Regulations).

7.2 Application for a Certificate of Authorization

A. Applications for a Certificate of Authorization of partnerships or corporations to engage or offer to engage in the practice of engineering, architecture, land surveying, or landscape architecture shall be on the form prescribed by the Board and shall be prepared, completed and signed under oath or penalty of perjury before a notary public by an authorized partner or officer of the firm and shall contain the following information and comply with the following requirements:

1. The name, license number, discipline and/or branch and signature of the engineer, architect, land surveyor, or landscape architect licensed in the CNMI who is designated as being directly in charge and responsible for the work in the appropriate discipline and/or branch.

2. That should there be any change in the status of any person on file, whether as to a valid license, direct charge and responsible of work, full-time employment, partnership or officer of the firm, or legal authority to bind the firm, the firm shall notify the Board in writing within fifteen (15) days of such change, and, if necessary, also within the same fifteen days period, file the name of a replacement.

B. The application shall also include a copy of the following documents:

1. A Certificate of Registration for a corporation not incorporated in the CNMI (also known as a foreign corporation); or
2. A Certificate of Incorporation for a corporation formed in the CNMI; or
3. A file stamped Partnership Registration statement; and
4. A business license for the appropriate professional business activity issued by the Business License Office of the Division of Revenue and Taxation, CNMI Department of Finance.

9.5 Construction Inspection

A. In addition to the foregoing requirements, all documents submitted for building or construction permits shall bear the authorized seal or stamp of the duly licensed professional Engineer, Architect, **Land Surveyor**, or Landscape Architect charged with inspection of the construction pursuant to this rules and regulations and under such seal or stamp the legal holder thereof shall state the following and sign his or her name:

CONSTRUCTION INSPECTION OF THIS PROJECT WILL BE UNDER MY SUPERVISION.

Signature

B. When an Engineer, Architect, **Land Surveyor**, or Landscape Architect has responsibility for the design and construction inspection, the certification shall be in the following form:

THIS WORK WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND
CONSTRUCTION INSPECTION OF THIS PROJECT WILL BE UNDER MY SUPERVISION.

Signature

C. Any licensed Engineer, Architect, **Land Surveyor**, or Landscape Architect sealing or stamping plans, specifications, reports, or documents shall not be imposed a legal duty or responsibility to be in charge of the construction inspection work on the construction which are the subject of the plans, specifications, reports, or documents. However, nothing in this section shall preclude an Engineer, Architect, **Land Surveyor**, or Landscape Architect and a client from entering into a contractual agreement which includes a mutually acceptable arrangement for the provision of construction supervision services.

D. In the event the licensed Engineer, Architect, **Land Surveyor**, or Landscape Architect whose seal or stamp and signature appears in connection with the foregoing statement concerning inspection of construction, shall be removed, replaced or otherwise unable to discharge his or her duties; such licensed Engineer, Architect, **Land Surveyor**, or Landscape Architect shall so notify the Board within fifteen (15) days, and such notification shall include the name, if known, of the licensed Engineer, Architect, **Land Surveyor**, or Landscape Architect charged with continuing the construction inspection.

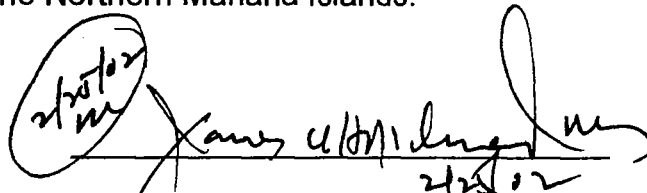
9.6 CONSTRUCTION MANAGEMENT SERVICES

A licensed Engineer, Architect, **Land Surveyor**, or **Landscape Architect** may also practice, either in a public or private capacity, construction management services, including, but not limited to, construction project design review and evaluation, construction mobilization and supervision, bid evaluation, project scheduling, cost-benefit analysis, claims review and negotiation, and general management and administration of a construction project.

**NOTICE AND CERTIFICATION OF ADOPTION OF
RULES AND REGULATIONS GOVERNING
THE ADMINISTRATION OF THE MEDICAL REFERRAL PROGRAM**

I, Dr. James U. Hofschneider, Acting Secretary of the Department of Public Health, which is promulgating the Rules and Regulations Governing the Administration of the Medical Referral Program, published in the Commonwealth Register Vol. 23, No. 9 on September 24, 2001 at pages 18351 through and including 18358, by signature below hereby certify that as published such Regulations are a true, correct, and complete copy of the Rules and Regulations Governing the Administration of the Medical Referral Program previously proposed by the Department of Public Health, which after expiration of the appropriate time for public comment, have been adopted without modification or amendment. I further request and direct that this Notice and Certification be published in the CNMI Commonwealth Register.

I declare under the penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 25th day of February, 2002 at Saipan, Commonwealth of the Northern Mariana Islands.

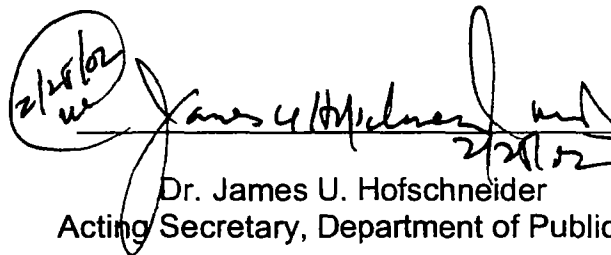


Dr. James U. Hofschneider
Acting Secretary, Department of Public Health

**NOTICE AND CERTIFICATION OF ADOPTION OF
RULES AND REGULATIONS GOVERNING
FOOD HANDLERS**

I, Dr. James U. Hofschneider, Acting Secretary of the Department of Public Health, which is promulgating the Rules and Regulations Governing Food Handlers, published in the Commonwealth Register Vol. 23, No. 9 on September 24, 2001 at pages 18359 through and including 18380, by signature below hereby certify that as published such Regulations are a true, correct, and complete copy of the Rules and Regulations Governing Food Handlers previously proposed by the Department of Public Health, which after expiration of the appropriate time for public comment, have been adopted without modification or amendment. I further request and direct that this Notice and Certification be published in the CNMI Commonwealth Register.

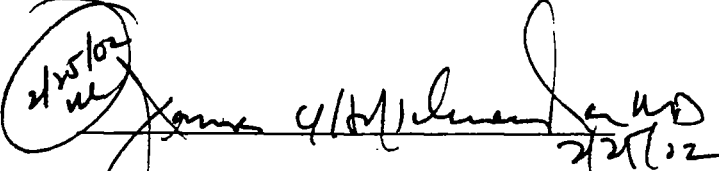
I declare under the penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 25th day of February, 2002 at Saipan, Commonwealth of the Northern Mariana Islands.


Dr. James U. Hofschneider
Acting Secretary, Department of Public Health

**NOTICE AND CERTIFICATION OF ADOPTION OF
RULES AND REGULATIONS GOVERNING
FUNERAL ESTABLISHMENTS, CREMATORIA, AND CEMETERIES**

I, Dr. James U. Hofschneider, Acting Secretary of the Department of Public Health, which is promulgating the Rules and Regulations Governing Funeral Establishments, Crematoria, and Cemeteries, published in the Commonwealth Register Vol. 23, No. 9 on September 24, 2001 at pages 18277 through and including 18344, by signature below hereby certify that as published such Regulations are a true, correct, and complete copy of the Rules and Regulations Governing Funeral Establishments, Crematoria, and Cemeteries previously proposed by the Department of Public Health, which after expiration of the appropriate time for public comment, have been adopted without modification or amendment. I further request and direct that this Notice and Certification be published in the CNMI Commonwealth Register.

I declare under the penalty of perjury that the foregoing is true and correct and that this declaration was executed on the 25th day of February, 2002 at Saipan, Commonwealth of the Northern Mariana Islands.


Dr. James U. Hofschneider
Acting Secretary, Department of Public Health



Office of the Secretary
Department of Finance

P.O. Box 5234 CHRB SAIPAN, MP 96950

TEL. (670) 664-1100

FAX: (670) 664-1115

PUBLIC NOTICE
Of Order of Tax Compliance Canvass

Pursuant to Revenue and Tax Regulation §2213.1 adopted in the Commonwealth Register, Vol. 17, No. 6, on June 15, 1995 the Acting Secretary of Finance is ordering a canvass of all businesses for the purpose of tax compliance. In accordance with 1 CMC §9102 a copy of this Order is submitted for publication in the Commonwealth Register.

Issued by: Robert A. Schrack 2/4/02
Robert A. Schrack Date
Acting Secretary of Finance

Received by: Thomas Tebuteb 2/28/02
Thomas Tebuteb Date
Office of the Governor

Filed by: Soledad B. Sasamoto 2/28/02
Soledad B. Sasamoto Date
Register of Corporations

Pursuant to 1 CMC §2153, as amended by P.L. 10-50, the Notice of Order of Tax Compliance Canvass attached hereto has been reviewed and approved as to form and legal sufficiency by the Office of the Attorney General.

Robert T. Torres 2/26/02
Robert T. Torres Date
Acting Attorney General



Office of the Secretary
Department of Finance

P.O. Box 5234 CHRB SAIPAN, MP 96950

TEL. (670) 664-1100

FAX: (670) 664-1115

NOTICE OF ORDER OF TAX COMPLIANCE CANVASS

Pursuant to Revenue and Taxation Regulation §2212.1 adopted in the Commonwealth Register, Vol. 17, Number 6 on June 15, 1995, Acting Secretary of Finance is ordering a canvass of all businesses for the purpose of tax compliance. This canvass will begin on February 12, 2002 and end on March 31, 2002.

Section 2212.1 provides:

- (a) General Rule. The Secretary shall, to the extent he deems it practicable, cause officers or employees of the Department of Finance to proceed, from time to time, through the Commonwealth and inquire after and concerning all persons therein who may be liable to pay any Commonwealth tax, and all persons owning or having the care and management of any objects with respect to which any tax is imposed.
- (b) Penalties. For penalties applicable to the forcible obstruction or hindrance of the Department of Finance officers or employees in the performance of their duties, see §2213.7(b)(3)(A) of these Regulations.

Revenue and Tax Regulation §2213.7(b)(3)(A) provides the following penalties for forcible obstruction or hindrance of the Department of Finance officers or employees in the performance of their duties:

- (i) Corrupt or forcible interference. Whoever corruptly or by force or threats of force (including any threatening letter or communication) endeavors to intimidate or impede any officer or employee of the Division of Revenue and Taxation acting in an official capacity under Division 1, 4 CMC, shall, upon conviction thereof, be fined not more than \$5,000, or imprisoned not more than 3 years, or shall be fined not more than \$3,000, or imprisoned not more than 1 year or both. The term "threats of force", as used in this subsection, means threats of bodily harm to the officer or employee of the Division of Revenue and Taxation or to a member of his or her family.
- (ii) Forcible rescue of seized property. Any person who forcibly rescues or causes to be rescued any property after it shall have been seized under Division 1, 4 CMC, or shall attempt or endeavor so to do, shall, excepting in cases otherwise provided for, for every offense, be fined not more than \$500, or not more than double the value of the property so rescued whichever is greater, or be imprisoned not more than 2 years.

Additionally, during this time, employees from the Division of Revenue and Taxation will be making inquiries into compliance with the business licensing requirements. Four CMC §5612 provides that the Secretary of Finance is authorized to enter the premises of any establishment conducting business within the CNMI to make any inquiry into the establishment's compliance with the business licensing requirement under this chapter.

Dated: February 4, 2002

Robert A. Schrack
Acting Secretary of Finance
Commonwealth Register

Acknowledged Receipt: _____

Print Name: _____

Date: _____

Inspector: _____



**Office of the Secretary
Department of Finance**

P.O. Box 5234 CHRBSAIPAN, MP 96950

TEL. (670) 664-1100

FAX: (670) 664-1115

**PUBLIC NOTICE
Of Private Letter Ruling**

Title 4, Division 1, Section 1707(i) requires that upon deletion of the names of the taxpayers and any other personal facts that are not essential to the understanding of the ruling, the Department of Finance shall make public any private letter ruling that it issues. The private letter ruling issued on January 22, 2002 by the Department of Finance, regarding the taxation of revenue received by airlines from airline passengers and cargo for purposes of the Gross Revenue Tax, is submitted for publication in the Commonwealth Register.

Issued by: Robert A. Schrack 2/4/02
Robert A. Schrack
Acting Secretary of Finance
Date

Received by: Thomas Tebuteb 2/28/02
Thomas Tebuteb
Office of the Governor
Date

Filed by: Soledad B. Sasamoto 2/28/02
Soledad B. Sasamoto
Register of Corporations
Date

Pursuant to 1 CMC §2153, as amended by P.L. 10-50, the Private Letter Ruling attached hereto has been reviewed and approved as to form and legal sufficiency by the Office of the Attorney General.

Robert T. Torres 2/28/02
Robert T. Torres
Acting Attorney General
Date



**Office of the Secretary
Department of Finance**

P.O. Box 5234 CHRBSAIPAN, MP 96950

TEL. (670) 664-1100 FAX: (670) 664-1115

January 22, 2002
SFL 2002-066

Mr. N. Oscar Mayashita
Ernst and Young
231 Ypao Road, Suite 201
Tamuning, Guam 96911

A = Taxpayer
B =
C =
D =
E =
F =
G =

RE: Private Letter Ruling for A

Dear Mr. Mayashita:

This is in response to your request for a private letter ruling based upon your letter dated August 27, 2001. You have requested a ruling as to whether A ("A") is subject to the gross revenue tax on revenue it receives for the transport of air cargo and passengers.

FACTS

A ("A") is a corporation organized in the B. It engages primarily in providing air transportation services in the B including C, D, E and F. A generates revenue primarily from the transportation of passengers (air passenger revenue) and the transportation of freight (air cargo revenue). It also generates other miscellaneous revenue. Additionally, the taxpayer does not conduct business flights to any location except the various locations in B.

A has requested a ruling on whether the air passenger revenue and the air cargo revenue are subject to the gross revenue tax.

The rulings contained in this letter are, in part, predicated upon facts and representations

submitted by the Taxpayer and accompanied by penalty of perjury statements executed by an appropriate party. This office has not verified any of the material submitted in support of the request for rulings. Verification of the factual information, representations, and other data may be required as part of the audit process.

RULING

With respect to air passenger revenue, 49 USC §40116 preempts application of the gross revenue tax as it applies to the collection of a tax on the revenues for a person traveling in air commerce or the transportation of an individual traveling in air commerce.

With respect to the air cargo revenue, 49 USC §40116 preempts 4 CMC §1301 insofar as it assesses a gross revenue tax on A's "sale of air transportation" of freight between F and the B; however 49 USC §40116 does not preempt taxation for the sale of air transportation between islands in the B.

DISCUSSION

The Gross Revenue Tax is an annual tax imposed upon gross revenues earned by every person in the CNMI. Four CMC §1301 provides that "[e]xcept as otherwise provided, there is imposed on every person, a yearly tax on the person's total gross revenue." The term "gross revenue is defined in 4 CMC §1103(k) and means "the total amount of money or the value of other consideration received from selling real or personal property in the Commonwealth, from leasing property employed in the Commonwealth, or from performing services in the Commonwealth." A is thus subject to the Gross Revenue Tax unless otherwise exempted.

The Airport Development Acceleration Act of 1973 and the Airport and Airway System Development Act of 1982 adopted special provisions with respect to state and local taxation of air commerce, and limited the types of taxes a state could impose. The Act, codified at 49 USC §40116¹ provides, in part, as follows:

(a) Definition. - In this section, "State" includes the District of Columbia, a territory or possession of the United States, and a political authority of at least 2 States.

(b) Prohibitions. - Except as provided in subsection (c) of this section and section 40117 of this title, a State, a political subdivision of a State, and any person that has purchased or leased an airport under section 47134 of this title may not levy or collect a tax, fee, head charge, or other charge on -

¹ This Act, previously codified as 49 USC 1513, was re-codified in 1994 to 49 USC §40116(b). Congress did not intend the re-codification to effect substantial changes. *Kamikawa v. Lynden Air Freight, Inc.*, 89 Haw. 51, 968 P.2d 653 (1998).

- (1) an individual traveling in air commerce;
- (2) the transportation of an individual traveling in air commerce;
- (3) the sale of air transportation; or
- (4) the gross receipts from that air commerce or transportation.

(c) Aircraft Taking Off or Landing in State. - A State or political subdivision of a State may levy or collect a tax on or related to a flight of a commercial aircraft or an activity or service on the aircraft only if the aircraft takes off or lands in the State or political subdivision as part of the flight.

(Emphasis Added).

On the other hand, subsection (e) of §40116 specifically allows the following taxes:

(e) Other Allowable Taxes and Charges. - Except as provided in subsection (d) of this section, a State or political subdivision of a State may levy or collect -

(1) taxes (except those taxes enumerated in subsection (b) of this section), including property taxes, net income taxes, franchise taxes, and sales or use taxes on the sale of goods or services; and

(2) reasonable rental charges, landing fees, and other service charges from aircraft operators for using airport facilities of an airport owned or operated by that State or subdivision.

In sum, 49 USC §40116(b) pre-empts state and local governments from levying certain taxes upon air commerce and air transportation, while subsections (c) and (e) reserves the right to state and local governments to impose other types of taxes, provided they do not place an unreasonable burden or discriminate against interstate commerce. 49 USC §1513, the predecessor of 49 USC §40116, was adopted to prevent the double taxation of air commerce in light of the fact that the Airway Revenue Act of 1970, codified at 26 USC §§ 4261 and 4262 had already imposed a national head tax on passenger airline tickets purchased in the United States. Congress was concerned that the proliferation of local taxes would burden interstate air transportation, and, when coupled with the federal Trust Fund levies of 26 USC §§4261 and 4262, would impose double taxation on air travelers. *Aloha Airlines, Inc. v. Director of Taxation of Hawaii*, 464 U.S. 7, 104 S. Ct. 291 (1983); *Arizona Department of Revenue v. Cochise Airlines*, 626 P.2d 596 (Ariz. Ct. of Appeals 1980); S. Rep. No. 93-12, 119 Cong. Rec. 1434 (1973); H.R. Conf. Rep. No. 93-225 119 Cong. Rec. 1458 (1973).

In 1983, the Northern Mariana Islands District Court held that 49 USC §1513 had applied in the Commonwealth since January 9, 1978, the date Covenant §502(a)(2) went into effect. *Island Aviation, Inc. v. Mariana Islands Airport Authority*, 1 CR 353 (1983). The Court found that §1513 applied in Guam and the several States. Covenant §502(a)(2) applies statutes to the CNMI in the same manner as those statutes apply in the several States, not as they apply to Guam. 49 USC §1513 thus applies in the CNMI in the same manner it applies in the several States. This analysis was also acknowledged by the

Northern Mariana Islands Commission on Federal Laws in its discussion on Chapter 20 which contained the Federal Aviation Act, codified at 49 USC §1301 et.seq., prior to re-codification.²

The Northern Mariana Islands Commission on Federal Laws acknowledged the District Court's decision in its second interim report:

Section 1513 of title 49 prohibits States or territories from levying taxes on airline passengers. This prohibition is applicable to the several States and Guam. 49 USC §1513(a). Accordingly, by operation of section 502(a)(2) of the Covenant, the prohibition also applies to the Northern Mariana Islands. See also *Island Aviation, Inc. v. Mariana Islands Airport Authority* (District Court for the Northern Mariana Islands, Civil 81-0048, February 24, 1983).

It has been suggested that legislation should be enacted to make the prohibition of section 1513 inapplicable to the Northern Mariana Islands, in order to allow the Northern Mariana Islands to increase government revenues. The principal source of any such taxes would be tourists visiting the Northern Mariana Islands.

Welcoming America's Newest Commonwealth: The Second Interim Report of the Northern Mariana Islands Commission on Federal Laws to the Congress of the United States (August, 1985), p.530.

The exemption provided for in 49 USC §40116(b), specifically applies to the Gross Revenue Tax. *Aloha Airlines, Inc. v. Director of Taxation of Hawaii*, supra; *Kamikawa v. United Parcel Service*, 966 P.2d 648 (1998); *Kamikawa v. Lynden Air Freight*, 968 P.2d 653 (1998), cert den. 526 U.S. 1087, 119 S. Ct. 1497 (1999); *Salem Transportation Co. v. Port Authority of New York & New Jersey*, 611 F.Supp. 254 (S.D.N.Y. 1985).

a. Air Passenger Revenue

49 USC §40116(b)(2) specifically preempts a state from placing a tax on the transportation of an individual traveling in air commerce. In the case of *Aloha Airlines*, supra, the Court discussed the legislative history of 49 USC §1513, and noted that Committees in both Houses of Congress concluded that the proliferation of local taxes burdened interstate air transportation and when coupled with the federal Trust Fund taxes, imposes double taxation on air travelers.

There are several cases which has hold that a State's imposition of a gross revenue tax on airline passenger fares is preempted by the federal statute. *Aloha Airlines*, supra; *State of*

² *Welcoming America's Newest Commonwealth: The Second Interim Report of the Northern Mariana Islands Commission on Federal Laws to the Congress of the United States* (August, 1985), p.526.

Arizona v. Cochise Airlines, 626 P.2d 596 (Ariz. App. Div. 1980); *Allegheny Airlines, Inc. v. City of Philadelphia*, 309 A.2d 157 (Pa. 1973).

As such, the CNMI is prohibited from imposing a gross revenue tax on the transportation of an individual traveling in air commerce.

b. Air Cargo Revenue

49 USC §40116(b)(4) specifically preempts a state from placing a tax on gross receipts derived from “air commerce”. The term “air commerce” is defined at 49 USC §40102(a)(3)³ as “foreign air commerce, interstate air commerce, the transportation of mail by aircraft, the operation of aircraft within the limits of a Federal airway, or the operation of aircraft that directly affects, or may endanger safety in, foreign or interstate air commerce”. Additionally, the Courts have traditionally held that the term “air commerce” will be broadly construed to effectuate a valid congressional purpose, *see, e.g., United States v. Healey*, 376 U.S. 75, 83-85, 84 S.Ct. 553, 558-559 (1964); *United States v. Busick*, 592 F.2d 13, 20 (2nd Cir. 1978).

The term “interstate air commerce is defined as follows:

“interstate air commerce” means the transportation of passengers or property by aircraft for compensation, the transportation of mail by aircraft, or the operation of aircraft in furthering a business or vocation -

(A) between a place in -

(i) a State, territory, or possession of the United States and a place in the District of Columbia or another State, territory, or possession of the United States;

(ii) a State and another place in the same State through the airspace over a place outside the State;

(iii) the District of Columbia and another place in the District of Columbia; or

(iv) a territory or possession of the United States and another place in the same territory or possession; and

(B) when any part of the transportation or operation is by aircraft.

(Emphasis added). 49 USC §40112(a)(24).⁴

We find that A is operating its planes in “air commerce”. That is, it transports passengers or property by aircraft for compensation. Furthermore it also operates its aircraft in furthering a business.

Because the statute applies to the CNMI in the same manner as it applies to one of the several states, 49 USC §40112(a)(24)(A)(i) prohibits taxing revenue generated between a

³ Re-codified from 49 USC 1301(4) in 1994.

⁴ Re-codified from 49 USC 1301(23) in 1994.

state and another territory or possession of the United States (i.e. B to F). On the other hand, 49 USC §40112(a)(24)(A)(ii) prohibits the CNMI from taxing revenues for intrastate (i.e. C to E) commerce only if the flight travels through airspace outside the B. In other words, the CNMI is permitted to tax revenues for carrying property (i.e. cargo traveling through interstate commerce by an aircraft for compensation) only if it does not travel outside of B airspace.

This interpretation is consistent with the holding of *Arizona v. Cochise*, 626 P.2d 596 (Ariz. App. Div. 1980), which held that the State of Arizona could impose its transaction privilege tax on the transportation of freight within the state of Arizona.

In 1998, two additional cases dealt with the issue of freight in air transportation. *Kamikawa v. United Parcel Service*, 966 P.2d 648 (HI Supreme Ct.) and *Kamikawa v. Lynden Air Freight, Inc.* 968 P.2d 653 (HI Supreme Ct.) *cert den.* 526 U.S. 1087, 119 S. Ct. 1497 (1999) involved companies that provided both ground transportation and air transportation of airfreight between Hawaii and the U.S. Mainland. Both Courts held that Hawaii could tax the gross revenues attributed to the ground transportation; however, the taxation of gross receipts attributed to the air transportation was preempted by 49 USC §40116 as it involved taxing the gross receipts from air commerce or transportation.

As such, 49 USC §40116 prohibits the taxing of gross receipts of freight flown from the B to F. It does, however, allow taxation of freight being flown from one island in the B to another island in the B, only if the flight does not go through airspace outside of the B. Based upon the above, it is apparent that A's transportation of freight by airplane between the B and F is exempt from the gross revenue tax and the transportation of freight between the islands of the B is subject to the gross revenue tax if the flight remains within B airspace.

SUMMARY

A is exempt from the gross revenue tax on its passenger revenue it receives. Specifically, 49 USC §40116(a)(2) preempts a State from imposing a tax on the transportation of an individual traveling in air commerce. The *Cochise Airlines* decision has held that this preemption applies to both interstate travel and intra-state travel.

With respect to the gross revenue tax imposed on the freight revenue, for the purposes of 49 USC §40116, the B is considered a State of the United States, and not a U.S. territory or possession. A is exempt from the Gross Revenue Tax on revenue it receives in the B from the transfer of property by aircraft carried between the B and F for compensation. The exemption is based upon 49 USC §40116 which prohibits a State from imposing a tax on the gross receipts from air commerce or transportation from one State to another State or U.S. possession or territory.

A is, however, subject to the Gross Revenue Tax on revenues received from the transportation of property by aircraft for compensation from one island in the B to

another island in the B, (i.e. intrastate commerce), provided that the flight remains within B airspace.

Except as specifically set forth above, we express no opinion on the tax consequences of the facts described above under any other provision of the Code. This ruling is directed only to the Taxpayer who requested it. Pursuant to 4 CMC §1707(f) a taxpayer may not rely on a ruling in connection with another transaction; as such this ruling may not be used or cited as precedent.

A copy of this letter should be attached to the gross revenue tax return of the taxpayer involved for the taxable period in which the transaction covered by this letter ruling is consummated.

Sincerely,

Robert A. Schrack
Acting Secretary of Finance

Concurred by:

Deborah L. Covington
Assistant Attorney General