



Commonwealth of the Northern Mariana Islands

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Making the Commonwealth Better

The following is a transcript of Governor Arnold I. Palacios' State of the Commonwealth Address given before the CNMI House of Representatives and Senate on Thursday, May 29, 2025 at the Multi-Purpose Center on Saipan.

Hafa Adai, Tirow, Good morning. Mr. Speaker Edmund Villagomez, Mr. President Dennis Mendiola, Lt. Governor David Apatang, Honorable Members of the House and the Senate, Mayor Camacho, Mayor Aldan, Mayor Hocog, Mayor Taisacan, Chief Justice Castro, Presiding Judge Naraja, Judges and Justices, Attorney General Manibusan, cabinet members, distinguished members of our community and My Dear People of the Commonwealth.

I humbly appear before you today to deliver the State of the Commonwealth Address. If I'm being honest, what makes this humbling is that the state of the Commonwealth could be better.

With tourist arrivals down and businesses closing, the economy could be better. With inflation, labor shortages, and construction delays, infrastructure development could be better.

And with more and more of our people relocating off island to seek greener pastures, including my own kids, life here could be better.

These are the cold hard facts, and as they say, "Facts are stubborn things."

But you know what else is stubborn? The will and determination of our Commonwealth, because for the past two years, good, hard working people have been doing all that they can to restore trust, integrity, and hope in the Northern Marianas. But, instead of repeating the mistakes of the past with quick fixes, we have focused on long-term solutions that will benefit everyone, not just a select few.



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In short, the State of the Commonwealth could be better, but it is also getting better because we are making it better.

And let me be clear: this was not some haphazard approach. We developed and executed a very clear plan to stabilize our finances, make our community safer, healthier, and cleaner, rebuild our infrastructure, and, most importantly, revitalize our economy. I can assure you: these efforts have not been in vain.

STABILIZING FINANCES

That's what I want to share with you today, what we are doing to make the State of the Commonwealth better, beginning with what we have done to stabilize our government's finances.

When the Lieutenant Governor and I came into office, the physical state of the office was a clear symbol for the state of the government's coffers. Everything was a mess. The previous administration stripped the offices bare, leaving behind nothing but blank walls and empty rooms. In a similar manner, when we opened the financial books, everything was a mess. They stripped our finances bare, leaving behind nothing but deficits, a long list of questionable expenses, and long-delayed audits with severe material weaknesses and deficiencies.

On day one, we learned that the cumulative fiscal deficit exceeded \$580 million, with \$36 million alone accumulated in just one year before we came into office. Now stop and consider that for a moment: When we arrived, the CNMI deficit was over half a billion dollars. Half a billion dollars!

How did that happen? Well, a long list of questionable expenses didn't help us one bit. When we finally initiated a long-delayed single audit, we confirmed that material weaknesses and significant deficiencies added up to \$104 million in questioned costs. The management of federal funds under the previous administration was so bad that they failed to fully account for \$36.3 million in CARES Funds, \$93.7 million from the



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Community Disaster Loan program, and \$481 million from ARPA. This comes as no surprise when you consider just some of the things they spent that money on:

- a sole-source contract for \$1 million, or almost \$5,000 a day, to sanitize this Multi-Purpose Center,
- \$1.7 million for a horse course,
- and a sole-source contract of \$5 million paid to a well-connected businessman for PPEs that were never used and never needed.

With a ballooning deficit and all these questionable expenses, is it any wonder that when we came into office, the government's audits were three years behind? And because so much of our funds come from the federal government, this jeopardized our federal grants and federally funded programs. In fact, because of these delayed audits, the scope of federal audits on the CNMI almost doubled from eight programs to 14 programs, bringing more scrutiny and uncertainty to critical services. It did not help that the previous administration implemented an entirely new finance software system but didn't take the time to properly transition and train government offices and vendors. The hasty implementation disrupted reliable processes, delayed payments to vendors, and further undermined our efforts to complete timely audits.

When you add it all up, it was like a super typhoon had ripped through our government finances. So what do you do right after a typhoon? You clean up the mess and you rebuild. That's exactly what we did.

First, we took decisive action to cut costs. We restricted departments from exceeding their monthly budget allotments and imposed strict limitations on travel. We reduced regular and overtime work hours in order to optimize labor costs. And we ended over 600 ARPA-funded employment contracts that were initiated by the previous administration for political gain at the height of the 2023 election.

Second, I launched several task forces to get a grip on government finances. Our administration launched a Tax Collection Task Force to collect an estimated \$120 million



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in taxes owed to the people of the Commonwealth. I also created a Fiscal Response Team to conduct a comprehensive reconciliation of approximately \$605 million dollars in federal funds. As part of these efforts, Revenue and Tax worked closely with the IRS and the Office of Insular Affairs to upskill Division staff in tax enforcement, investigate financial crimes, and improve tax audits.

Third, we worked with all government departments and autonomous agencies to find creative solutions to reduce costs. This included working with CUC to reduce the government's arrears by \$10.9 million and transitioning to prepaid meters to better monitor and control utility expenses.

As a result of these efforts, we have been able to cut costs, improve revenue collections, and rectify financial mismanagement. By the end of Fiscal Year 2024—mind you, a little over year after taking office—we were able to retire \$16 million owed to our Government Health Insurance provider, make timely cash transfers to PSS, NMC, and the CHCC Medical Referral Program, and maintain almost \$30 million in pension benefits for our retirees. We even added another \$13 million to support our retirees' 25%. Furthermore, we collected over \$14 million in taxes owed to the CNMI, we hit our revenue collection targets two fiscal years in a row, and we completed long overdue audits. Most importantly, for the first time in many years, by the end of Fiscal Year 2024, we finally achieved a balanced budget. On top of that, we restored government employees' working hours back to 80 hours.

None of this was easy. And we still have a long way to go. But, as you can see, despite the financial devastation caused by the previous administration, we came in, we cleaned up the mess, and we got our financial house back in order.

But don't just take my word for it. Let's hear from one of our public servants who was on the frontlines of that disaster and learn what she and her team did to stabilize our government finances.



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STABILIZING FINANCES VIDEO SEGMENT

Secretary Norita and her team deserve nothing but praise for improving the State of the Commonwealth. They did the plain old hard work to make our government finances better. Please give them a round of applause.

You know who else deserves applause? You, the members of the legislature, because you helped us cut costs, generate revenue, and balance the budget. Everyone, please give them a big round of applause.

But we are not done. We need to keep making our government finances better. That is why we need to continue working together to pass the Fiscal Year 2026 budget. I have no illusions about how hard that will be because the budget requests we received from government agencies totaled \$243 million, when only \$147 million is anticipated in revenues. This will leave us with a \$95 million dollar budget gap that, if not closed, risks funding cuts for education, our retirees, and medical referrals. For my part, I am committed to continue reducing costs, improving efficiencies, and maximizing revenue sources.

To the members of the 24th CNMI Legislature, we still need your help. Together, we can enact tax reforms that will improve fairness and compliance, update fees to reflect current needs and actual service costs, and better utilize our public assets. Yes, these reforms may be unpopular, but they are necessary and long-overdue.

And, sure, some critics in our community argue that the best way to make government finances better is to make government smaller. I get it. The CNMI government is one of the largest employers on the islands. But, I think it's time we stopped picking on the hard working public servants who work in our government. They deserve better. Our municipal and public works men and women are out there almost everyday, including weekends, cutting grass, picking up trash, and keeping our islands beautiful. Our law enforcement officers and firemen risk their lives each and every time they respond to a 911 call. Our health care professionals literally save lives every day in our hospital and in our clinics.



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Our educators work late into the night, and even over the weekends, helping our students learn, grow, and succeed. And even our office workers that handle critical paperwork help our government operate as effectively and efficiently as possible.

So, whenever anyone criticizes our government, and public employees especially, I have to push back and remind them that our public servants deserve better. So, if you or a member of your family works for the CNMI government, please stand up now and let's give them a big round of applause.

The State of the Commonwealth is getting better, because you are making our government better.

A SAFER, HEALTHIER, AND CLEANER COMMONWEALTH

But it's not enough to make our government better. We must also make our community safer, healthier, and cleaner. That is what so many in the Commonwealth are doing.

In law enforcement, we have taken great strides towards making our community safer. Under the leadership of Commissioner Macaranas, the Department of Public Safety has reinforced professional accountability across the force, invested in the professional development of its officers, and ramped up enforcement and outreach efforts. As a result, over the past two years, drug-related arrests more than doubled, criminal prosecutions have quadrupled, and overall crime rates are down.

Led by Commissioner Pua, in one year alone, the Department of Fire and Emergency Services effectively responded to over 5,000 emergency calls. In one specific call, DFEMS dispatcher, Karay Fitial, helped save the life of a 12 year old child. The caller was frantic and the child was unconscious and not breathing, but Fitial was able to calmly coach the caller into successfully administering CPR.

At the Department of Corrections, Commissioner Torres has led his team to launch several rehabilitation initiatives. These include community service outreach, a partnership



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with NMTECH to certify select inmates in carpentry and electrical skills, and a Residential Substance Abuse Treatment program to support inmate recovery and reintegration into society. We also look forward to bolstering regional collaboration and generating revenue with the Interjurisdictional Corrections Compact Agreement.

And through the leadership of Special Assistant Franklin Babauta, the Office of Homeland Security and Emergency Management has reinforced our islands' readiness for disasters. They have done this by updating tsunami response protocols, upskilling staff through incident command system courses, and holding successful exercises like the KOFITMA and the Lina'la Halom Tasi with the US Coast Guard.

These efforts from our law enforcement agencies may not always make the headlines, but they are just a few of the many ways that they are making our community safer. As they do that, we also have leaders who are making our community healthier.

After weathering the worst health crisis of our lifetime, Dr. Esther Muña has led the Commonwealth Healthcare Corporation to strengthen healthcare across the CNMI. To reduce the need for off-island medical referrals, CHCC has expanded on-island services. These include:

- hiring more specialists like neurologists;
- opening new clinics in cardiology and pain management;
- and upgrading medical equipment to support more complex surgeries.

CHCC also completed improvements to its drive-through pharmacy, added six new MedStations for the hospital wards, and acquired new MRI equipment through one of the largest philanthropic contributions to the islands. For patients that need off-island care, CHCC has made dramatic improvements since taking over the Health Network Program. They have forged new agreements with more off-island providers and now offer telemedicine to help patients before heading off-island.



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As a result of these efforts, CHCC reduced the costs of medical referral from \$19 million to about \$6 million in just two years—a savings of more than 60%! To make all of this possible, CHCC has modernized and improved the Medicaid Program to include telemedicine options for Rota and Tinian. They are also expanding eligibility for breast and cervical cancer treatments up to age 67. They are also implementing a more cost-efficient Medicaid Enterprise System that automates eligibility and claims processing. In addition, CHCC has been able to increase the CNMI's Medicaid Federal Medical Assistance Percentage from 55% to 83%. This expanded coverage directly benefits the 18,000 residents that qualify for and rely on Medicaid.

Given this remarkable progress, my administration is matching their efforts by committing up to \$20 million over four years through the Eleven Fifteen Demonstration Waiver to fund evidence-based community prevention programs. I recognize that an ounce of prevention is worth a pound of cure, so this commitment will support chronic disease management, tobacco cessation, nutrition improvement, physical activity promotion, and substance use disorder support.

These are just some of the ways we are making the Commonwealth healthier. But we also know that the health of our people is directly tied to the health of our environment, which is why we have also prioritized environmental stewardship.

Soon after taking office, my administration collaborated with NMC to launch the CNMI's first ever Green Growth Initiative, which I chair with NMC President Dr. Galvin Deleon Guerrero. Under this initiative, we are working to achieve the United Nations 17 Sustainable Development Goals, or SDGs, most of which are focused on economic development. Since launching the initiative, NMC's CREES has held several regenerative agriculture workshops on Saipan, Rota, and Tinian. CREES has also partnered with the USDA, DLNR, and the Kagman Agricultural Farms and Producers Association to improve Kagman farms. And last November, we convened the U. S. Coral Reef Task Force here on Saipan where Guam Governor Lou Leon Guerrero and I made history by signing executive orders that recognize coral reefs as critical natural infrastructure. This paves the way for their integration into the CNMI's disaster preparedness, recovery, and mitigation plans.



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And, to help coordinate and monitor our collective efforts, the Green Growth Initiative is launching a public dashboard that will measure our progress on key performance indicators for the UN's 17 SDGs.

As you can see, we have done a lot to make the CNMI safer, healthier, and cleaner. But, again, don't take my word for it. Let's hear from those who are out there doing the hard work to make the State of the Commonwealth better.

SAFER, HEALTHIER, CLEANER COMMONWEALTH VIDEO SEGMENT

These community leaders should be commended because they are working hard to make our islands safer, healthier, and cleaner. And while I can share a long list of statistics and figures to prove all of that, sometimes it helps to show how much of a difference it all makes for just one family.

Today, I have invited two special guests of honor, Simon and Crystal Deleon Guerrero. With assistance and guidance from NMC's CREES, their business, Kumoi Farms, secured a grant from the Western Sustainable Agriculture Research and Education program that will improve piglet survivability. In fact, Kumoi Farms was recognized in the top 10% of grant recipients for high quality and potential impact. For this and for the continued success of Kumoi Farms, I ask everyone here to give Simon and Crystal a big round of applause.

This is a very real example of how making the CNMI safer, healthier, and cleaner is making the State of the Commonwealth better.

REBUILDING OUR INFRASTRUCTURE

But the State of the Commonwealth is also getting better as we rebuild our infrastructure. When Lieutenant Governor Apatang and I came into office, so many infrastructure projects were sitting idle as inflation, labor costs, and supply chain disruptions increased



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the costs of bringing these projects to life. So we got to work and got these projects finally moving.

The Department of Public Works has led the way with multiple road projects, including the long overdue 28 million dollar overhaul of Beach Road, the 1.3 million dollar revamping of Industrial Drive by the sea port, and the \$15 million Phase 2 of Route 36 connecting Talafofo and Marpi. Remember that the Route 36 project was initiated almost two decades ago and languished in bureaucratic red-tape, until our administration finally got that road done.

How we get around on those roads is just as important, so COTA and Alfreda Maratita are making major investments in public transportation. With a fleet of vehicles that is 100% ADA-compliant, as well as affordable and expanding routes, over the past year, COTA provided more than 80,000 passenger trips, reflecting a 12% increase in ridership. As more people are availing of public transit, COTA is also transitioning to more electric vehicles, offering on-demand ride service on Rota and Tinian, and exploring ferry services that will connect the islands. In addition, with help from former Congressman Gregorio Kilili C. Sablan, COTA was able to secure \$8.4 million from the U.S. Congress to fund the construction of new bus transfer stations, a covered bus parking facility, and the addition of 187 bus stop shelters.

In addition to roads and transportation, with over \$11 million in funding from the Economic Development Authority, the CNMI Office of Planning and Development has given the CNMI's primary tourist district new life with the Garapan Revitalization Project, which will be completed in the coming months. Looking ahead, OPD has also completed 100% designs for the 21 million dollar Oleai Sports Complex and Cultural Tourism Enhancement Project, which we anticipate to begin building later this year.

The Northern Marianas Housing Corporation and its Corporate Director, Zenie Mafnas, and previously, Jesse Palacios, are also making critical investments in our infrastructure. With over \$254 million in CDBG-DR funds, NMHC has invested in 23 infrastructure projects that include road repairs, utilities, and public facilities. NMHC has also allocated



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\$138.4 million for the rehabilitation, reconstruction, and new construction of almost 200 residential homes. In addition, NMHC has set aside \$7.5 million to help the Marianas Visitors Authority upgrade tourist facilities and \$1.1 million in scholarships for NMTECH's workforce training program. The latest of these investments is the recent opening of the CHCC Community Guidance Center's Transitional Living Center. It's also worth noting that as soon as the Lieutenant Governor and I took office, we directed NMHC to convert CDBG-DR home funding from loan programs to outright grants, making home ownership much more affordable for our people.

Let us, of course, not forget PSS, NMTECH, and NMC, where we are investing not just in buildings but in future generations. At PSS, we recently opened the \$4 million ARPA-funded Hopwood Middle School modular building with 20 classrooms. This is just a prelude to the new 23 million dollar campus that will follow as well as the 12 million dollar EDA-funded Career Technical Education facility at Marianas High School. For its part, with \$8.6 million in EDA funding, NMTECH will soon break ground on its workforce training facility in Koblerville. And last but certainly not least, NMC continues to sail ahead with over \$100 million in federal grants to build a brand new campus at As Terlaje. This will feature two classroom buildings, a research building, a workforce development center, and a state of the art student center that everyone sees is almost done whenever you drive by the campus.

These investments in our educational institutions demonstrate our concrete commitment to our students and the future of our Commonwealth. However, of all the infrastructure projects that we have expedited, the ones that have had the most direct impact on our people are the new homes that we are finally building years after Super Typhoon Yutu. With \$251 million from FEMA and the CDBG-DR program, we have built hundreds of stronger, more typhoon-proof homes for thousands of our residents.

When you add it all up, the total amount we are investing in our infrastructure is almost a billion dollars, infusing much needed dollars into our local economy. More importantly, these investments are providing much needed upgrades to public facilities, community projects, and public works that benefit everyone. But again, you don't have to take my



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word for it. Let's hear from the boots on the ground who have overcome all the struggles of building in the CNMI to bring these projects to life.

REBUILDING OUR INFRASTRUCTURE VIDEO SEGMENT

These are just some of the movers and shakers who are making the Commonwealth better by making our islands' infrastructure better.

But, of all these projects, I'll never forget one of the homes we opened, which was for the Agulto Family, who are also guests of honor today. The Agulto house is a humble home in Chalan Kanoa with two bedrooms and one bathroom, but it's safe, it's secure, and, most importantly, it's theirs. That sense of home ownership is just one small example of how the State of the Commonwealth is getting better, one infrastructure project at a time, one home at a time.

Again, the State of the Commonwealth is getting better as we stabilize our government finances, our islands become safer, healthier, and cleaner, and our infrastructure projects finally get done.

REVITALIZING OUR ECONOMY

But it doesn't stop there. And it shouldn't. Of paramount concern for everyone in our community is the state of our economy, which we are working to revitalize. However, as I said earlier, we are not repeating the mistakes of the past by resorting to quick fixes that might work in the short term for just a few but fail in the long term for the people of the Commonwealth. We have been developing a diversified and sustainable economy that benefits everyone.

For example, we have invested heavily in a digital economy as the CNMI gradually emerges as the Pacific's digital gateway. With over \$200 million in federal and private sector broadband investments, our vision for a robust digital economy is quickly becoming reality. We have secured \$81 million through the BEAD program to construct a



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climate-hardened, underground fiber optic network that will reach every home and business across our islands. We've even secured federal funding to develop satellite broadband service for our Northern Islands—ensuring connectivity even in our most remote areas. Through a \$93 million investment by Google, we are bringing at least four new transpacific subsea fiber optic cables to the CNMI over the next two years. In fact, I want to thank Google for giving us the honor of naming the first of these cables the Proa Cable. This will give our Commonwealth some of the most robust and resilient global connectivity in the region—making us the place where America's Internet begins. By the way, it took a straightforward letter to the U. S. State Department to get these lines. Thank you to the State Department for giving us this opportunity.

Additionally, Citadel Pacific is currently building a Google Data Center right here in the CNMI, on the island of Tinian. As proof of their commitment to this investment, we have with us today the CEO of Citadel Pacific, Jim Beighley. Mr. Beighley, please stand up and everyone, please give him a big round of applause.

We are not just building cables—we are building careers. In partnership with NMC, NMTECH, and Island Training Solutions, our Broadband Bootcamp is training 300 CNMI residents in fiber optic skills and essential job readiness for telecom careers. We are even providing them a living stipend. By preparing our local workforce for BEAD-funded broadband projects, we maximize economic impact and reduce our dependence on off-island labor.

Together, we are not just catching up—we are leading. The investments we make today are building a stronger, smarter, and more connected Commonwealth for generations to come.

We have also worked closely with the U. S. Department of Defense to leverage the military's investments in our islands and the CNMI's strategic importance to maximize economic opportunities for the people of the Commonwealth. That is why we are ensuring that military-funded infrastructure also serves civilian needs for disaster response, transportation, and economic activity. This includes advocating for more on-island



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military training exercises and advancing opportunities for small businesses. We are also advocating for more local training and hiring so that DOD projects build skills and create jobs here at home. In all of this, we are also ensuring continued transparency, environmental protection, and joint collaboration.

In addition to these efforts, we are aggressively seeking other ways to diversify our economy. The Commonwealth Economic Development Authority is leading this charge with the State Small Business Credit Initiative, expanded efforts with the QC program, and renewed focus on the Opportunity Zone program. Under the new leadership of Derek Sasamoto, CEDA is realizing a healthy return on these investments as they engage prospective investors and put the CNMI's best foot forward as a good place to do business. Helping in these efforts, the Trade Council of the Marianas is also attracting more investors to our islands and making tax savings one of our islands' top exports.

NMC is also contributing in big ways to the economic recovery of our islands. Since getting reinstated at the College a few years ago, SBDC has provided consultation and guidance to dozens of small businesses, held a series of successful industry days and export seminars, and recently launched the CNMI Innovation Incubator Program. NMC's CREES is supporting local farmers owners with cutting edge research in food and agricultural science, effective training and education, and extensive outreach into all villages and all municipalities. And, NMC is set to leverage its brand new student center to attract foreign students for short-term and long-term study programs. This will relaunch Education Tourism as a viable, clean industry that will attract not only hundreds of students but also thousands of their family members.

And, you know, despite what critics may say, we never gave up on the Chinese tourism market, or any market for that matter. Tourism remains one of our most important industries, and because it is, we must diversify our approach with a very targeted strategy.

That is exactly what the Marianas Visitors Authority has done under the leadership of its new Managing Director, Jamika Tajjeron. Acknowledging the challenges posed by currency exchange rates, airline and aircraft limitations, and changes in the Japan and



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China markets, MVA has focused on five specific travel trends and opportunities. First, taking advantage of our beautiful weather and clean environment, MVA is marketing wellness and healing to attract visitors looking for a digital detox, relaxing retreats, and a more organic food experience. Second, mindful of tourists worried about climate change, MVA is promoting a zero-waste and eco-friendly travel experience that connects visitors to local communities, eco-trekking, and conservation activities. Third, MVA is connecting local schools and colleges with schools and colleges from abroad for education tourism that blends immersive, hands-on learning with recreational activities. Fourth, since remote work is so common these days, MVA is developing “work-cation” packages that cater to digital nomads looking to work in a tropical paradise like ours. Fifth, MVA is harnessing the cultural renaissance that is taking place among our Chamorro and Carolinian people to offer more immersive cultural experiences that connect travellers with our food, our language, and our customs. MVA is taking these five strategic steps in order to drive sustainable growth, strengthen our global brand, and enrich the visitor journey with authentic experiences, engaging attractions, and cultural immersion.

So, whether it be the digital economy, military development, unique industries, or tourism, we are all working hard to develop a diversified and sustainable economy that benefits everyone. The new economic landscape demands that we diversify beyond tourism, which is exactly what we are doing. And, yes, we are saddened by some businesses that have closed, especially those that have been around for many years. For many families, we will all miss going to the movies. But, while some businesses have closed, more new businesses have opened. According to recent data from the Department of Commerce, for every one business that has closed in the past two years, four new businesses have opened. Put another way, the number of new businesses opening is triple the number of those that are closing. But, again, don't take my word for it. Let's hear from business leaders that are making long-term investments in the CNMI's economy.

REVITALIZING OUR ECONOMY VIDEO SEGMENT

These leaders, entrepreneurs, and investors are making the State of the Commonwealth better by making our economy more diversified and sustainable for everyone. One such



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beneficiary is Dan Ogumoro. For the past six months, Dan has participated in our Broadband Bootcamp. The bootcamp has helped Dan and hundreds of others learn the ins and outs of a new digital frontier made possible by the BEAD Program. Dan will be part of a workforce that will ensure that every CNMI resident has access to affordable, reliable, high-speed broadband services. More importantly, by contributing to this vital investment in our islands, Dan will be helping make the State of the Commonwealth better by making our economy better. So, please, give Dan and all the Bootcamp participants a round of applause.

RESTORING FEDERAL, REGIONAL, AND NATIONAL RELATIONSHIPS

But we cannot do this alone. We need all the help we can get. That is why I have worked tirelessly to restore relationships with our federal, regional, and national partners. Together, we are strengthening partnerships, rebuilding our reputation, and securing additional resources that will benefit everyone in the Commonwealth.

The recent change in administration in our nation's capital brings renewed hope and opportunity. Their focus on infrastructure, workforce development, and national security mirrors our own top priorities. These are not just federal goals—they are equally important to us as we work to build a stronger future for our islands.

The federal government also recognizes the heightened importance of our region on the global stage. This new reality means that investments in the Northern Marianas are not just local concerns—they are national priorities. We are working closely with our federal partners to ensure that these investments make our islands stronger, safer, and more prosperous for all.

Last year, my decision to request for Section 902 consultations with the White House drew significant criticism. Some said it was a waste of time, arguing that the talks would not conclude before the end of the previous administration. But I knew that the issues we needed to address—like 702 funding, Medicaid sustainability, and economic resilience—were too important to delay. I made it clear that even if these negotiations did



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not wrap up before the change in administration, it was critical to put our concerns and our priorities on record and on the table.

Today, I stand before you with proof that this was the right approach. As of April 24, the Trump administration has directed its staff to officially restart the 902 talks. This means that the work we began last year is not lost. Instead, we are picking up right where we left off—with our needs clearly documented and our priorities well understood in Washington.

In addition, I have personally worked closely with the Interagency Group on Insular Areas, the National Governors Association, and Congressional leaders to make sure that the CNMI's needs are heard and addressed. In all my meetings with them, I have actively advocated for the cabotage waiver, essential air services, additional DOD investments, and increased Medicaid funding, to name a few.

Every grant application, policy letter, and meeting in Washington has been guided by one purpose: delivering for you, the people of these islands. We are not just asking for help: we are building genuine, strategic partnerships that lift up families today and lay the foundation for a brighter future. By making these partnerships better, we are making the State of the Commonwealth better.

CLOSING

In closing, I'll say what I said at the beginning: Yes, the State of the Commonwealth could be better. But, make no mistake: it's also getting better because good people are making it better. And when I think about that, I am reminded of what I learned from my parents while growing up.

The state of our islands was not great back then. There were barely any flights coming in or out, and many still travelled by boat. We were still recovering from a war that devastated our islands. And, save for some government spending from the Trust Territory Administration, there was barely any economic activity.



Commonwealth of the Northern Mariana Islands

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But, somehow, the generation of my parents', and some of your parents and grandparents, made it work. My mom and my dad raised 14 of us, including 11 boys, with a single paycheck and without many of the government programs available today. That taught me the value of sacrifice.

Even after a long, hard day at work, my dad and his peers volunteered after working hours to serve on municipal councils for very little pay or nothing at all. That taught me the value of public service.

And, even though my dad was a doctor, he and my mom made us all work at our family ranch. I tell you, I wanted to hang out with the boys many times, but my parents made me take care of the cattle, maintain the grass that fed them, and repair the fence line that needed constant upkeep. That taught me the value of hard work.

Sacrifice, public service, and hard work. That was the state of the Commonwealth before we even became a Commonwealth. And perhaps that's the state we need to return to. We need to return to a state where we sacrifice instant gratification in favor of long-term sustainability. We need to return to a state where our government serves the entire public, and not just a few private interests. And we need to return to a state where instead of falling for easy, quick fixes, we put in the hard work that it's going to take to make our Commonwealth better for our people today and better for generations to come. Together, we can get there. Together, we will get there.

Thank you, and may God bless us all and may God bless the Commonwealth of the Northern Mariana Islands.