

State of the Commonwealth Address

Editor's Note: The following is the complete text of Gov. Ralph DLG Torres' State of the Commonwealth Address that he delivered to the 20th CNMMI Legislature at the Pedro P. Tenorio Multi-Purpose Center on Friday, Aug. 24, 2018

Hafa Adai, Tirow. Good morning.

Senate President Arnold Palacios and members of the Senate, Speaker Ralph Demapan and members of the House of Representatives, and to all our honored and distinguished guests,

Buenas Dias Taotao Marianas.

On behalf of Lt. Gov. Victor B. Hocog, and my entire administration, we wish you a warm *Hafa Adai* and *Tirow*.

Welcome to the 2018 State of the Commonwealth Address.

Today in the Marianas, a retiree spends the afternoon at the farm, tending to his banana trees and playing with his grandchildren, all while having the security of receiving 100 percent of his pension after serving his community for many years in our government.

A new local small business owner opens up shop after building upon a creative idea and a passion. A nursing graduate at NMC passes the N-CLEX.

A new teacher at Saipan Southern High School turns on the lights of his new classroom, eager to teach and foster the future engineers, doctors, and business leaders of our islands.

A college graduate from the mainland returns home, excited about the new opportunities. A family received their long awaited land compensation.

And in homes all across the Marianas, mothers and fathers will tuck their kids in for bed after a long, tiring day, and have big dreams for their sons and daughters.

Today in the Marianas, every single person who calls these islands home is who makes the state of our Commonwealth strong.

And together we have made great progress:

- The fastest economic growth in the country in 2016, a year when our GDP surpassed the \$1 billion mark for the first time in decades
- For the first time ever, we had more US workers than foreign workers at the end of 2017—54 percent of our total labor force.
- And these workers are supporting a strengthening tourism industry as our visitor arrivals, recently surpassing half a million last month for the third straight year
- Small business confidence at an all-time high with 2,560 new businesses opening up shop since we took office in 2015
- These small businesses are driving our growth in key areas, creating increased funding for education, healthcare, and public safety.
- Our deficit has reduced by more than half— 53.7 percent—in just the last year alone
- Our people now have stronger financial security with more money to save up for the important things like healthcare, our children's college education, and rewriting their stories for success.

We can do great things, when we do them together.

We are one people with many stories. Stories of hardship and adversity. Triumph and love. Our individual stories create our collective identity and that's what the world sees of us.

This leads us to a decision of what our place will be in this big world.

What will our story be? That we are a people who are complacent with what we have? Or will it be our story that we are able to reach for a better life?

When I visit and speak with our people throughout our villages, I find the answer to these questions ingrained in every person. We will NOT let others tell us our place, we cannot settle for the minimum, we will not become complacent, we will reach, grow, and create in the service of our people.

It is the strength of our individual stories, our individual hopes and dreams, the perseverance that each one of our people showcase in the hardest of times that makes me think that now, more than ever, we are making our own way. We are defining our place in this world.

Each step of the way marking a new milestone towards what we can become. Individual stories like Mr. Vito Calvo, who at the age of 17 returned to his home island of Rota in 1972, to a Commonwealth that had yet to be created, to enter his image of what our islands represented to the wider world.

Entering into the Trust Territory government's flag design competition, the young Vito put a story of our history, culture and environment together into the singular image we now know as our flag.

Out of 3,000 entries to this competition, 17-year-old Vito won first and second place for his design. Imagine that!

Vito's story reminds us that age is no barrier to contributing to our place in this world. I celebrate and thank him for his place in our history and want to recognize his son Victor, his daughter Vicky and her husband Gregorio who are with us today.

I want to talk to you about not just the State of our Commonwealth today, I am here to speak to you about the State of our Commonwealth tomorrow.

I want to speak about the possibilities we can achieve together, and the challenges we may face on that journey.

Today, we are enjoying the fruits of trees planted by great men like the late Governor Eloy S. Inos, who is with us today in spirit.

The state of our commonwealth today will be measured by those who follow us. Our children will live with outcomes of our decisions today. We should ask ourselves if our work in public service gives the future generations a better place in a better world.

It is true that today's economy is strong.

We have overcome hurdles that would have destroyed the progress we worked so hard to achieve.

It was more than two years ago that the leaders from across the CNMI entered into 902 Consultation to discuss the relationship of the federal government and our Commonwealth.

For the first time in the CNMI's history, we finalized a report approved by the President and submitted to Congress.

The 902 Report was the culmination of our islands' strongest effort to advocate for the needs of our economy and the potential for even greater opportunity for our U.S. workers.

The publishing of a report only expresses the needed change in public policy. Our business community, working in partnership with your administration, advocated for a new bill to increase our U.S. workforce and bring labor relief to our economy.

I thank the honorable Chairman Rob Bishop and the honorable Chairwoman Senator Lisa Murkowski for their friendship and advocacy on behalf of the people of the CNMI.

President Trump, as part of his commitment to the CNMI, agreed that our economy needed this to survive and signed this important legislation into law.

Today we can celebrate this accomplishment with the knowledge and foresight for what we must all do—we must train our people, give them the skills to succeed in our growing economy, and take greater part in the growth that is benefiting us all.

Along with our Legislature, the business community, and individuals throughout our islands, WE brought our voices to Washington.

We successfully advocated for higher wages in occupations so our U.S. workers have a chance to enter into the labor force and be paid a decent wage.

We asked for the ability to recognize and protect the contributions of foreign workers:

- 142 Nurses in our hospital.
- 13 Engineers in CUC.
- And every occupation in our economy.

We spoke for our islands' interests in safeguarding our economy from bad actors who would take advantage of this system to harm our workers and our community.

We achieved these goals, and I want to thank the Legislature and everyone here for your support and cooperation to see our economy and our workers thrive together.

This accomplishment is ours to share. You all deserve a round of applause.

Through intense negotiations with the U.S. Department of Defense in the 902 process, we demonstrated that we are a patriotic people who claim our right to be heard in shaping national policy.

It was through these constructive conversations at the federal level, that we were able to persuade DoD to reconsider military use plans which will harm Tinian and Pagan.

Advocating for our islands under the belief that we can also support a patriotic vision and a national defense.

Even while we have defended our islands from harm, we have opened them to benefit. We have created deep and lasting relationships with partners in Washington D.C. and these relationships provide cooperation with our community.

The Tinian Divert and Exercises facility is a project that will benefit the people of Tinian as well as the needs of our nation. We can also ensure the benefits of improved roads, facilities, and upgrades to the Tinian Health Care Center.

Our national relationships are hard earned and it is my hope to continue to foster them for the best interest of our people. These relationships have allowed us to tell our story—the real story—of our islands.

In election years, sometimes people come to know us from our faces on signs and forget that we are real people, working for real people. In a community as close as ours, we must not become disconnected from each other. We must remember to tell our stories even to one another.

I am Ralph. My family calls me Paling, my uncles call me Rafet when they're mad. I just turned 39 years old two weeks ago, so the story of how I got here isn't very long.

I was a college graduate, arriving back from Boise State University with an education and only a small concept of what I really wanted to do with myself.

I ran for office with a sincere desire to serve my community, not fully knowing the complexity of the issues that our islands faced. I had ideas and energy, but little experience and I had much to learn.

I was blessed to be elected to represent Precinct 1 in the House of Representatives when I was only 27 years old. This first campaign and first position gave me perspective and also deepened my desire to serve.

The following election, at age 29, I ran for the Senate and was given the opportunity to serve again.

At 34 years old, while serving as Senate President, the late Governor Inos asked me to join him on a journey of service. He was a man of many talents, and impeccable insight to the needs of a struggling economy and a clear vision for how to bring the islands back to life.

It was this time together that I saw leadership in its truest form. Together we took on the toughest issues facing the survival of our islands, the collapse of the retirement fund, lack of confidence and hope in our economy, and fewer opportunities for our people to succeed at home.

In our first months in office, we did our best to create a vision of progress for our islands.

Typhoon Soudelor changed many things. Waking up on that August morning, I found myself charged with leading in the aftermath of one of the greatest disasters in our islands' history when the needs of our people were so great.

Leadership is responsibility.

With the teamwork of the many men and women who answered this call to service, and with 11 bucket trucks and back-up generators, we restored over 800 telephone poles and 419 damaged transformers—bringing power and water supply back online within a few months. Learning from that experience, that disaster made us stronger as a community.

I felt invigorated by the progress we achieved as a community and proud of what we accomplished. As the year ended, I was more satisfied and content with my life than ever before.

Then I received word that Governor Inos had passed away. A great man and mentor, departed before the vision we worked so hard to bring to life was able to come to reality.

I was 36 years old when I became governor, the youngest governor in the nation.

I have worked hard to carry forward the promises that we made to the people of the CNMI since then.

Our story has now become a story of remarkable progress. I am pleased to share our stories and our success, including meeting our community's most basic need of nutrition.

The Nutrition Assistant Program has raised maximum benefit levels by 28 percent on all three islands. We are now preparing to increase income eligibility standards to be the same as those on Guam. In total, our NAP serves about 2,500 total CNMI households with food assistance.

The dedicated staff of the NAP work every day to combine the compassion that is deeply ingrained in our community with a sincere motivation for all residents to improve themselves. The changes we have made to this program over the last years have done both.

Increasing income eligibility allows people to receive food benefits while increasing personal income, growing skills, and participating in our surging economy.

People are following their dreams, entering our workforce, and stabilizing their families. I believe in the power of social support systems to provide a hand up to those in need.

The NAP is improving people's lives with compassion...day in and out. We commend your hard work and dedication.

The programs we have in place to support those in need are important. Every employee across our social services network are doing the work that inspires a greater belief in the beauty and compassion of humanity.

But I believe the greatest tool we have in our arsenal to support those in need is to provide families across our islands the opportunity to get educated, gain skills, have confidence in their prospects and work toward building a better life for themselves.

We continue to innovate to create new programs while building on existing programs to support this goal. One noteworthy example is the additional \$2.1 million for the Child Care Development Fund Program that the CNMI will receive. The additional funding will bring the total funding level for the Program to \$4.2 million, the largest federal assistance granted to the CNMI in the program's history.

This program provides assistance to employed parents in child-care programs through training, mentor periods and incentives while covering costs of training and coaching for child-care providers to ensure high quality care in early and school-age children.

I commend the leadership and team at the Department of Community and Cultural Affairs for their continued hard work and dedication.

So for those in these public programs, those who are building, dreaming, reaching for a better life and for the first time in a long time realizing it can happen right here at home, I want you to know that we are all here for you.

I am proud to join with our legislature who have supported an economy that has created more jobs for U.S. citizens than any time since 2001. A 9-percent increase in U.S. employment in one year.

More of our people are finding jobs as we witnessed a decrease in the overall unemployment rate by more than 2 percent this past year.

Jobs are an important part of our lives and our stories. They are more than just an income. Jobs provide security, dignity, and ambition.

Our economy, in times of strength, provides these jobs—in both the public and private sectors.

And with every parent who enters into the labor force after years of unemployment, and every recent college graduate who returns home to find steady work that supports their goals, a beautiful thing happens.

Their incomes help support the high school senior bagging groceries at Joeten, the smiling gas attendant at Shell, the young mother working at J's, and the college student taking tickets at the movie theater.

As more people enjoy higher incomes, we see passionate entrepreneurs rising up to provide new local products and exciting new services.

In 2015, Shayne Villanueva founded an online clothing business in his garage in San Diego because he wanted to represent the culture of the Marianas and share it with the rest of the world. He left home in 2001 to pursue his education with no thought of ever moving back home. In 2016, Shayne moved back home to pursue his dream and give back to the community he loves.

Today, that brand is widely known as Roil Soil Clothing, and they sell locally designed shirts and hats —some of which I proudly own—and they attract artists to perform on Saipan like Leilani Wolfgramm and give opportunities for local artists like Mix Plate, Uprooted, Micro Mix, Young Goddhy, and DJ Ken.

But Shayne and his business partner, Peter Aldan, do more than just run a business. They give back to their community.

They raised \$7,500 for autism awareness, raised over \$30,000 in relief efforts after Typhoon Soudelor with our CNMI San Diego Club, and helped a radio station donate 100,000 toys to RAY- DEE Children's Hospital in San Diego.

Shayne, welcome back home. We're proud of you.

As our work together continues, our families become more stable and resilient. Children with food in their bellies do better in school. Parents with greater incomes have both, money to spend and money to save. And our *man'amko* are taken care of.

I'm proud to announce this morning that we will be reinstating the daily breakfast program to our *man'amko* on Saipan, Tinian, and Rota starting in September

It is the stories of our *man'amko*, both on screen and in life, that make me proud of the work we have accomplished for our retirees.

In our years in office we have contributed \$108 million to our settlement fund, spending \$47 million this year to our retirees' pensions.

We will continue to do what it takes to ensure our retirees receive 100 percent of their pensions. This is a promise you can count on.

Biba *man'amko*!

Prosperity is our story. Our economic growth is measured in beach barbecues, family gatherings, and first birthday parties. We grow the economy not just for the money. But for our ability to help one another when we need it most: medical treatment, funerals, and rosaries.

A vibrant economy begins with business growth, which leads to employment and higher incomes for our people.

In 2017, the total number of new and existing businesses was 4182, growing by 12 percent since we took office.

These businesses are now employing 27,592 workers who are earning more per hour than ever before.

Since 2014, average hourly wages have increased from \$8.71 per hour to \$12.38. A 42-percent increase since we came into office.

And wages will continue to rise. Businesses across our islands are now realizing—the minimum wage is no longer enough to attract the workers they need to succeed.

For the first time, our business community even agreed to an increased minimum wage, led by the Chamber of Commerce.

We have seen businesses find opportunities to venture into new ground, expand services to our people and in some areas create necessary competition to provide better rates and service to consumers across the islands.

Business growth improves the lives of all who live here.

After only months in office, we entered into an agreement with Docomo Pacific to install a new fiber optic cable in the CNMI, with Tinian and Rota included to the benefits of a competitive and important marketplace.

We have lowered costs, increased services, and laid the foundations for the future of our islands' economy.

Together with IT&E, the improvements we have made to our communications network will become one of our most important infrastructure developments. Growth leads to more growth and we cannot have our economy slowed by slow downloads.

Tourism continues to be a primary driver of our development.

When I was growing up, we used rain water at our house. Our old water tank is how I think about our economy. At home, if we took too long of a shower, or left the faucet on, the tank would become empty and we would all wait for the rain.

Being an island economy, our faucets are always running. Nearly every purchase we make, from rice to gasoline, is a purchase which sends money away.

Restoring money to our system is just like refilling the water tank...we gotta make it rain! Every tourist who enters our islands, staying in our hotels and eating at our restaurants, is refilling our tank.

As we accept and accommodate visitors from abroad, we inject new money into the system with each tourism dollar reaching the hands of every resident in one way or another. Tourism keeps the rain pouring, and the flow has been steady.

For the third year in a row, we have welcomed more than 500,000 tourists! While we are excited that visitor arrivals have remained high, we must not focus on quantity alone.

We must preserve and also improve our islands as a destination. A tourist experience in the CNMI should rival any in the world. But in order to maintain our natural beauty, we must focus on quality and not just quantity!

But we cannot just wish for it to be so. If we want to provide a high-quality tourism experience, we need to improve capacity and services. We have made a lot of progress with projects like the Kalabera Cave redevelopment and new and improved tourism activities in collaboration with our private sector.

Our international image is improved through the efforts of the Marianas Visitors Authority. I thank the leadership and team of MVA for sharing with the world that the Marianas are a paradise for everyone.

Progress is happening!

We have seen new hotel rooms added and moving steadily toward completion; something not seen in the CNMI since the late 90s. Soon we will have new accommodations, services and opportunities for our visitors and residents to enjoy.

Thanks to the hard work of our islands' mayors, their staff and the work of our Department of Public Works, Parks and Rec, business sectors and community members across the islands, we have cleaner roads, parks and public facilities.

Our team at DPW has been "on the road again" with over \$16 million committed to road improvement and expansion on all three islands, including the recently finished Cross Island Road.

And through our partnership with the Federal Highway Administration, we are mobilizing over \$30 million in federal funding. We will have new roads that will make driving safer and easier.

Our team in the Grants Office brought in \$26 million in discretionary and competitive grants since 2015, and they have been critical in funding important infrastructure projects on Saipan, Tinian, and Rota including the:

San Vicente Central Park which broke ground this year, the Koblerville Youth Learning Center, the Tinian Harbor, the Rota Slaughterhouse, the CNMI Veterans Cemetery, and the CNMI Recycling Redemption Facility

They have also funded government projects including new hospital beds for CHCC, heavy equipment for Tinian and Rota, and our first-ever Disability Sports Fest in partnership with the Lady Diann Torres Foundation.

Our CIP team has committed almost \$60 million in funding for CIP projects on Saipan, Tinian, and Rota. These projects include critical investments into our utilities, infrastructure, and PSS.

I would like to extend my profound appreciation to the Office of Insular Affairs of the Department of the Interior, the U.S. Department of Agriculture, the U.S. Department of Veterans Affairs, and to all other federal partners for supporting our efforts in building the Commonwealth's capacity. Thank you for your partnership.

Our government is not separated from our people, it is created by them and in their service. That is why it is so great to see public-private partnerships as we have created with Mr. Jerry Tan.

Building the love of soccer among our children, Jerry has fostered a generation of young athletes who are eager to represent our islands. In 2005, there was 100 players. Today in 2018, there are now 1,300 players.

Jerry, as a private citizen and business leader, has helped to create something new for our community. Through partnership between the Northern Mariana Islands Football Association, the Department of Community and Cultural Affairs, and the Department of Public Lands, we were able to see the beautiful game played by our young people...on a beautiful field.

Our multi-million dollar soccer stadium is the newest and best in our region.

It was only two years ago that Jerry and I first spoke about the soccer facility. I am so pleased that through cooperation and with a desire to serve our community, we now have this amazing field in Koblerville. Jerry, thank you for your vision and leadership. Please, let's give him a round of applause.

And for the record, I took it easy on you in the penalty kicks. I had you all the way!

There is a lot of new and exciting things happening here in the Marianas. However, air transportation to and from our islands has become an issue over the past year.

The pullout of Delta Air Lines from Micronesia was a stark reminder of our vulnerability to global competition and market forces. In numerous meetings, I joined MVA and members of our tourism sector where it was clearly stated that although Delta was making a profit in Saipan, they chose to pursue business in other regions where profits are even greater.

We are a wonderful but small market for global companies, so in the near term we must form smart and strategic airline partnerships to service our islands.

I am proud to announce that the CNMI has succeeded in our goal of restoring flight service from Japan through a partnership with Skymark Airlines.

Skymark Airlines is Japan's third largest carrier and will be the first Japan-based carrier in the CNMI since 2005, when Japan Airlines left.

We will *always* find a way for our Japanese friends and families to visit our island; Narita direct to Saipan will *resume* this coming winter schedule.

When we encounter setbacks, we don't give up, we adapt. Delta's departure was a setback to our ongoing progress but we in the Marianas know how to deal with difficulties. We get by, we get better, and we get stronger!

My goal remains the same—a resilient, stable and strong tourism economy that is built on the principle of 30-30-30.

30 percent Japan, 30 percent Korea, 30 percent China

We have a lot of work to do to meet this goal, but a diversified tourism market is best for our people.

The loss of Cape Air service to Rota was another setback to our plans for a sustainable and viable Rota but we have not given up. We are working toward overcoming this setback in the months to come.

This will bring new visitors to dive the island's pristine waters, and bring residents to and from their home.

This year marks the continued success of the newest addition to our economy, our gaming industry in Saipan. Some of the outcomes are positive and there remains room for improvements.

Despite what you may have heard, Imperial Pacific pays taxes. In fact, IPI is the highest single taxpayer in the CNMI.

The casino gaming industry has provided the CNMI government with more than \$153 million dollars in Business Gross Revenue Tax, Bar Tax, Excise Tax and other applicable taxes which they are required to pay.

We need to learn from the lessons of the past and use revenue generated to support even greater returns for our islands.

That is why I thank the Legislature for their commitment to using these funds to supplement other funding sources in our future.

Over the last few years, the Legislature appropriated millions of dollars to investments in our community. I am pleased to highlight some of these:

- \$142.3 million to our healthcare system for advanced technology for our hospital, resources to secure their financial stability, medical referral, and the treatment of those suffering from addiction and substance abuse.
- \$209.6 million for the resources our students need to gain the education to be our islands' next doctors, engineers, chemists, teachers, lawyers, nurses, and business leaders.

We have the capacity to produce amazing students and we must continue to use the available resources to increase funding for our education system. Our islands grow students that inspire greatness.

Students like Mariah Cruz of Tinian, who came to the CNMI at the age of 5 unable to speak English. This past year she graduated from Tinian High School and was accepted into 13 universities with 2 Ivy League acceptances.

She and all her peers are products of our community and we are proud of them as they reach for excellence. This is worth our support. Mariah chose to attend a fine institution, UC Berkeley, and her proud parents Allen and Mary Susan are here today and they deserve a big round of applause for their successes as parents of this fine scholar.

Your government prioritized \$6.5 million to the training of our local workforce, through \$2.7 million appropriation to the growth and success of our Northern Marianas College, and \$3.8 million to the Northern Marianas Trades Institute.

Graduates like Polly Masga, who returned to school while working at Marianas Medical Center to complete her Bachelor's in Business Administration. Polly was already an

experienced professional from her years in the private sector and was able to use that experience to bring her closer to her degree through the newly instituted Prior Learning Assessment Program.

And I'm proud to announce that I have appointed Polly to the CHCC board of trustees. An NMC graduate leading one of our islands' most important institutions. Polly is not here today, but her brother AJ is here to represent.

This legislature appropriated \$29.3 million to the payment of long-overdue land compensation. Paying off the highest of the land compensation claims now, saves the CNMI millions more in interest payments. I am proud to announce that we now have zero interest bearing account against the government.

This gives future government leaders a clean slate to do what is right for the people of these islands without the mistakes of past leadership burdening their decisions.

By eliminating our government's debts, we bring relief to generations of future leaders. Future leaders like Christian Merante of Saipan Southern High School who is a Youth Congress representative for his peers.

Every land compensation obligation we make good on today, saves future leaders like Christian from sacrificing the needs of his constituents for payment of long-overdue debt.

Direct taxes are only one revenue source we receive from the gaming industry. The CNMI receives \$15 million every year in license fees, which provides funding for direct appropriations for projects in each of our Senatorial Districts.

These funds have been used to pave secondary roads,

- -support improvements to Saipan's power generating facilities and
- wastewater treatment centers,
- -support our students,
- -provide for the equipment needs of our farmers,
- -provide funding for the SHEFA scholarship program. This past May, NMC graduated more than 250 associate and bachelor degrees to college students who are looking to advance their careers, increase their income, and better their livelihoods. Many of these graduates are now powering our local workforce and fueling our economy.

- and acquire more than \$4 million in equipment for the hospital, such as a new infant ventilator and a CT scanner.

As we have moved this industry from concept, to law, to construction, we have all learned valuable lessons.

We improve and adapt as new difficulties come up. We have extended and amended the original casino license agreement in response to these challenges and to make sure the project is done the right way!

The economic growth provided by this new industry, in addition to the \$20 million early release from the Community Benefit Fund, is putting people to work and increasing activity around our islands, and with the effort of the IPI Corporate Social Responsibility team, our environment, public and community facilities looked brighter and cleaner.

I see many faces are contributing their professional skills to the improvement of their businesses, as well as the benefit of our community across the islands.

This is a great thing, but we must remain vigilant in our responsibilities for the safety of our community.

This is why the work of the Commonwealth Casino Commission is so vital to the success of our growing economy.

Within the last two years, the Casino Commission has been at the forefront of our government's compliance effort within the industry and they are doing their jobs well.

The Casino Commission administers and enforces the law pertaining to the gaming industry. They also ensure that all electronic and table games are fairly played according to international industry standards.

Your government passes laws and we expect those laws to be kept. CNMI, and federal agencies, work together to ensure our gaming partners follow the law. Your government is vigilant, we are aware, and we hold those who do business in the CNMI to a high standard.

Your government works for you.

After Typhoon Soudelor, your government worked for you.

With the regrowth of our economy your government has worked for you.

Whether it is a disaster or an opportunity, across the government we are men and women working to build and improve the CNMI.

You know... they say we don't have seasons in the CNMI, that it's always summer. That is not true. We have the most seasons—mango season, lemmai season, atulai season, tiaos season, pineapple season...even election season.

This election season may I just remind everyone, that in the CNMI, when two neighbors disagree, they are still neighbors. Despite our differences, we all want the same thing, we all want progress.

Let us discuss and pursue that progress as neighbors do. Let's be kind, let's listen to each other, and most importantly let's respect each other.

Maila' fan ya tafan a' respeta todos. Ta fan a'guiya, unu yan otro. Let us preserve the foundation of our cultural institution that defines us as a people and as a community—*ina'famaolek, un guinaiya, tipiyeeew!*

The tone of politics in other jurisdiction does not need to be the tone of politics in the CNMI. We do not need to dance to whatever song is being played in the rest of the country...we can *chacha* to our own tune. We can dance together.

Throughout our differences there is one tying thread that joins us together—we share in the belief that the role of our government to preserve the opportunity and support the dreams of each individual for a better life.

One key area where this is true is in support of our islands' healthcare system.

Non-communicable diseases are the leading causes of morbidity and mortality in the Pacific. The NCDs include diabetes, heart disease, stroke, and cancer.

According to the 2016 CNMI NCD Hybrid Survey, two-thirds of the CNMI adult population are overweight or obese. One out of five adults are estimated to have high cholesterol. And almost 20 percent of adults in the CNMI have diabetes.

We know the issues. We see the urgency. We need action.

Beyond policy, in the last year we had the opportunity to put more resources into the hands of the capable men and women of the Commonwealth Healthcare Corp.

Through the effort of our Legislature we have provided \$46.4 million to support our island's hospital. This money provided necessary equipment, expanded services, made payment to Medicaid, supported medical referral and more. We are improving the quality of care for our neighbors in need.

This past June, we launched our NCD State Strategic Planning meeting. Our government departments met with business partners and nonprofit organizations, to take action on this problem together. We have a goal and a plan to create a healthy community.

Since taking office in 2015, we have made a 150-percent increase in local appropriations to our healthcare system. A total of \$41.3 million over the last three years. This is an improvement, but we want to do more. We will ensure progress in healthcare.

The staff, management, and board members have been a critical partner in the progress we have made in such a short time.

The hospital is installing solar system, which we broke ground last week! We will be more energy efficient and save money, made possible through to a \$560,000 grant secured through collaboration.

Please join me in giving them a round of applause.

We have seen your government's role in adding new chapters to our people's story with innovation.

Last year we inaugurated the start of the HOPE recovery and rehabilitation center in Marpi. For decades, we have had members of our families suffer from the illness of addiction of substance abuse.

The stories of those afflicted by their addiction to crystal meth are ones of difficulty, heartbreak, hardship, and pain. We have helped to add a new chapter to their lives—a chapter of hope.

We do not cast out those in need. We do not look down on their struggles and we do not turn a blind eye to their suffering. Through the Substance Abuse and Rehabilitation Program, the CNMI Drug Court and the many fine individuals who combine their passion and skills toward this important effort are doing what our community does best.

They are extending a hand, reaching out and helping our neighbors make it through the difficulties of addiction, pain, and suffering.

When I visited the HOPE center, I was so happy with what I found. I know that our people can find freedom and peace from addiction, through the work with caring professionals, and with a community who supports their recovery.

But I was given hope and became more committed to the program, because I could see the freedom of the participants. The relief of beating addiction.

For all the graduates of this program - through your struggles and your successes. We as a community are behind you. For those in the program today, you are not alone. This hope is not just for the participants, but for anyone who has not yet travelled down the road to recovery. There is enough hope for all. And because of this progress over the last two years, drug crimes are down by 86 percent. This is something we can all be proud of.

Last year, I announced that the Commonwealth Office of Transit Authority will soon begin implementing its fixed-route public transportation system. This year we can see it come to life, and that's progress.

COTA is pioneering the transportation future of our islands, opening opportunities for our community to visit their doctor, go to class, or continue to earn an income without having to own or operate a vehicle.

Seeing COTA buses on the road today is a sign of progress.

This is innovation in public service to improve the daily lives of our people. And in total we have done so much together in the last year worthy of note:

We have expanded education funding for the third consecutive year. Increasing total funding to our students by 26%. \$167 million to PSS and \$23.7 million to NMC.

We have increased scholarship programs through the CNMI Scholarship Office and the SHEFA program, expanding total scholarship funds by 32.2 percent...a combined total funding of \$19 million.

We are creating new programs, such as the High Achievers Travel Assistance Program that just recently saw 15 of our brightest young graduates gain skills and education at Boise State University this month.

We have increased spending on public safety and seen our islands safer.

Through the hard work of our law enforcement officers, the crime rate is down by 65.3 percent from 2013. In five years, domestic violence decreased by over 78 percent and property crimes are down by 58 percent.

Over the last three years, we welcomed 90 new police officers, 69 new firefighters, and 45 new Customs officers. I am very proud of these brave men and women because they work to protect our community each and every day, including holidays.

Thanks to their outreach our streets are safer. Communicating to the public of the dangers of drunk driving has reduced rates of driving under the influence by nearly 80 percent this year. In fact, there were zero fatality during the *holiday season* in 2016 and 2017 as a result of these efforts. We continue to remind everyone, drive sober or get pulled over.

All of this progress has a purpose.

Students, teachers, and administrators, recently celebrated a return to school. The first day of school in our house is the first day of freedom.

For Diann and I, as parents with kids in schools, we thank you, our dedicated teachers and administrators. Your work is vital to our success and we trust you with our kids.

Our progress is for our kids and for the future they will inherit. Our children deserve the best world we can craft in their honor. Every time we fix something that is broken, we build a stronger future. When we eliminate a debt or improve a utility, we build a more prosperous community for all.

When I look to how things are, I do not see completed tasks but a work-in-progress. We can and will do better for our people.

I remember being on the back of that pickup truck, hoping for a better future and wanting to be a part of the successful story of this Commonwealth.

Since that time, I've married the love of my life, Diann, and have six beautiful children together. I've learned lessons of leadership that have made me a better man and a better public servant. I have been given this opportunity by the people I love.

We can never forget the past. We are not required to repeat our mistakes, we can learn and create more progress.

I stand before you, ready to take on the challenges we have ahead, with a vision to secure our place in this world. A vision that has already started.

In five years, our people will be working and earning higher incomes, feeding their families and supporting their neighbors with greater security and prospects.

Progress for our households begins with progress in our labor force.

With the changes we are making today to our economy and our laws, in five years we will reduce our total unemployment to below 5 percent.

Strengthening our oversight of the CW worker fees, we ensure that every dollar helps to create a new system for U.S. workers to find the skills they need to land a job.

As we bring more people into our labor force at higher skill and pay, we will have natural wage growth that will in turn flow into our economy and create more jobs.

Our roads will connect more villages and households than ever before, and on those roads we will have an interconnected public transportation network that will carry our people forward.

Medical referral will only be for those with the greatest need, as we improve the quality and number of services our hospital will provide to its patients.

We will grow into a community that celebrates diversity in opinions, sexual orientation, and race, because WE are one commonwealth—together.

This is all built upon the steadfast effort we will put in place today to help build a resilient and stable economy.

The next five years will be about infrastructure. We will replace and improve the decades old systems that provide our power, our water, and our transportation.

We will venture into an alternative energy future of solar arrays and affordable alternatives to fossil fuels. We will have every home with 24-hour water service across every village in our islands.

By the way, I am pleased to share that for the first time in decades, your central government settled its arrears with CUC, bringing down all central government accounts to current.

Eliminating the over \$1.9 million in arrears will enable CUC to reinvest these revenues towards critical water infrastructure to meet our goal of providing 24-hour water service to our people.

We will treat solid waste and wastewater with innovation and consideration for our precious resources. And we will welcome visitors to a larger, expanded and modern airport facility.

This is all possible because we have begun this work together.

These investments will fuel the economy of tomorrow. In the months ahead, the important work of the newly created Office of Planning and Development will move toward the completion of a comprehensive plan for our development as a community.

The foundations of this effort is the belief that we can and must craft our own path toward development that supports the needs of the individuals - their health, their well-being, their standard of living and their ability to receive their fair share of our prosperity.

To get to these noble outcomes, we must look inward to create an economy that works for our people.

We will craft an agenda with all considerations on the table—tax reform, workforce incentives, prudent zoning practices and small business development—to encourage a domestic economy sheltered from the external influences of a competitive world. We will establish trade within the Micronesia region, building upon existing friendships throughout the Pacific.

Ten years from today, we will be in a different chapter in our lives.

We will deliver to the next generation a diverse and vibrant economy, with new industries in agriculture, technology, and high-end tourism. We will prepare our children and prepare our homeland for the needs of the future.

In the years to come, I plan to attend graduations of our students earning their bachelors and masters degrees from our Northern Marianas College—a four-year university of research and learning.

We have all done so much together, and it is because we have gone such great distances in the last three years that I know we are capable of making this a reality.

It will take work. And along the way toward this vision of a grander CNMI, there will be critics of every decision and action.

But as the old saying goes “To escape criticism—do nothing, say nothing, be nothing”

I don't enjoy criticism, who does? But I accept it as the cost of collaboration. I see good people who disagree with me and I call them friends and listen to their alternative plans. Whether I am called Governor, Rafet, Paling...or worse...the labels we attach to ourselves and others are less important than our progress.

The work we have done has brought us closer to the vision I have shared with you, and reaching these goals will take time and the effort of every resident to see it through.

The last three years have been a gift of a lifetime. I have heard the stories of people from across the Marianas. I have been inspired by those striving for improvement and growth, like Shayne Villanueva and Polly Masga.

I have supported those who labor with love for our community—people like Jerry Tan, Walter Manglona—and Mr. G van Gils of the Million Dollar Scholars.

Around our community I hear concern and I hear hope. I understand that our community wants responsible growth, accountable leaders, and prosperity that reaches everyone.

I have learned that nothing ever comes easy. Getting to this moment as a Commonwealth wasn't easy. This progress wasn't easy. But ordinary people took real action to get here.

To our legislators and elected leaders, to our judges and justices, to our teachers, nurses, doctors, law enforcement officials and all those who serve our Commonwealth and our community:

We can all look back with pride five to 10 years from now and tell our children that today, today in the Marianas, we took real action to make a better future for our islands, real action to reduce hardship in our community, and real action to tell our story to the world.

We are doing it together. And that's progress!

Thank you, *si yu'us ma'ase yan ghillisou*. God bless you all and God bless the Commonwealth of the Northern Mariana Islands.