

SAIPAN CHAMBER OF COMMERCE

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2009
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February 26, 2009

The Honorable Joseph C. Reyes
Chairman, Committee on Commerce and Tourism
House of Representatives
16th Northern Marianas Commonwealth Legislature
Saipan, MP 96950

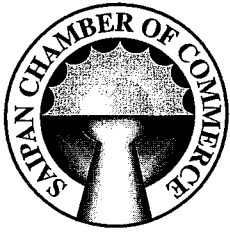
Re: House Bill No. 16-210

Dear Mr. Chairman:

Thank you for the opportunity to comment on House Bill 16-210, to restructure the Qualifying Certificate program by repealing and reenacting the investment incentive act. The Saipan Chamber of Commerce's Government Relations Committee has reviewed and discussed the bill. We previously commented on House Bill 16-172 and House Bill 16-177, which would supplant or impose a temporary moratorium on the Qualifying Certificate program, respectively..

As we indicated in our December 16, 2008 comment letter, the Chamber generally favors legislation that seeks to stimulate any aspect of the local economy. We are concerned, however, that there are three pending bills that would substantially impact the Qualifying Certificate program in differing ways, which were introduced within an approximately three-month span. Legal and regulatory stability is an important consideration for any business. The introduction of three disparate bills concerning the investment incentive program, along with a number of bills that would, in a variety of ways, substantially impact the Commonwealth's tax structure and business fee structure, does not paint a picture of stability for potential or existing investors.

We reiterate our prior support for the establishment of a workgroup as proposed by House Bill 16-177 to bring together representatives of the public and private sectors to conduct a cost/benefit analysis of the Qualifying Certificate program as well as to formulate a plan for the future of the program. In this manner, one unified and comprehensive recommendation can be placed before the legislature for consideration. As noted in our December comment letter, however, we do not believe that the moratorium proposed in H.B. 16-177 is necessary during the time that such a group would engage in its work. We urge you and the authors of other



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legislation that would impact the Qualifying Certificate program to carefully consider this recommendation.

I would be happy to answer any questions you have or provide any information your committee may need with regard to this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "J. T. Arenovski".

James T. Arenovski
President