

Why GAO Did This Study

In November 2009, the United States applied U.S. immigration law to the CNMI, as required by CNRA. To minimize the potential for adverse effects on the CNMI economy, CNRA established a 5-year transition period scheduled to end in 2014. CNRA required DHS to establish a transitional work permit program for foreign workers in the CNMI and annually reduce the number of permits issued, reducing them to zero by the end of the transition period. CNRA also required DOL to determine whether to extend the transition period past 2014, based on an assessment of the CNMI's labor needs. CNRA further required GAO to report on the implementation and economic impact of federal immigration law in the CNMI. This report (1) assesses the status of federal implementation of the transitional work permit program, (2) examines economic implications for the CNMI of pending federal actions, and (3) provides the status of federal efforts to support worker training in the CNMI. GAO reviewed CNRA, U.S. regulations, and information from federal agencies and the CNMI government; and interviewed U.S. government officials and private sector representatives.

What GAO Recommends

GAO recommends that the Secretary of Homeland Security (1) provide, on publication of its permit allocations, the methodology used and (2) use DOL analyses as a factor in deciding future permit allocations. DHS agreed to publish its methodology but will wait to review DOL analyses until they are available before deciding to use them.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Additional DHS Actions Needed on Foreign Worker Permit Program

What GAO Found

On September 7, 2011, the Department of Homeland Security (DHS) issued a final rule establishing a transitional work permit program in the Commonwealth of the Northern Mariana Islands (CNMI) for foreign workers not otherwise admissible under federal law. The final rule addressed key requirements of the Consolidated Natural Resources Act of 2008 (CNRA); for example, the rule sets the permit allocations for fiscal years 2011 and 2012. As of July 2012, DHS had processed about half of the petitions for work permits that employers submitted in fiscal year 2012. The DHS decision on its permit allocation for fiscal year 2013 and a Department of Labor (DOL) decision on whether and when to extend the transition period, both required by CNRA, are both pending.

- DHS plans to announce the permit allocation for fiscal year 2013 by the end of September 2012. DHS has identified one source of CNMI workforce data that it intends to use for its annual work permit allocations. However, the data source does not provide numbers of U.S. and foreign workers by industry, which could help DHS predict future demand for foreign workers. According to a senior DHS official, DHS has not made public the types of information, including its methodology, that it will publish with future permit allocations. Knowledge of DHS's methodology could help allay any public uncertainty regarding future access to foreign workers in the CNMI.
- DOL has not determined whether to extend the transition period, according to DOL officials, and is not required to do so until July 2014. DOL has identified multiple sources of data on the CNMI labor market, including a source that provides the number of workers in the CNMI by citizenship and industry. DOL has also identified the methodology it plans to use in making its determination. According to DOL officials, DOL plans to estimate changes in CNMI employment and gross domestic product that might result from a reduction in foreign workers. These data sources and analyses could help DHS assess workforce needs and determine its annual permit allocation.

Uncertainty about the impact of the pending DHS and DOL decisions on access to foreign workers may be limiting business investment in the CNMI. Foreign workers made up more than half of the CNMI workforce in 2012, and CNMI businesses reported challenges in finding replacements for foreign workers. Some CNMI businesses indicated that uncertainty over pending federal actions has caused them to limit their plans for future investments in the CNMI.

DOL, the Department of the Interior (DOI), and DHS made available a combined total of about \$6.5 million to train workers in the CNMI in fiscal years 2010 through 2012. DOL provided annual grants that support worker services. DOI provided a grant in 2011 to support on-the-job training programs, in response to CNRA requirements. As of July 2012, DHS had transferred to the CNMI Treasury about \$1.8 million it had collected through its permit program for CNMI vocational educational curricula and program development, as required by CNRA. Information on the use of DOL and DOI grants is available to Congress on request, but DHS does not collect information on the use of funds it transfers to the CNMI Treasury.