KIMBERLYN KING-HINDS NORTHERN MARIANA ISLANDS

TRANSPORTATION AND INFRASTRUCTURE COMMITTEE SUBCOMMITTEE ON AVIATION SUBCOMMITTEE ON HIGHWAYS AND TRANSIT SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND EMERGENCY MANAGEMENT

Congress of the United States

House of Representatives Washington, DC 20515–5201 VETERANS' AFFAIRS COMMITTEE SUBCOMMITTEE ON HEALTH SUBCOMMITTEE ON ECONOMIC OPPORTUNITY

SMALL BUSINESS COMMITTEE SUBCOMMITTEE ON ECONOMIC GROWTH, TAX, AND CAPITAL ACCESS SUBCOMMITTEE ON CONTRACTING AND INFRASTRUCTURE

February 24, 2025

The Honorable Marco Rubio Secretary of State U.S. Department of State 2201 C Street NW Washington, DC 20520

Dear Secretary Rubio,

Since your confirmation as Secretary of the U.S. Department of State, your zeal and advocacy in restoring America's stature on the global stage have been truly inspiring. I congratulate you on this new position of service and look forward to the successes you will achieve for our country.

I firmly believe that the U.S. Pacific Territories, like the Commonwealth of the Northern Mariana Islands (CNMI) are vital assets in the geopolitically contentious Western Pacific region. Beyond our role as staging grounds for the projection of American military power, our islands offer a strategic opportunity to advance America's soft power influence among our Pacific neighbors, many of whom are increasingly influenced by the expanding reach of the People's Republic of China (PRC). This soft power is best demonstrated through the freedoms we uphold, but most critically, through the economic strength of our islands as a model of prosperity for the region.

While we proudly proclaim our allegiance to the United States and uphold the ideals of an inclusive and democratic nation, our economy remains constrained by years of economic disruptions that fail to reflect America's economic potential. If we are to effectively showcase the benefits of alignment with the United States to the wider Pacific community, the economic advancement of the CNMI must be a priority. I believe that your leadership at the Department of State can play a key role in securing long-term economic success for our people.

The CNMI's political union with the United States was established nearly 50 years ago through our mutually agreed Covenant, which set forth a vision of economic progress and self-sufficiency.¹ Among its provisions was an expressed commitment to achieving a standard of living equal to that of the larger United States. However, despite five decades of political union,

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¹ Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America (1975), *reprinted in* 48 U.S.C. § 1801 Saipan District Office Rota District Office Tinian District

our economic conditions have deteriorated, leaving our people and our economy increasingly vulnerable.

The Covenant provided tools to secure long-term economic development—not only through financial assistance but also through collaboration with the federal government to foster private sector growth and sustainable industries. Two provisions in particular speak to this commitment:

Section 603(d): "The Government of the United States will seek to obtain from foreign countries favorable treatment for exports from the Northern Mariana Islands and will encourage other countries to consider the Northern Mariana Islands a developing territory."

Section 904(b): "The United States will assist and facilitate the establishment by the Northern Mariana Islands of offices in the United States and abroad to promote local tourism and other economic or cultural interests of the Northern Mariana Islands."

These provisions represent a clear obligation for the federal government to collaborate with the CNMI in fostering commercial activities and securing economic opportunities—yet they have never been fully realized.

The need for collaboration, however, has never been more apparent. Before the COVID-19 pandemic, international visitors accounted for 42% of the CNMI's total economy, directly supporting one in four households.² However, tourism arrivals remain 57% below pre-pandemic levels, leaving businesses struggling, workers without stable incomes, and critical government revenue in decline nearly 5 years later.³ Today, within the depressed arrivals, the market is heavily concentrated in the South Korean market, which has left our sole industry vulnerable to external events, such as the Jeju Air Flight 7C2216 crash on December 29, 2024.

Prior to the pandemic, visitors from China represented 40% of annual arrivals to the CNMI between 2015 and 2020. The market, which remains the world's largest tourism market, provided resilience and trade for our businesses. I continue to believe that the careful reopening of this market is critical for the development of our economy and for our role in balancing the U.S. trade deficit with the PRC, in alignment with President Trump's economic agenda and the pursuit of free, fair, and reciprocal trade. However, long-term stability and security of our economy require a more comprehensive approach that ensures leveraging our relationships with critical markets in the region.

² U.S. Bureau of Economic Analysis. Gross Domestic Product for the Commonwealth of the Northern Mariana Islands, 2021 & 2022. (November 21, 2024). Available at https://www.bea.gov/sites/default/files/2024-11/cngdp1124.pdf

³ Marianas Visitors Authority. Commonwealth of the Northern Mariana Islands: Visitor Arrival Statistics. Available at https://drive.google.com/file/d/14BWnd71A2WQxj Kx yyfRatvaEv4C9G1/view?usp=sharing

As you take the helm of the Department of State, I ask that we collaborate toward leveraging American diplomatic power to support the CNMI's economic development in accordance with the Covenant. Specifically, I request collaboration with U.S. Embassies in key tourism markets— Japan, South Korea, the Philippines, and Australia—to:

- Secure favorable air service agreements that facilitate increased visitor arrivals to the CNMI, thereby treating tourism—our primary export—as an essential industry under Section 603(d).
- Assist in the facilitation of marketing and outreach efforts in these countries, supporting the CNMI's ability to establish a stronger presence in critical international markets, as envisioned in Section 904(b).

These steps would not only fulfill longstanding federal commitments under the Covenant but would also serve broader U.S. strategic interests by strengthening the CNMI as an economic and diplomatic stronghold in the Pacific. By advancing economic development in the Northern Marianas, we will demonstrate America's ability to uplift and empower its territories, reinforcing the value of U.S. alignment for our Pacific neighbors.

To advance these discussions, I request a meeting with your team to explore how the Department of State can effectively support the CNMI's economic development through diplomatic engagement. I welcome the opportunity to discuss how we can work together to renew the promise of the Covenant and align U.S. global leadership with the needs of Americans in the territories.

I look forward to working with you and your team to actualize these commitments and ensure that the Northern Marianas stands as a pillar of both economic strength and American influence in the region.

Sincerely,

berlyn King-Hinds Member of Congress