

THIRD REGULAR

SESSION

7<sup>TH</sup> DAY

03/17/05



# House Journal

## THIRD REGULAR SESSION, 2005

Seventh Day

March 17, 2005

The House of Representatives of the Fourteenth Northern Marianas Commonwealth Legislature convened its Third Day, Third Regular Session, on **Thursday, March 17, 2005, at 10:33 a.m.**, in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Benigno R. Fitial, Speaker of the House, presided.

A moment of silence was observed.

The Clerk called the roll and **seventeen** members were present. Representative Ray N. Yumul was absent.

Speaker Fitial: A quorum is present for this morning's session. Representatives Yumul is excused.

### ADOPTION OF JOURNALS

None

### PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 14-316: A Bill for an Act to clarify that the Injury Compensation Act of 2004 does not apply to the Commonwealth Government by adding a new section 6 to Public Law 14-46; and for other purposes.

Offered by: Rep. Martin B. Ada

### PREFILED AND INTRODUCTION OF RESOLUTIONS

None

### MESSAGES FROM THE GOVERNOR

None

### SENATE COMMUNICATIONS

None

**HOUSE COMMUNICATIONS**

None

**COMMUNICATIONS FROM THE JUDICIAL BRANCH**

None

**COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE**

None

**COMMUNICATIONS FROM DEPARTMENTS & AGENCIES**

None

**OTHER COMMUNICATIONS**

None

**REPORTS OF STANDING COMMITTEES**

None

**REPORTS OF SPECIAL AND CONFERENCE COMMITTEES**

None

**UNFINISHED BUSINESS**

None

**RESOLUTION CALENDAR**

None

**BILL CALENDAR**

The Chair recognized Floor.

Floor leader Babauta: Passage motion on H. B. NO. 14-304 on First and Final Reading.

The motion was seconded.

H. B. NO. 14-304: A BILL FOR ACT TO APPROPRIATE \$10,966,620.53 FOR FISCAL YEAR 2005 FOR THE SETTLEMENT OF THE UNPAID WITH-IN-GRADE INCREASE, FROZEN STEPS (PL 10-76 AND 11-59) AND THE RETROACTIVE SALARY ADJUSTMENT COMPENSATION PURSUANT TO PL 7-31 FOR THE FIRST AND SECOND SENATORIAL DISTRICTS; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Roll call.

The roll called on the motion to pass H. B. NO. 14-304 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-304 passes the House on First and Final Reading, 17-0. Passage motion on H. B. NO. 14-313.

Floor Leader Babauta: So moved, Mr. Speaker, on First and Final Reading.

The motion was seconded.

H. B. NO. 14-313: A BILL FOR ACT TO REPROGRAM \$1,046,700.00 FROM APPROPRIATIONS UNDER SECTION 5(C)(3) OF PUBLIC LAW 11-119 FOR THE LAU LAU BAY DRIVE AND KAGMAN, PHASE III AND IV ROAD PAVING AND DRAINAGE CONSTRUCTION; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Representative Apatang, recognized.

Rep. Apatang: Thank you, Mr. Speaker. I just want to clarify if there is an additional report whether this is the actual fund balance out of this appropriation? Do we have a copy of the report from Finance?

Speaker Fitial: Chairman Palacios.

Rep. Norman Palacios: I have to get it in the office.

Speaker Fitial: Do you have the copy of the report from Finance? Representative Attao.

Rep. Attao: I have the status report on Kagman Wastewater. May I ask the Clerk to make copies so that each member would have the information with respect to the balance of that project?

Speaker Fitial: Representative Attao, can you just state for the record the balance showing on the report as to the availability of the fund?

Rep. Attao: Yes. According to the latest report from Finance that the balance is about \$2 Million and that balance is questionable. The way I look at it, Mr. Speaker, because we have appropriated \$3.3 M for the Agingan Point, I am kind of surprise that the original balance after taking that \$3.3 M should have been \$1.46 M, and that is the bill that we are to pass today. But according to that report, it is over \$1 Million. I think we need to do a call for an oversight with respect to the Wastewater Project so that we will try and get the information as to the drawdown of the money and as to the expenditures of the funds of that particular project, because CUC came here to get authorization from the legislature on the \$3.3 Million, but prior to the \$3.3 Million, we would like to know the expenditure for that. I think it is illegal, Mr. Speaker, for anybody to just take the money without the blessing of the legislature. Thank you.

Speaker Fitial: I also have the copy of the report that you are referring to and you are correct. The \$3.3 Million that we authorized to be expended on the Agingan project is not reflected on the report. So you are correct. This report is questionable. Representative Apatang, recognized.

Rep. Apatang: Thank you, Mr. Speaker. I just want to clarify because if it is in fact true that the fund balance is \$3 Million then I want to adjust the \$1 Million to reflect the \$2 Million for the road project in Kagman. If the money is not there, I understand that the \$3.3 Million that was appropriated for CUC is no longer there then we need to question, what happened to the \$3 Million, and who authorized to reappropriate that without coming to the legislature. In the meantime, we need to clarify what is the true fund balance on this because if it is \$ 2 Million then I want to change the figure here for Kagman. Thank you.

The Chair recognized the Vice Speaker.

Vice-Speaker Villagomez: Thank you, Mr. Speaker. I believe we share the same concerns because with the information that we have in front of us, there is not even enough money for what the House and the Senate passed that is before the Governor now. What even makes it more interesting is that, there should not be any activities in the Kagman Wastewater System. But based on this report, a lot of transactions have taken place from the time that we passed P. L. NO. 14-45 for the dialysis, and the actions that we took just couple of weeks ago on appropriating \$3.3 Million for the Agingan. When we passed the \$5.8 Million there was still \$4.2 Million balance and we got the same information from the author of H. B. NO. 14-313, but a lot of expenses have been encumbered since then that are questionable. I think this is something that we need to look at carefully.

Speaker Fitial: Okay, so it is cleared that there is no funds actually available for the intent of H. B. NO. 14-313.

Rep. Hofschneider: Not necessarily.

Speaker Fitial: According to this report. Can I recognize Representative Maratita.

Rep. Maratita: Thank you, Mr. Speaker. I believe I have the same copy but we have available project balance of \$2 Million. Is that...

Speaker Fitial: Let me just clarify. The \$2.66 Million showing on the report available project balance does not include the \$3.3 Million that we authorized to be expended for the Aginghan project, which is coming from the same source. So if you removed \$3.3 Million from the \$2.66 Million, you will naturally have a deficit balance. You may continue.

Rep. Maratita: But we cannot be sure because if this bill is camouflage then it shows here a total available of \$4.2 and we are not so sure whether the expenses that are listed here are true.

Speaker Fitial: That is exactly why Representative Attao is suggesting that the Committee on Ways and Means and also PUTC should look into these expenditures that have already been incurred under this source of funds. Only after the findings of the Committee, we will be able to know the actual funds available under the \$10 Million funding source. Do you have the date on that report?

Rep. Maratita: December 31, 2004.

Speaker Fitial: The report that all of us are looking at is as of March 17, 2005. So this is more up to date or current. Representative Apatang, recognized.

Rep. Apatang: Mr. Speaker, can we just keep the bill on the Calendar and we will clarify this information with Finance so they can give us the actual figure because as far as I can recall, after the \$5.8 M appropriation and the \$3.3 Million, there should be still a fund balance out of this funding. If there is no money available at this point in time, then somebody is stealing the money and putting it somewhere else and that we need to find out who authorized them. Thank you.

Speaker Fitial: Well, the only way to find out if someone is stealing is to find out.

Rep. Apatang: Mr. Speaker, the \$3.9 Million that is indicated here for the Honolulu District, I wonder if that \$3.9 Million is for the Army Corps of Engineer or it is being set aside. They use it as a camouflage to pay the Honolulu District, but that money I believe is still available for us to appropriate and if they have not taken out the \$3.3 Million for CUC then that \$3.9 is still there, and there should still be a remaining balance of \$1 Million. I think that \$3.9 M is placed there just to camouflage.

Speaker Fitial: Well, we can assume everything that we want to assume but the only way is to find out. Representative Arnold Palacios, recognized.

Rep. Arnold Palacios: Thank you, Mr. Speaker. I am looking at the same report have and the way I read it, it says, initially, we have \$10 Million then we reprogrammed it via the P.L. NO. 14-45. You subtract \$5.8 Million and you have a total available fund under that at \$4.2 Million. The way I am reading this, I think all these expenses, Mr. Speaker, is from the \$5.8 M. So, you subtract all these other expenses from the \$5.8 and you come up with \$2.6, if I am reading it...

Speaker Fitial: No, no, no. You look down. Always look down.

Rep. Arnold Palacios: But this has nothing to do with the wastewater projects.

Speaker Fitial: Let us find out. That is why Representative Attao is correct. We should find out. Representative Hofschneider, recognized.

Rep. Hofschneider: The only way to find out is to pass this bill. Seriously.

Speaker Fitial: I think...

Rep. Hofschneider: Your opinion about the bottom line, the accounting, there are three different accounting presented since the last attempt to reprogram that fund for the Agingan Sewer and none of them is coinciding with what we think should be in the bank. So the only way to find out is pass the bill. I think the other bill is before the Governor for signature, or has it been signed into law? That bill is sitting on the Governor's desk for the Agingan Sewer coming from the same source, we passed this bill, the position of the House and the legislature is that the two appropriations in our review and in our position is sufficient to be reprogrammed from the same source, the fund balance of Kagman Sewer Project. So, it behooves the Governor to veto the bill without a message. Pass the bill.

The Chair recognized Representative Norita.

Rep. Norita: I have to disagree with my colleague, Mr. Speaker. It seems that it boils down to two wrongs don't make a right.

Rep. Hofschneider: So which one is right?

Rep. Norita: Well, either one...both of them are wrong if we pass. If we pass this, you all know in your mind and in your conscious that something is wrong with this picture. The writing is on the wall.

Rep. Hofschneider: Point of clarification, Mr. Speaker.

Speaker Fitial: State your point of clarification.

Rep. Hofschneider: You mean, Representative Norita, that everyone who voted for the Agingan is wrong now?

Rep. Norita: No, not Agingan. I am talking about funds that are unaccounted right now as we look for it.

Rep. Hofschneider: Representative Norita...

Speaker Fitial: The recording is not recording.

Rep. Hofschneider: Mr. Speaker.

Rep. Norita: I believe it is my...

Rep. Hofschneider: The clarification, Mr. Speaker, is that we have before us and Representative Attao pointed out clearly.

Speaker Fitial: Okay, can I record my statement...recognized, Representative Hofschneider.

Rep. Hofschneider: Thank you. Representative Attao pointed out very clearly that even the Agingan appropriation is insufficient. So are you saying that we all voted for the wrong reason, because you voted for the Agingan and you went on the assumption that the figures given to us at that moment in time when we were contemplating to appropriate Agingan appropriation. The money was there. With this ledger, it is showing the \$3.3 Million for Agingan is insufficient. There is only \$2. Million left in total.

Speaker Fitial: Representative Norita, recognized.

Rep. Norita: If we had this ledger back then before we voted for Agingan, we would have not voted for Agingan, but we have the ledger now which is dated March 17, 2005, so in doing so, and we all have the figures right in front of us, can we consciously vote for another expenditure knowing that Agingan is already threatened to be vetoed because there is no money? And number two, knowing that there is money missing on this accounting. So, do we make another wrong mistake and vote on it again? Or do we go back, sit down with the administration or do an oversight whichever direction we want to do and bring light or shed light into this matter so that we can correct the problem? Two wrongs don't make a right.

Speaker Fitial: Let me just make a very short observation here. Representative Attao had already suggested that we look into this because he questions these figures and I agree with Representative Attao. These figures do not reflect the recent actions that we took when we passed \$3.3 Million for Agingan. So just plug in \$3.3 Million here and you will see that the available project balance will be different from what it is going on the record. So can we entertain Representative Attao's suggestion to bring solution to what we are trying to accomplish here?

Rep. Hofschneider: Let them qualify to us that there is insufficient funds for...[inaudible]

Speaker Fitial: Well, we can easily accomplish that by bringing in these people who prepared this report and ask them to explain every single item on this report. That is more reasonable. Representative Quitugua, recognized.

Rep. Quitugua: Thank you, Mr. Speaker. On the column that says, surveying cost/design with SSFM, I think we have CUC over here and may be we can CUC whether they expend this money or whether they did this expenditure of \$1.431?

Speaker Fitial: The only way to satisfy your request is to go into the Committee of the Whole. Can we go into the Committee of the Whole for one minute just to see if CUC is ready to respond to Representative Quitugua's question? Vice Speaker.

Vice-Speaker Villagomez: Point of clarification, Mr. Speaker.

Speaker Fitial: State your point of clarification.

Vice-Speaker Villagomez: I think this project was taken away from CUC and given to the purview of the Army Corps of Engineer. I do not think that it is right for CUC to be answering something that they are not purview to.

Speaker Fitial: I can see the Director of CUC nodding her head back there. So if no objection, can we just entertain Representative Attao's suggestion? We just hold and we will call in the responsible people who prepared this report to explain every line item that appears on this report. Floor Leader.

Floor Leader Babauta: With that, I withdraw my motion for passage and place the bill on the Calendar as being inactive.

The motion was seconded and carried by voice vote.

Speaker Fitial: Motion carries. H. B. NO. 14-313 is hereby deferred. Representative Deleon Guerrero recognized.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. If there are no objections from any members, I would like to offer a motion to recall H. B. NO. 14-77 from the Committee on Health and Welfare. This is the proposed CNMI Lead Ban Act, which was referred some couple of years ago. It is a very simple bill but very important bill that I think should warrant our action.

The motion was seconded.

Floor Leader Babauta: Point of clarification, Mr. Speaker.

Speaker Fitial: State your point of clarification. Floor Leader.

Floor Leader Babauta: So that the record may reflect and clarified that the bill was not referred couple of years ago.

Rep. Deleon Guerrero: Maybe last year.

Floor Leader Babauta: Let us be proper in making motions on the floor because Chairman Ogo just took his Oath of Office last year in January and not couple of years ago. Thank you.

Rep. Deleon Guerrero: My apologies.

Speaker Fitial: I think Representative Deleon Guerrero was only using figurative of speech.

Rep. Deleon Guerrero: My apologies, Representative Ogo but the motion still stands.

Speaker Fitial: Discussion. Floor Leader.

Floor Leader Babauta: I would like to ask the Chair whether or not the majority of the Committee on Health and Welfare has consented to the recall?

Rep. Hofschneider: This Committee as a Whole supercedes...[inaudible]...so majority of the vote...[inaudible]

There was no objection and the motion to recall H. B. NO. 14-77 from the Committee on Health and Welfare was carried by voice vote.

Speaker Fitial: Motion carries. Passage motion on H. B. NO. 14-314.

Floor Leader Babauta: So moved, Mr. Speaker, for the passage of H. B. NO. 14-314 on First and Final Reading.

The motion was seconded.

H. B. NO. 14-314: A BILL FOR ACT TO PROHIBIT THIRD PARTY CLAIMS FOR BAD FAITH AND FAIR DEALING IN INSURANCE CASES BY AMENDING 4 CMC § 7502; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Representative Apatang recognized.

Rep. Apatang: Thank you, Mr. Speaker. I just want to ask the author whether there is any letter from the Insurance Association or from the Attorney General in regards to this bill?

Rep. Ada: None, Mr. Speaker. Whatever you suggest colleague Apatang today defer, refer or whatever, I am ready to hold back the bill and get more letters, public comments if you request. I have no objection. Thank you, Mr. Speaker.

The Chair recognized Representative Apatang.

Rep. Apatang: Thank you, Mr. Speaker. This is an important bill and I feel that we should get some comments from the Insurance Commissioner and the insurance association of the CNMI in regards to this particular bill on what their opinion is. So I would like to recommend that we keep this on the Calendar until we get some comments from the Insurance Commissioner and the Insurance Association. Thank you.

The Chair Chairman Ada recognized.

Rep. Ada: Mr. Speaker, yesterday we passed a very important bill that has to do with taxicabs and in the same token, we never received any comments from the Taxicab Bureau of the Department of Commerce. So I just want to put this on record. Thank you.

The Chair recognized Representative Hofschneider.

Rep. Hofschneider: Mr. Speaker and members, both previous speakers are right, one claiming public comment, the other one, the Chairman is right, we passed bills without comments. They are both right but I want to ask the Chairman or any member, what do we mean by third party claimant bad faith against insurer? Can we get a practical real life example? I do not understand. Can we ask the author or any member who knows of a third party bad faith claimant against insurers?

The Chair recognized Chairman Ada.

Rep. Ada: A third party is someone for example who is not insured but is part of...let us say, an auto accident happens and the two cars collided and the driver is insured but there is a passenger that is not insured or not covered, now that is the third party that is not covered. A passenger that wants to claim his or her injuries due to an accident is the third party.

Rep. Hofschneider: So what is a bad faith?

Rep. Ada: Bad faith is when the insurance company does not want to honor the claim of the third party.

Rep. Hofschneider: In spite of medical reasons, medical documents and whiplash evidence and lacerations?

Rep. Ada: Yes, sir.

Rep. Hofschneider: You are allowing people not to allow claims?

Rep. Ada: Yes, sir.

Rep. Hofschneider: Holy molly! Can we recess, Mr. Speaker?

Rep. Ada: Some insurance companies only carry first and second party.

Rep. Hofschneider: So why are we preventing or trying to prevent a person that is injured or has a potentially...

Rep. Ada: No. The bill is saying to allow this third party to claim his injuries.

Rep. Hofschneider: No. That is not what it is saying.

Rep. Ada: Counsel, can you please clarify Representative Hofschneider's inquiry?

Rep. Hofschneider: No. I am asking you, Chairman?

Rep. Ada: Well, we have counsel's here to clarify. If beyond our comprehension here in the legislature as members, you do not understand certain provisions or you cannot go beyond terminologies in the bill that is due to be explained. That is why we have counsel's here. Like you said the other day, we are not lawyers here.

Rep. Hofschneider: Is there a simpler way of writing the effective clause on Section 2, 4 CMC 7502(i), Implied covenant of good faith and fair dealing. I mean this is strictly legal English. It seems like we are going to court already on this language. However, "The implied covenant of good faith and fair dealing does not, and shall not, exist between the insurer and any third party who is not an insured under the insurance agreement and there shall be no cause of action for breach of the insurance agreement, breach of the covenant of good faith and fair dealing or bad faith by any person

or entity that is not an insured under the insurance agreement.” Do you understand that, Representative Ada?

Rep. Ada: Sir, I understand simple English.

Rep. Hofschneider: Exactly my point. I need clarification as to the whole paragraph here. What are we trying to imply?

Rep. Ada: My good counsel, can you please explain it in simpler terms?

Speaker Fitial: Is that a request?

Rep. Ada: Yes.

Speaker Fitial: Okay. Short recess.

The House recessed at 11:05 a.m.

**RECESS**

The House reconvened at 11:22 a.m.

Speaker Fitial: The House will reconvene. Before we went on recess, we were deliberating on H. B. NO. 14-314. Floor Leader.

Floor Leader Babauta: So moved to withdraw passage motion and just place the bill on the Calendar.

The motion was seconded and carried by voice vote.

Speaker Fitial: Motion carries. H. B. NO. 14-314 is deferred, yet it will remain on future sessions Calendar.

Rep. Ada: Mr. Speaker, privilege.

Speaker Fitial: Privilege, Representative Ada.

Rep. Ada: I did not request for H. B. NO. 14-316 to be placed on today's Order of Business. I want to ask the Floor Leader if no objection from the members also...for your information, this is another bill that has to deal with insurance so we will get to it. Thank you.

Floor Leader Babauta: Technical amendment.

Rep. Ada: Yes, sir.

Speaker Fitial: So passage motion on H. B. NO. 14-285.

Floor Leader Babauta: So moved, Mr. Speaker, for the passage of H. B. NO. 14-285 on First and Final Reading.

The motion was seconded.

H. B. NO. 14-285: A BILL FOR ACT TO AUTHORIZE THE COMMONWEALTH DEVELOPMENT AUTHORITY (CDA) TO WRITE OFF THE PRINCIPAL SUM AND INTEREST DUE TO IT, FROM LOANS EXTENDED TO THE COMMONWEALTH UTILITIES CORPORATION REFERENCED IN THE AMENDED MEMORANDUM OF AGREEMENT BETWEEN CUC AND CDA EXECUTED ON JANUARY 13, 2004, BY EACH RESPECTIVE PUBLIC CORPORATION; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Roll call.

The roll called on the motion to pass H. B. NO. 14-285 on First and Final Reading is as follows:

Rep. Martin B. Ada	abstain
Rep. David M. Apatang	no
Rep. Jesus T. Attao	no
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	no
Rep. Heinz S. Hofschneider	no
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	no
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	no
Rep. Norman S. Palacios	abstain
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	no
Rep. Ramon A. Tebuteb	no
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: How many abstain?

Assistant Clerk Cecilia Celes: Two.

Speaker Fitial: The motion to pass H. B. NO. 14-285 is defeated. Floor Leader.

Floor Leader Babauta: So moved, Mr. Speaker, for the passage of H. B. NO. 14-95, HS1 on First and Final Reading.

The motion was seconded.

H. B. NO. 14-95, HS1: A BILL FOR ACT TO CREATE A PUBLIC UTILITIES, TELECOMMUNICATIONS, AND SERVICES COMMISSION BY REPEALING THE "COMMONWEALTH TELECOMMUNICATIONS ACT" IN ITS ENTIRETY AND BY AMENDING 4 CMC, DIV. 8 TO ADD A NEW CHAPTER 3, SECTION 8301, ET SEQ.,

TO REDESIGNATED AS THE "PUBLIC UTILITIES, TELECOMMUNICATIONS, AND SERVICES COMMISSION ACT" AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Representative Hofschneider recognized.

Rep. Hofschneider: Just for certainty, Mr. Speaker. All the authorities of existing Commissions and Boards that now is consolidated are in fact removed? The regulatory authority of CUC, the regulatory of CTC is now removed under this proposed legislation and consolidated to one entity? I want to make that sure.

The Chair recognized the Vice Speaker.

Vice-Speaker Villagomez: Yes, that is correct.

Rep. Hofschneider: So under this proposal, Mr. Speaker, then CUC in the future does not have the regulatory authority that it has now vested in the future, when this bill comes law?

Vice-Speaker Villagomez: That is correct. CUC justifies its rates to a public utilities commission. So that authority of setting rates, we are getting it approve now would go through a public utilities commission. Just like on the rate setting.

Rep. Hofschneider: In the existing Telecommunication, Cable T.V. was not included. Can we refer to the bill that includes all entities out of telecommunications?

Vice-Speaker Villagomez: On page 2.

Rep. Hofschneider: Then would the existing boards then, Mr. Speaker, be diminished, and if in fact, in authority, then they remain existence?

Vice-Speaker Villagomez: I am sorry...

Rep. Hofschneider: CUC board and CTC will continue to exist?

Vice-Speaker Villagomez: No. Well, CUC Board continues to exist. We are only taking rate-setting functions of CUC Board. CTC is generally replaced and dissolved, and all functions of CTC falls under the PUC. But as far as CUC's concern, that board still, is in effect. I am just taking the rate setting functions of that board and putting it into commission.

Rep. Hofschneider: Okay.

Speaker Fitial: What is the current rate of CUC board compensation?

Vice-Speaker Villagomez: I believe they are still \$30.00 and \$60.00 for an excess of four hours.

Rep. Hofschneider: Then what is the rationale in putting \$200.00 per day on your proposed legislation?

Vice-Speaker Villagomez: Most standards in public utilities commissions including that of Guam and the State of Honolulu...

Rep. Hofschneider: Never mind the others. Let us talk about what is inherently good for us. We just went through a debate about part-time legislators being paid \$120.00 per session and here I just asked you, what is the current rate of compensation for existing boards and you said \$30.00. Now what is the rationale of \$200.00? Because I asked previously what are we taking away from the existing CUC board and rate setting is the only thing we have taken away from CUC, and they are getting paid \$30.00 per board meeting day. This is a compilation of regulatory issues, new creation board, and you are paying them \$200.00 just because other jurisdictions are paying them. We just went through the exercise of what is the reasonable public service as a compensation, we made the argument that \$120.00 per day on a part-time legislator is adequate. Why \$200.00?

Speaker Fitial: How much is MPLA Board?

Rep. Hofschneider: That is another quark.

Speaker Fitial: \$300.00?

Rep. Norita: MPLT \$500.00.

Rep. Hofschneider: MPLT is \$500.00. So it is no longer public service, it is an employment.

Speaker Fitial: Well, this is a proposal so we can easily...

Rep. Hofschneider: Make it at \$30.00 equally to CUC now. Hard job. It is a public service. When you are asked to help the public, you volunteer your commitment to do good for society. Not having the first premise of being compensated first. That is secondary. Public service and boards and commission are from the heart and you want to do good for your community and for your people. You want to protect them. Just as we are elected here and somebody said that we are only worth \$120.00 per day. I say not, we have a deferring and we should respect our individual opinions, but now that we are considering or creating a new boards and commission, it is ludicrous to conform to a \$200.00 per day. PSS board was audited, and a member was able to racked over \$40,000.00 per diem in a single year, Mr. Speaker. That is abusive. This can technically be abused.

Speaker Fitial: I do not support those abuses but CUC is famous for that.

Rep. Hofschneider: Can we just reduce it, Mr. Speaker and make it comfortable. But I like the Museum Board. If you want to set an example, look at the Museum how they compensate the Museum Board. Vice Speaker, do you wish to...

Vice-Speaker Villagomez: Well, let us go back on the rationale when Public Law 12-39 was approved in which, CTC was getting \$200.00. I mean, what was the rationale then?

Rep. Hofschneider: I did not vote for that.

Vice-Speaker Villagomez: Well, and that is when I said, a Public Utilities Commission, Mr. Speaker, is a very volatile commission that not only entails the rates of CUC, CTC, we went through two years of what the Commissions of CTC had to go through, and amount of work that had to go through. I do not think anybody would take that.

Rep. Hofschneider: It is public service that we are talking about. It is not employment. It is public. To serve on boards and commission is a public service. That is the definition that is missing all throughout the CNMI. We no longer have the convention to serve the people. We wanted to be compensated first. Where is the spirit of caring for your people when you are asked to serve your people? On boards and commissions is a voluntary notion to begin with.

The Chair recognized Representative Deleon Guerrero.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. In general, I support the intent of the bill and that it proposes to consolidate into one regulatory agency, the various utilities, cable and telecommunication industries, to be regulated under one roof. With that said, I just wanted to ask, was there ever a public hearing on this bill? It is a very significant bill. There was? It is too bad I was not part of the Committee and therefore I did not see any of the comments that were provided to the Committee from various affected agencies and instrumentalities. I do however want to offer some amendments, which I think is important for this bill to be more effective. The first one is on page 30, line 23, subsection 8338, under expansion of production facilities. It says; all public utilities must obtain prior to the approval of the commission for significant purchase of capital for the production of electricity, water or treatment of wastewater. This talks about getting or securing the commissions approval for a significant capital infusion for just the production, but I think it should be important to include transmission because you could also have significant infusion of capital for not only production. With production you are only talking about the power plant but what happens if there is a proposed privatization of the transmission portion of the utility, would that be not covered and so to include transmission you would also be regulating that component of the utility or transmission system. If you are only talking production, then you really are talking about the power plant. So I wanted to include that for your consideration.

The Chair recognized the Vice Speaker.

Vice-Speaker Villagomez: You usually do not privatize your distribution. You privatize the maintenance of your distribution but not the distribution itself, but may be that is a legal question and I do not disagree with it but I never thought about it on the transmission side of it but if it does not hurt, let us put it in.

Speaker Fitial: Was that a motion or just a suggestion?

Rep. Deleon Guerrero: It is a motion, Mr. Speaker, and we should go through the different amendments on the various pages then we can dispose of it as one.

Speaker Fitial: I think it is best when we do it one by one otherwise we might not remember everything. So can we have a discussion on the motion to include the distribution or transmission of...Vice Speaker?

Vice-Speaker Villagomez: Would Section 8337 subsection (b) address your issue? Because as long as it changes...page 30, line 17. Because if it is going to change the rate...

Rep. Deleon Guerrero: That is the divestiture but the next section talks about obtaining approval for infusion of capital or significant purchase of capital. I guess to change it to transmission would make it consistent with (b) to amend it and include transmission would make it consistent with § 8337(b).

The Chair recognized Representative Hofschneider.

Rep. Hofschneider: Is the language on this bill mostly from a comparable language from other jurisdiction? Then there has to be a reason why they did not include it.

Speaker Fitial: Perhaps the Vice Speaker should explain more on the privatization of this utility services because...

Vice-Speaker Villagomez: It is rarely...[inaudible] ...in this industry that a privatization of its distribution system. I mean, there is no money in transmission line or there is no money. It is either buy the whole thing or...so generation and production is where the issue where you want to control the rates because you do not set rates as far as distribution is concerned.

Speaker Fitial: Anyway, Representative Deleon Guerrero is concerned about consistency in Section 8337 and Section 8338.

Vice-Speaker Villagomez: And as stated by Congressman Hofschneider, it is either you privatize the whole thing for example, generation and distribution or partial privatization, privatize the generation but you control the distribution. So it is the only way and you do not privatize the generation then you privatize distribution because you are then getting two companies fighting each other on who owns what.

Rep. Deleon Guerrero: So you are saying that there will be no possibility and in the future the maintenance of the distribution will not be...[inaudible]

Vice-Speaker Villagomez: The maintenance distribution, you can always privatize. The ownership of the distribution.

Rep. Deleon Guerrero: In its current form right now, will this govern?

Speaker Fitial: Can you press talk?

Floor Leader Babauta: Mr. Speaker, can we take recess and we open discussion on Representative Deleon Guerrero's concern so that we can come back and rectify through amendments.

Speaker Fitial: Well, what is the contentious because this is a...

Rep. Hofschneider: Recess, Mr. Speaker.

Speaker Fitial: Short recess.

The House recessed at 11:44 a.m.

**RECESS**

The House reconvened at 12:02 p.m.

Speaker Fitial: The House will reconvene. We are still deliberating on the motion to pass H. B. NO. 14-95. Representative Deleon Guerrero recognized.

Rep. Deleon Guerrero: I do have some comments then on that bill or rather amendments.

Speaker Fitial: Press talk.

Rep. Deleon Guerrero: I have a motion on the floor. On page 30, line 23 after the word, "production" insert "or transmission."

Speaker Fitial: Representative Deleon Guerrero, can we just dispose of one motion at a time.

Rep. Deleon Guerrero: Very easy, Mr. Speaker. They are all one word and grammatical.

Speaker Fitial: Okay.

Rep. Deleon Guerrero: On page 35...

Rep. Norita: Did you say transmission or distribution?

Rep. Deleon Guerrero: Transmission.

Rep. Norita: Should it not be distribution because the power plant is...

Rep. Deleon Guerrero: You know, line 19, it says transmission systems so let us make it consistent. On page 35, line 3 (f), services provided pursuant to subsection (a), it should also include "(b)" because if you read subsection (b) on page 32, subsection 8342. Okay cancel or withdraw that one.

Rep. Hofschneider: Is that it?

Rep. Deleon Guerrero: No, one more. On page 41, subsection 8351, discounts for schools, libraries...after libraries put a comma (,), and insert, "learning centers" and insert the same on line 18 on the same page after libraries.

The amendments offered by Representative Deleon Guerrero was seconded and carried by voice vote.

Speaker Fitial: Motion carries. We are now voting on H. B. NO. 14-95, HD1. Roll call.

The roll called on the motion to pass H. B. NO. 14-95, HD1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Mr. Speaker, before I cast, I just want to point out to the members on page 4, line 18. This is significantly different that, in a change of administration, there shall be no courtesy resignation, and I just want to point that out for the record. This is significantly different. Thank you.	
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tehuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	exeused
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-95, HD1 passes the House on First and Final Reading unanimously. Representative Apatang recognized.

Rep. Apatang: Can we just accept the Senate amendments to H. B. NO. 14-31?

Speaker Fitial: We are going down the line and that is next after S. B. NO. 14-63, CD1. Passage motion.

Floor Leader Babauta: So moved, Mr. Speaker on First and Final Reading on S. B. NO. 14-63, HD1.

The motion was seconded.

S. B. NO. 14-63, HD1: A BILL FOR ACT TO AMEND THE COMMONWEALTH CODE TO ALLOW THE LICENSURE AND OPERATION OF UP TO TWO MANUFACTURING CONCERNS IN THE FIRST SENATORIAL DISTRICT; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Representative Hofschneider recognized.

Rep. Hofschneider: Mr. Speaker, just out of curiosity, you want to limit yourself by law only to two manufacturers? Why do we not just leave it open and it is up to the discretion of the...

Speaker Fitial: I believe this is the doctrine of Noah where we can take only two and as long as it is a male and female. Representative Ogo, recognized.

Rep. Ogo: I believe the delegations concern is just by environmental issues. That is why we just want to limit to certain or just two factories, and if it then fits for future, then we probably can make an amendment later. Thank you.

Speaker Fitial: Ready for the question?

Several members voiced, "ready."

Speaker Fitial: Roll call.

The roll called on the motion to pass S. B. NO. 14-63, HD1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: S. B. NO. 14-63, HD1 passes the House on First and Final Reading. Before we effectuate a motion on the next bill for passage, I just want to inform the members that H. B. NO. 14-8 will be considered at our next session because at the request of Chairman Ogo, he wanted to call in certain people responsible for the expenditure of this program to clarify the balances that we have concerning the funds. Representative, Seman recognized.

Rep. Seman: Thank you, Mr. Speaker. For the information of the members, I consulted with the Department of Finance who has advised me that the programs funded under P. L. NO. 13-58 are continuing to receive quarterly allotment for this Fiscal Year under continuing resolution. Therefore, the monies that lapsed last fiscal year due to the fact that fundings were given out towards the end of the fiscal year had lapsed but because of the opinion by the Attorney General's Office, Finance are obligated to continue funding this program as it was created by P. L. NO. 13-58. Therefore, I also consulted with the Department of Public Health as well as Tinian Health Center and Rota Health Center, and had advised me that they are receiving current allotments for fundings for those programs. If you look at P. L. NO. 13-58, the Governor line item vetoed programs for the Youth and Public School System, and that is why the \$1.3 Million that is currently available as stated by the Department of Finance for appropriation by the Legislature is in front of us as H. B. NO. 14-8, and because of being advised that this programs funded by P. L. NO. 13-58 are still

receiving funding. I am submitting HS1 to divert this funding to other programs in conformity of P. L. NO. 14-38 and I would like for your consideration and the House consideration to defer any further deliberation with the agencies because I had already consulted with them and the Department of Public Health had requested assistance in funding for the construction of the Kagman Wellness Center, which is critically needed, and the expansion and renovation of the San Roque Wellness Center as well as the San Antonio Wellness Center. I will be giving funding to Youth Centers and Public School System as required by P. L. NO. 14-38, and various funding to also the First and Second Senatorial District. During our prior meetings with the Committee on Health and Welfare, we discussed the needs of the Health Centers and basically I called both the Resident Directors and they are both in need of what is stated on this House Substitute, which are the **data management** system to implement the prenatal and child health data as well as establishing an onside chronic prevention program. I will continue to provide funding for the Youth Programs for both Senatorial Districts.

Speaker Fitial: There is only one concern raised by the Chairman of Health and Welfare this morning at the Leadership meeting prior to the session and that is the lapses. We continue to show lapses although at the same time these programs continue to receive allotments. So unless Chairman Ogo wishes to forego his request...**Representative Hofschneider**.

Rep. Hofschneider: May I share something about lapses? If we look closer and deeper to the reason why these types of programs realize lapses, two things are very common. One is that the allotment to those programs are held back until towards the end of the fiscal year when the program providers really do not have any time because they were told that, if you do not use it by September 30 you lose it, and they issue the allotment and release it on September 15 for instance, they have a few days. This is honest to goodness the truth because I know...people are calling me. The other reason is they process hiring under this program that is permitted, they process personnel actions and they held it back. Procurement of Supplies and other program needs is held back and it remains with one person in the system so this program providers at the end of the year, when you ask them why they have not used the money, then they give you those two common explanation, we never got our money beginning or as required on a quarterly bases but towards the end of the fiscal year, so there is not recourse for us, and they were told that if they do not use it by September 30, you lose it. That necessitates that qualification, that footnote on that summary of fund balance, the Attorney General's opinion, because I think that they relied in the initial fiscal year that if you hold it back and give it to them and they do not have no timetable to spend it, then it lapses into the general fund for purposes of retiring the deficit or purposes of meeting other purposes.

Speaker Fitial: I understand.

Rep. Hofschneider: That is the indirect legal way of using reserved earmarked funds like the Tobacco Funds for it to reach the general fund at the end of the fiscal year. That is the legal way. If you do not provide without fiscal year limitation in your legislation and your marking, technically those funds revert into the general fund for their own purposes.

Speaker Fitial: Yes without an allotment you cannot incur obligations but if they receive allotment, they can always obligate the funds. They have many ways of obligating funds provided that an allotment is issued. **Representative Ogo**, recognized.

Rep. Ogo: Thank you, Mr. Speaker. I still want to forego my decision to defer this until such time that we bring in Mr. Untalan. If you can see the paper that was passed out, you can see on fiscal year 2003, programs were zeroed out for the Third Senatorial District for those appropriation but for the First and Second, it lapsed. Now, for the fiscal year 2004, it kind of bothered me to think that this money of over \$100,000 for various programs lapsed. We all know that every quarter we get allocated. You should know your expenditure and what you need for your program. I felt that the first year, they obtain all necessary equipment or things to start their program, however, it seems that the money that is being provided is a lot. It is too much and I feel that we should...like I mentioned earlier to the Chairman of Education that we should come together because this is a lot of money that P. L. NO. 13-38 received from taxation of cigarettes or tobacco, and we should really look into agencies to come together and really see what is the need for prevention program. This is 2003, the program was implemented, we are on the third year of this programs, and it seems to me that by looking at the numbers that there are programs here that were given a lot of funding and we should revisit the needs. That is all I am saying. So we can call in the people from Public Health to explain to this body of the programs that they are providing and what is the statistics, and have it available after three years. That is my concern here. We do not want to come back again next year or in October and see that there are lapses again.

The Chair recognized the Vice Speaker.

Vice-Speaker Villagomez: Mr. Speaker, I do not think Mr. Untalan is going to come in here and say that there are lapses and I can assure you that because I mentioned this to him yesterday. I think that we should act on this now, the amendment that is being proposed by Congressman Seman, has programs that are in dire need of funding and one of which is the Kagman Health Wellness Center, in which 95% of the grant has been processed with the exemption of the one issue which is the matching fund. I think that we should not delay on this and let us act on it today so we can move on. Thank you, Mr. Speaker.

The Chair recognized Representative Norita.

Rep. Norita: I do agree with my colleague, Congressman Ogo, that every government funded programs needs to be justified but at the same time, in working with government programs, I do know that they need at least three years to really gauge the quality of service that they are producing or delivering to the community. I do not believe that CHC is going to come back here and tell you that they have lapses. Some of the issues that Congressman Hofschneider brought up earlier are valid issues that occurring in our government because of lack of cash flow and micro management of programs from people outside the agencies. So it is not fair for CHC or any of the alcohol, tobacco programs that are being funded, for us to put them on the spot right now, because the years of service that they implemented is not enough to truly gauge their efficiency or effectiveness.

The Chair recognized Representative Seman.

Rep. Seman: Thank you, Mr. Speaker. I do not believe that we provided copies of the advise that we received from the Department of Finance to everybody, but for FY 2005 for the first and second quarter, it has been send out to the respective agencies, and there are also indications that this funding have been obligated by the respective agencies and they are already implementing the programs. I believed that it took them for a while to start implementing and they are doing it right

now so that is why I took those fundings out of the H. B. NO. 14-8 and have it diverted to other emergency needs that would conform with P. L. NO. 13-38. We have passed out a copy of HS1 that I would like to offer and the one that is dated March 16, 2005 would be the one that I am offering as a House Substitute.

Speaker Fitial: You cannot offer any amendment or second at this time because we have not effectuate a motion to bring it to the floor. Floor Leader.

Floor Leader Babauta: Mr. Speaker, so moved for the passage on First and Final Reading and to accept the Senate amendment under H. B. NO. 14-31, SD2.

Speaker Fitial: Let us effectuate a passage motion first on H. B. NO. 14-8.

Floor Leader Babauta: So moved, Mr. Speaker, on First and Final Reading.

Speaker Fitial: Okay, Representative Ogo, recognized.

Rep. Ogo: Mr. Speaker, I also want to offer a floor amendment if I am not out of order on this.

Speaker Fitial: You are in order.

Rep. Ogo: I have prepared a floor amendment just in case this bill was to be placed on today's Calendar. The floor amendment is specifically just for the First Senatorial District and at the same time it is mostly the tobacco related prevention programs. I believe there are two amendments on the floor already so...I understand there is \$1.2 Million available so I am just offering a floor amendment for the First Senatorial District.

The motion was seconded.

Speaker Fitial: We have a written floor amendment offered by Representative Ogo. It has been seconded. The floor is open for discussion.

Rep. Apatang: Mr. Speaker, can we just have a short recess so we can have time to review this.

Speaker Fitial: Short recess.

The House recessed at 12:27 p.m.

#### RECESS

The House reconvened at 12:41 p.m.

Speaker Fitial: The House will reconvene. We have a proposed written floor amendment offered by Representative Ogo. Everybody has copies of the proposed floor amendment from Representative Ogo. Discussion. Roll call.

The roll called on the written floor amendment offered by Representative Crispin Ogo to H. B. NO. 14-8 is as follows:

Rep. Martin B. Ada	no
Rep. David M. Apatang	no
Rep. Jesus T. Attao	no
[inaudible]...I co-signed that bill, however, the amendment here appears to be a diversion of the intent of the original law.	
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	no
Rep. Heinz S. Hofschneider	no
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	no
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	no
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	abstained
Rep. Benjamin B. Seman	no
Rep. Ramon A. Tebuteb	no
Rep. Timothy P. Villagomez	no
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: Representative Ogo's floor amendment is defeated. Representative Seman recognized.

Rep. Seman: Mr. Speaker, I would like to offer a HS1 to the original bill. Copies have been already been distributed.

The motion was seconded.

Speaker Fitial: Discussion. Floor Leader.

Floor Leader Babauta: Just a minor oral amendment, Mr. Speaker. Page 1, line 19, to strike out the comma (,) after Youth Affairs and insert, "to be equally distributed."

The motion was seconded.

Speaker Fitial: Discussion. Representative Quitugua.

Rep. Quitugua: Thank you, Mr. Speaker. On page 2, line 14.

Speaker Fitial: Representative Quitugua, we have a subsidiary motion on the floor and we have to dispose of that before...

Rep. Quitugua: My apology, Mr. Speaker.

The floor amendment proposed by the Floor Leader was carried by voice vote.

Speaker Fitial: Motion carries. Representative Quitugua, you are now recognized.

Rep. Quitugua: Thank you, Mr. Speaker. On page 2, line 14, substitute the word, "consultation" with the word "collaboration."

Speaker Fitial: Discussion.

The floor amendment offered by Representative Quitugua was seconded and carried by voice vote.

Speaker Fitial: Motion carries. Representative Ogo, recognized.

Rep. Ogo: Thank you, Mr. Speaker. Let me try one more time. Oral Floor amendment on page 3, line 1, the expenditure authority shall be "the President of the Luta Amateurs Federation." Strike out the "Mayor" and insert, "the President of the Luta Amateurs Federation."

Speaker Fitial: Discussion.

The floor amendment offered by Representative Ogo was seconded and carried by voice vote.

Speaker Fitial: Motion carries. Recognized, Representative Norman Palacios.

Rep. Norman Palacios: Thank you, Mr. Speaker. I would like to make an oral amendment. On page 3, line 8, strike out "Mayor of Tinian" and insert, "Director of Youth Center."

Rep. Norita: Is that Director of Youth Center not an employee of the Mayor?

Speaker Fitial: Rule V, Section 4, would not allow any discussion to be recorded without being recognized. Discussion on the floor amendment offered by Representative Norman Palacios? Representative Hofschneider recognized.

Rep. Hofschneider: Just for clarification, Mr. Speaker. What was the amendment?

Speaker Fitial: The amendment is on line 8, page 3.

Floor Leader Babauta: Point of information, Mr. Speaker.

Speaker Fitial: State your point of information.

Floor Leader Babauta: May I ask the mover of that motion to clarify to the House if there is a Director of...

Rep. Norman Palacios: Yes.

Floor Leader Babauta: Under which?

Rep. Norman Palacios:...[inaudible]

Speaker Fitial: Further discussion on the floor amendment.

There was no discussion and the floor amendment offered by Representative Norman Palacios was carried by voice vote.

Speaker Fitial: Motion carries. Just for your information, this is HD4 that we just disposed of so we are now discussion H. B. NO. 14-8, HS1, HD4. Further amendments? Representative Maratita.

Rep. Maratita: Thank you, Mr. Speaker. Just for point of clarification on line 15, page 2. I just want to be sure whether the Guma Esparanza Women's Shelter should be under the expenditure authority of the Executive Director of Karidat Social Services or should be the Director of Community Guidance. Because the Guma Esparanza Women's Shelter is under the Community Guidance Center.

Rep. Seman: No.

Rep. Maratita: Okay, I just want clarification.

Representative Attao recognized.

Rep. Attao: Mr. Speaker, I have a concern on page 2, subsection (g) and also on page 3, subsection (e). This is with respect to the allocation of \$55,000.00 for the First Senatorial District and \$55,000.00 for the Second Senatorial District. Looking at the fund balance from Finance, Mr. Speaker, it appears that on FY 2003, there was a lapse of \$50,000.00 for both First and Second Senatorial Districts, under continuing appropriation for FY 2004 there is zero. I would like the Representative Seman to enlighten me as to the continuing appropriation with respect to FY 2004 as to how much is to be allocated to Tinian and Rota, because for FY 2005, it appears that there was an allocation for 1<sup>st</sup> quarter of \$7,500.00 and \$5,000.00 for Tinian.

The Chair recognized Representative Seman.

Rep. Seman: Thank you, Mr. Speaker. Yes, both senatorial districts health centers are receiving these funding and as we speak. The Resident Director of Rota Health Center is trying to verify who has that allotment because he had not seen it yet, and that is the reason why we are diverting the expenditure authority to the Resident Director as opposed to the Mayor as stated on P. L. NO. 13-58. That is why I specifically spelled out where the funding is going to if we give it to both health centers and that is to purchase the specific equipments and data system to be installed within the hospital outside of the programs that they are currently using to use up the money that is currently being allotted to them, which are preventive brochures, education and others that are being done right now.

The Chair recognized Representative Attao.

Rep. Attao: Mr. Speaker, under the continuing appropriation for FY 2004, it appears based on Finance Report that Tinian did received \$5,000 while Rota received zero. The question is, what

happened to the allocation for Rota under the continuing appropriation for FY 2004? Whether Rota was eliminated because if you look at FY 2005, there appears to be a \$7,500 for Rota.

Speaker Fitial: The only logical explanation would be that in FY 2004 that funding was never allotted.

Rep. Attao: So what is the reason for not allotting this under FY 2004 while allotting it under FY 2005? So I think we have to question what happened to the money.

Speaker Fitial: That is the whole reason why Representative Ogo asked for clarification. He asked if he could be given the opportunity to meet with both Finance and Public Health to clarify these lapses. You are correct, Representative Attao, it does not follow any logic why in FY 2004 there is zero funding for that particular program, and then in FY 2005 there is \$7,500.00.

Rep. Attao: In addition to that, Mr. Speaker, subsection (g), \$55,000.00, is that coming from the lapse or coming from the total \$1.3 lapse from P. L. NO. 13-38? That is my second question to this particular amendment.

Speaker Fitial: Obviously it comes from P. L. NO. 13-38.

Rep. Seman: All the fundings under the H. B. NO. 14-8 is coming from the \$1.3 Million that has been collected and reserved in the Tobacco Control Funds outside of the lapse money that was not diverted back to the general fund.

Speaker Fitial: True. Representative Ogo, for the last time.

Rep. Ogo: Just a minor floor amendment again, Mr. Speaker. On page 2, line 1. To include after Kagman "and Rota Youth Learning Center."

Floor Leader Babauta: Para i Third Senatorial District ha.

Speaker Fitial: That would be geographically impossible.

Rep. Ogo: Mr. Speaker, I guess my point here is, we have a new Rota Youth Learning Center and I would also like to have that Youth Center funded for youth programs. So if it is best to include it, I can offer a floor amendment on page 3, line 9.

Rep. Deleon Guerrero: Second Senatorial District pago enao.

Rep. Ogo: I am sorry. On page 3, line 1, to include \$10,000.00 for the Rota Youth Learning Center.

Rep. Deleon Guerrero: Clarification, Mr. Speaker.

Speaker Fitial: Representative Deleon Guerrero recognized.

Rep. Deleon Guerrero: Mr. Speaker, the \$20,000.00 on page 2, line 28, \$20,000.00 is for Youth Organizations and other youth related programs, which can be used for the Youth Center. All my

good colleague has to do is may be change the President of the Sports Association to whoever the Director of Youth Center is as the expenditure authority.

Rep. Ogo: I would prefer to have the President. Okay, Mr. Speaker, later we will...

Speaker Fitial: Okay, we are voting now on the motion to pass H. B. NO. 8, HS1, HD4. Roll call.

The roll called on the motion to pass H. B. NO. 14-8, HS1, HD4 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-8, HS1, HD4 passes the House on First and Final Reading, 17-0.

Speaker Fitial: Okay we will recess until...Floor Leader.

Floor Leader Babauta: I just want the Chair to know that I was in control earlier but apparently the wheel was taken away from me but I ask that we pass one more bill before we break, and with that, Mr. Speaker, on First and Final Reading and to accept Senate amendments on H. B. NO. 14-31.

The motion was seconded.

H. B. NO. 14-31, HSI, SD2: A BILL FOR ACT TO AMEND 2 CMC § 4323 TO REQUIRING THE MARIANAS PUBLIC LANDS AUTHORITY TO GRANT TITLE TO PUBLIC LAND TO QUALIFIED PERSONS WHO DEMONSTRATED FIFTEEN (15) YEARS OF CONTINUOUS AND ACTUAL OCCUPANCY OF PUBLIC LAND, BUT DID NOT RECEIVE SUCH TITLE DESPITE BEING QUALIFIED BECAUSE OF HIS OR HER EXCLUSION FROM THE LIST OF QUALIFIED PERSONS ESTABLISHED BY MPLA; TO MANDATE THAT MPLA REVIEW ALL PAST AND PENDING CLAIMS AND GRANT SUCH TITLE TO QUALIFIED PERSONS; TO AMEND 2 CMC § 4324 TO EXTEND THE TIME LIMITATION FOR NEW CLAIMS MADE PURSUANT TO 2 CMC § 4323 FROM TWELVE (12) TO TWENTY-FIVE (25) YEARS; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Roll call.

The roll called on the motion to pass H. B. NO. 14-31, HS1, SD2 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-31, HS1, SD2 passes the House on First and Final Reading, 17-0. Thank you, gentlemen.

Rep. Ada: Privilege, Mr. Speaker.

Speaker Fitial: State your point of privilege.

Rep. Ada: H. B. NO. 14-316 is very important because we have a Public Law that amends 14-46. We do need H. B. NO. 14-316 because it is just clarifying a provision in that law as requested by the technical provision there and requested by the administration. It has been reviewed by the SAPLR and is very much ready. There is liability out there to the government if we do not act on this now. Thank you.

Speaker Fitial: Okay so placement motion.

Floor Leader Babauta: Thank you. Suspension Rule VII, Section 9, Rule IX, Section 9, 10 and 11 for the placement and passage on First and Final Reading the following bills, H. B. NO. 14-77 and H. B. NO. 14-316.

The suspension motion was seconded and carried by voice vote.

Speaker Fitial: Motion carries. Passage motion.

Floor Leader Babauta: So moved on First and Final Reading, H. B. NO. 14-316.

The motion was seconded.

H. B. NO. 14-316: A BILL FOR ACT TO CLARIFY THAT THE INJURY COMPENSATION ACT OF 2004 DOES NOT APPLY TO THE COMMONWEALTH GOVERNMENT BY ADDING A NEW SECTION 6 TO PUBLIC LAW 14-46; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Roll call.

The roll called on the motion to pass H. B. NO. 14-316 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-316 passes the House on First and Final Reading.

Floor Leader Babauta: So moved for the passage on First and Final Reading on H. B. NO. 14-214, HS1, HD1.

The motion was seconded.

H. B. NO. 14-214, HS1, HD1: A BILL FOR ACT TO PROVIDE FOR THE REGULATION OF NONBANK AUTOMATED TELLER MACHINES BY ADDING A NEW CHAPTER 10 TO TITLE 4, DIVISION 6; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Roll call.

The roll called on the motion to pass H. B. NO. 14-214, HS1, HD1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes

Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-214, HS1, HD1 passes the House on First and Final Reading.

Rep. Hofschneider: Privilege, Mr. Speaker.

Speaker Fitial: Privilege motion, Representative Hofschneider.

Rep. Hofschneider:...[inaudible]...no, no, honestly. We are communicating?

Speaker Fitial: Short recess.

The House recessed at 12:55 p.m.

**RECESS**

The House reconvened at 12:57 p.m.

Speaker Fitial: The House will reconvene. Floor Leader.

Floor Leader Babauta: Passage motion on H. B. NO. 14-77 on First and Final Reading.

The motion was seconded.

H. B. NO. 14-77: A BILL FOR ACT TO PROHIBIT THE IMPORTATION OF LEAD PLUMBING FIXTURES; AND FOR OTHER PURPOSES.

Speaker Fitial: Discussion. Roll call.

The roll called on the motion to pass H B. NO. 14-77 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. David M. Apatang	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Heinz S. Hofschneider	yes
Rep. Jesus SN. Lizama	yes
Rep. Janet U. Maratita	yes
Rep. Claudio K. Norita	yes
Rep. Crispin M. Ogo	yes

Rep. Arnold I. Palacios	yes
Rep. Norman S. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Timothy P. Villagomez	yes
Rep. Ray N. Yumul	excused
Rep. Benigno R. Fitial	yes

Speaker Fitial: H. B. NO. 14-77 passes the House on First and Final Reading. Floor Leader.

Floor Leader Babauta: Last one. Motion to recess.

Speaker Fitial: House stands recess subject to the call of the Chair.

**MISCELLANEOUS BUSINESS**

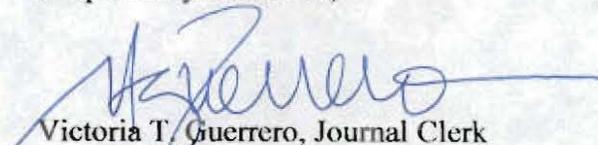
None

**ANNOUNCEMENTS**

None

The House recessed at 12:59 p.m.

Respectfully submitted,



Victoria T. Guerrero, Journal Clerk  
House of Representatives

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**APPEARANCE OF LOCAL BILLS**

None