



House Journal

FIRST REGULAR SESSION, 2006

Tenth Day

March 27, 2006

The House of Representatives of the Fifteenth Northern Marianas Commonwealth Legislature convened its Tenth Day, First Regular Session, on Monday, March 27, 2006, at 10:06 a.m., in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Oscar M. Babauta, Speaker of the House, presided.

A moment of silence was observed.

The Clerk called the roll and all eighteen members were present.

Speaker Babauta: Thank you. A quorum has been duly established. Short recess.

The House recessed at 10:08 a.m.

RECESS

The House reconvened at 10:10 a.m.

Speaker Babauta: We are back to our session. We will go to Item 3, Introduction of Bills.

ADOPTION OF JOURNALS

None

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 15-111: A Bill for an Act to amend the Safe Diving Act of 1990, to allow the Department of Public Safety enforcement authority and strengthen enforcement of Safe Diving Act.

Offered by: Rep. Ramon A. Tebuteb

Referred to: Committee on Judiciary and Governmental Operations

Speaker Babauta: Short recess.

The House recessed at 10:10 a.m.

RECESS

The House reconvened at 10:12 a.m.

Speaker Babauta: We are back to our session and I recognize Representative Tenorio for Introduction of Resolution.

PREFILED AND INTRODUCTION OF RESOLUTIONS

H. R. NO. 15-42: A House Resolution to support the Local Farmers and Fishermen's petition asking Governor Benigno R. Fitial and Department of Lands and Natural Resources Secretary Dr. Ignacio Dela Cruz to reconsider their decision to cancel the public market and the proposed children's park project at the fishing base in Garapan.

Offered by: Rep. Manuel A. Tenorio and seventeen others

Rep. Tenorio: Mr. Speaker, if there is no objection, I would like to ask that this be introduced by the Committee of the Whole.

There was no objection.

Speaker Babauta: So ordered.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 15-55 – [3/23/06] – Informing the House and the Rota Legislative Delegation that he signed into law H. L. B. NO. 15-13, S1 (To appropriate \$130,000.00 from the local license fees collected from pachinko slot machines and poker machines in the First Senatorial District; and for other purposes). [**Rota Local Law No. 15-1**]

There was no discussion.

Speaker Babauta: We will take a short recess so that the Resolution can be copied and distributed to the members.

The House recessed at 10:13 a.m.

RECESS

The House reconvened at 10:25 a.m.

Speaker Babauta: We are back to our session and we will go to our Resolution Calendar --any objection?

Rep. Tenorio: Privilege, Mr. Speaker.

Speaker Babauta: State your privilege, Representative Tenorio.

Rep. Tenorio: Mr. Speaker, it is not a privilege. I just want to ask the indulgence of the members if it is possible to could include H. R. No. 15-42 in today's Calendar.

Speaker Babauta: We are about to do that.

Rep. Tenorio: Thank you, Mr. Speaker.

SENATE COMMUNICATIONS

None

HOUSE COMMUNICATIONS

None

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

HOUSE COMMUNICATIONS

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

RESOLUTION CALENDAR

Speaker Babauta: I recognize the Floor Leader for a suspension motion.

Floor Leader Deleon Guerrero: I move, Mr. Speaker, to suspend pertinent rules for the passage of H. R. No. 15-42.

The suspension motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. I now recognize a motion to adopt the resolution.

Floor Leader Deleon Guerrero: I move, Mr. Speaker, to adopt H. R. No. 15-42.

The motion was seconded.

H. R. NO. 15-42: A HOUSE RESOLUTION TO SUPPORT THE LOCAL FARMERS AND FISHERMEN'S PETITION ASKING GOVERNOR BENIGNO R. FITIAL AND DEPARTMENT OF LANDS AND NATURAL RESOURCES SECRETARY DR. IGNACIO DELA CRUZ TO RECONSIDER THEIR DECISION TO CANCEL THE PUBLIC MARKET AND THE PROPOSED CHILDREN'S PARK PROJECT AT THE FISHING BASE IN GARAPAN.

There was no discussion. The motion to adopt H. R. NO. 15-42 was carried by voice vote.

Speaker Babauta: The motion carries. H. R. No. 15-42 is hereby adopted. I recognize Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker. Just for the record, I want to thank the members who supported this resolution. The resolution speaks for itself but on top of that, Mr. Speaker, you know there is a petition going on. There are about 1,500 people who have signed the petition. Perhaps that could be made part of this resolution when it is finalized. For many reasons, it is about time and I believe that the farmers and fishermen have a decent marketplace to sell their products, Mr. Speaker. What we have today is a makeshift market where farmers have to wake up at four o'clock in the morning so that they can pitch their tents for their customers at the same time hoping that it does not rain. It is very difficult for the farmers and the fishermen to continue doing this. We also recognize the fact that our Governor is looking at the similar site for other purposes but I personally feel, Mr. Speaker, that the government should do something about helping out our local people first. I know that we have made some public lands available for them to use and in many cases they have also availed themselves to CDA loans. But what is lacking here, Mr. Speaker, is a decent market place for farmers and fishermen to sell their produce and arts and crafts producers to market their skills and -- a place where it is decent, safe and clean. Having a decent marketplace is also good for the tourist industry. I hope that this would replace the roadside vendors that we have all over the island which is not only hazardous to traffic but they also are eyesores to our island. Also, one can only guess what else they are selling there besides fresh produce. I also believe there is a task force that is now looking at all these developments, but again, it is about time that we give our people a place that is decent and modern that they can call their own. There is so much money already invested into this project. I was a member of the 13th Legislature when we passed a bill and so much money has been put into it and it is only a matter of time now for implementation and construction. Hopefully with the blessing of the Governor and the Lieutenant Governor they will have a change of heart and give this area to our people. The farmers and the fishermen are going to be here long after the tourists are gone, Mr. Speaker.

Speaker Babauta: I will consider that as a statement under the discussion; however, the Resolution has been adopted. So we will attach that comment and move on. I recognize the Vice Speaker.

Vice Speaker Quitugua: I apologize, Mr. Speaker, but I was suppose to make some amendments to the Resolution but since it is already adopted, I would like to include this statement for the record that if this parcel of land is not given to the farmers, the fishermen and the artists, that an alternative parcel of land be provided and this group of local entrepreneurs shall be part of the decision in selecting the alternative parcel of land.

Speaker Babauta: Thank you. Well noted. Representative Ogo.

Rep. Ogo: Thank you, Mr. Speaker. I also understand that the Resolution has been adopted. However, I just want to share a little with my colleagues here in Saipan as a member looking in. And if there is no objection, Mr. Speaker, I want this statement to be placed on the record. Let us not limit ourselves with just the farmers and the fishermen. I imagine that piece of property down there at the fishing base as a good place for investors too. I imagine a skyscraper with the market beneath it -- if that could be incorporated because that is really a lot of space way up there. If we can incorporate a skyscraper there, imagine our tourist going down there. It is all there, the fish market, produce and that is just an imagination that I see. So let us not limit ourselves to just fish or produce and whoever is designing this fish market and produce, let them think that there is a lot of space going up and it is one of the best views at times when you go to the fishing base. I was just there Saturday and I saw the view of the ships out there. Can we just look into blending with the investment together with the public market? It is just an imagination and a thought for the good members. Thank you, Mr. Speaker.

Speaker Babauta: Any more discussion after adoption? If not then I would not recognize any more hands. We are going to be out of order. Okay. Let us move on to item 16, Bill Calendar. I recognized the Floor Leader.

BILL CALENDAR

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, to suspend Rule IX, Section 9, 10 and 11 for today's bills on the Calendar.

Speaker Babauta: Any second?

The suspension motion was seconded.

Speaker Babauta: Floor Leader, I believe that should only be Section 11 of Rule IX.

Floor Leader Deleon Guerrero: I recall back.

Speaker Babauta: So restate your motion to suspend Rule IX, Section 11.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. NO. 15-64, CS1 under S. C. R. NO. 15-21.

Speaker Babauta: Floor Leader, let us dispose of the original motion first, the suspension of Rule IX, Section 11 so that we may pass all these bills as it appears on today's Order of Business.

Floor Leader Deleon Guerrero: I move, Mr. Speaker, to recall my first motion sir.

Speaker Babauta: Without objection. Another suspension motion, Floor Leader.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading...

Speaker Babauta: There is a motion on the floor to suspend Rule IX, Section 11 for the passage on First and Final Reading of the bills that appear on today's Calendar.

The suspension motion was seconded and carried by voice vote.

Speaker Babauta: Motion carries. Proceed with the first bill, Floor Leader.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage of H. B. NO. 15-64, CS1 under S. C. R. NO. 15-21.

The motion was seconded.

H. B. NO. 15-64, CS1: A HOUSE BILL FOR AN 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 AND JANUARY 17, 2004, BY EACH RESPECTIVE PUBLIC CORPORATION; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion. Recognized, Representative Joseph Deleon Guerrero.

Rep. Deleon Guerrero: Mr. Speaker, this measure was introduced in the 14th Legislature and was not passed. H. B. NO. 15-64 has been reintroduced again and I have to ask the members that we do not pass H. B. NO. 15-64 for many reasons. Let me start by looking at the findings. In the findings on the second paragraph, it says that the funds provided to CUC by CDA were from a \$140,000.00 direct grant assistance to the CNMI from the Federal Government without any repayment requirement. It also goes further to say that CDA acted as a conduit for the distribution of the funds to be used for infrastructure development, and it argues that it should not have to pay back the funds given to it. First of all, I would like to bring the members attention to how these funds came about. Yes, in fact, it was from CIP Funding but the funds that were given to the CNMI were based on the Special Representatives Agreement and in that agreement, there was a concern by the U.S. that the CNMI should be reducing its reliance on Federal Funding. That is why it opted for the shares of the CIP funding to go more towards Capital Development and Capital Improvement rather than operations. So, one of the recommendations or rather conditions in this Special Representatives Agreements was that loan repayment proceeds be made for revenue generating projects for agencies to be given loans, agencies that could generate revenue such as CUC for the power, such as the Ports for the use of the ports. That then was formulized through a grant pledge agreement signed by our government, Governor Pedro Tenorio and the Office of Insular Affairs. And I read, "Whereas the CDA hereto for issued a \$140,000.00 Million dollars aggregate face value amount of the revenue bonds, series 1986 pursuant to indenture of which the authority as designated, \$60 Million as project series 1 bonds. The net proceeds of which will be used for Capital Improvement Projects in the Northern Marianas including a loan to the Commonwealth Utilities Corporation to finance acquisition and constructional facilities for generation and public distribution of electrical power and certain other infrastructure projects." So the finding is misleading when it says that it was free money and it was never intended for loan. Clearly, the U.S. Government, the Office of Insular Affairs and our government intended that this money be given out as a loan and the repayment of the loans was just as important. They intended the repayment of the loans once CUC was generating revenues, once the infrastructure projects were in place, and CUC could now payback. It would go

towards to a revolving fund and the revolving fund was intended for two purposes. One was it could be used for future CIP projects in the CNMI so that there would be less reliance on Federal Funding and mined you, there was a move by the Federal Government to have matching funds that any CIP funds have to be matched by the CNMI Government. That was the second purpose of the repayment into this Revolving Account. It was to be used as a matching fund for future CIP Projects here for our islands. Secondly, there was also the issue that part of that fund; roughly 20% would be used for economic development for loans to our local businessmen, U.S. businessmen, and people here to use it to finance entrepreneur projects. If we are going to write off this \$45,000,000.00 Million dollars and the interest, we will be going against the grain of the negotiators of this funding that gave it to us. I still think that it is not a good practice to write off the entire amount. Now let me talk about CUC and CDA loan agreement. When I came in the 13th Legislature, the night before CUC and CDA was going to Court, wherein the Judge was about to render his decision and I understand from the counsel that he was going to rule in favor of CDA...that night before that court date, I was the Chairman of PUTC and I managed to convince the two Board Chairmen, Mr. Ed Sablan and Mr. John Tenorio Santiago not to go into court so that we can settle it out of court. Fortunately, they did. From that point forward, we had a series of meetings held here at the Legislature to resolve their difference and to settle it through a mutual benefiting agreement, which they did. They both had to give in to some conditions but both also got something out of it. That is the MOU that you guys have seen. And if you look at it, the Interest was written off. There were portions of the Principal that could be written off by CUC crediting what projects that they used their own funding to be credited against the principal so that CUC can sort of write that off. On the other hand, CDA would also get a portion of those preferred stocks. I do not know if you guys would understand but the whole reason that the preferred stock is important is because of the eventual privatization of CUC. We see in the paper that the Lieutenant Governor is looking at privatizing CUC. My friends and colleagues, if we give up and write off the loan and the government privatizes CUC and sell CUC, there is nothing. There has been a lot of funding that has been infused into CUC, public funding, some of which were used to repay the Mitsubishi loan and that was for funding that was intended to go to our economic development fund but they gave it to CUC to avert the crisis. After Mitsubishi was sued and they repaid that money back to CUC, that money was never given back to be used for economic development purposes. It stayed with CUC and now we are going to sell it as it is with nothing going back for our public use. We are giving it away basically. This is too much. If the preferred stock had been in there, fine, because if they were to sell it, the contractor or whoever is going to buy it first has to pay that off and in paying that off, that would go into the revolving fund that we the CNMI, we the Legislature can then use to either appropriate for CIP, Economic Development loans or we can use it to match future CIP or bonds. We can use it for what we need. We are giving away the bank, my friends by approving this bill and the eventual privatization of CUC.

Speaker Babauta: You want to close in a few minutes, Representative Deleon Guerrero?

Rep. Deleon Guerrero: I just want to ask my colleagues that this bill right now needs further discussion at a minimum. I have not seen CDA's comment on this bill. I do not know what their comments are. I do not know if there has been a public hearing on this bill but it certainly an important and very critical piece of legislation; the warrants more scrutiny and a better understanding by all of us before we make the decision. Thank you, Mr. Speaker.

Speaker Babauta: I guess the comment that I heard is they are in fact the major stockholders of CUC and yet they were not willing to shoulder some of CUC's dilemma the last four years, which is primarily on the fuel purchase. Any respond, Representative Waki?

Rep. Waki: Thank you, Mr. Speaker. You know when Representative Deleon Guerrero says that we are giving away the House? Have you really looked at what are the options that we have? Whenever you are going to privatize, we have assets. We do not just give the assets away. We ask them to buy the assets because they are going to actually sell it and put in new assets so we can gain some revenues from the sell of the assets. That is part of the way business works and writing off this particular debt, something that is been twenty years back and forth. In the last couple of weeks since I introduced this bill, we have had CDA go back to the table with CUC and the Lieutenant Governor. All of a sudden, they decided to stop coming to the table. I have left messages for them, they have never given any comments, I have left messages for the Chairman and he says he cannot come to Saipan because the board does not want him to come to Saipan. I left messages for the Acting Director and there were no returned calls. All I want to find out is what is going on? I am trying to get some more information so we do not have to go at a particular route, but when a particular agency does not come to the table to negotiate anymore, then you feel that they just dropped the ball. And we cannot have this. We are in a State of Emergency. We understand that there are a lot of things going on and agreements that were made years and years ago, yes, we made the agreement, but CDA also dropped their fiduciary duty by not collecting on a timely basis with CUC, plus, going in and giving them another loan. How do you keep giving loans to people who do not pay you? So they were negligent in themselves and yes you can put an agreement saying, this is a crap money where you can actually loan and maybe the concept of the loans where honorable and it was a good idea, but both agencies dropped the ball. Now, do we go back and keep blaming them? Or do we move forward? And to move forward, CUC is in the State of Emergency, we need funds to either repair the engines if we do not privatize it and we cannot do that without this loan off from the books. That is the bottom line. Now yes we may have some problems but we have not seen any statements from the Secretary General in reference to CIP Funds if we were to do this. Nothing. The Chairman of the Board said he has a letter from the Secretary General stating what the repercussions are, and I said, where is the letter, your board has never showed it to us, if we had that maybe we can address it. Then I come to find out after talking to him again, oh, it was just some notations we took down when we talked to the Office of Insular Affairs. I said this is ridiculous. First, you told us there was a letter and then you told us that it was just notes. What is going on here? We are not here to play game and CDA seems to be playing a game. If they were serious about trying to work this out, they would have come to the table, but why is it not been worked on then? They said they are waiting for financials from CUC. You are going to wait for 2, 3, 5 years to actually do your work? This is something that has been going on for over twenty years. We do not have the option of time anymore to fix our power problem and we are going to make a decision for the betterment of our people. We can go around criticizing all the different ideas but we would have appreciate if you had a better idea. But this is an option and we may have to take this option and if we make some mistakes along the way, well then, we make mistakes down the way but we make decisions. That is what we are here to do not play with the system. Power outages are going to happen because we do not have any money to fix it. CUC had some problems management wise over the years. That is a given. We know that already. CDA had some problems. Do not think their loan packages are great and wonderful that they had actually done their fiduciary duty and collecting on delinquent accounts. They have got their problems and they have to be worked on. But our problem right now is CUC. We will have dark days here come soon and it will take money

to do that and we do not have the money within our central government. We got to go out and borrow and everything leads to clearing the books for CUC. We will deal with CDA when we come down to it, but I believe that this has been an ongoing problem for years and nothing has been done and now that we are trying to correct the problem we are still arguing about it. I just believed that we have done the research, we tried to talk to CDA and we tried talking to CUC, the accountants, the auditors and we have come to a point where we believed that this needs to be done for the betterment of the agency so that we can get it back on track. You may feel differently about it and that is a given but if you have any other options besides just telling us that this is the wrong way to go, we would appreciate it. But the bottom line here is, the power may go out tomorrow for the majority of the island because we are constantly arguing about this. So the bottom line is, we need to make a decision and I ask the colleagues based on the Committee Report and everything that you know and maybe even some things that you do not know...this is not what you would call probably the best answer but it is an answer to start with. So I am just asking for your indulgence to looking at helping CUC and the people make sure that we do not have any load shedding so we can get moving to fix our power generation system. If privatization does happen, well, those are the options that we are looking at right now and we will sell our assets and that would put some money back into the coffers. What is it worth right now? We do not know. We are going to get some ideas but the bottom line is we need to start as soon as possible. So I appreciate if anything, any other positive ideas, let us look at the bill at itself, we move on it and we help CUC as well as the CNMI.

The Chair recognized Representative Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I just wanted to add some things. I guess we are a bit over stepping when we talk about privatization for CUC or the power plant specifically. Privatization is not going to happen right away. The issue right now is to clear the books of CUC and this bill will certainly do a great help to getting the books at CUC better. Congressman Waki earlier mentioned, we are awaiting a crisis right now if we do not act to clean up CUC and it is not just going to be power outages, we are going to have water outages as well and sewer overfills if the power is not maintained. We need to do something right now. We can sit and talk for days about this but we have to understand something here. It is our people out there that are going to be without lights and it is us that will not have power in our homes. It is going to be pretty dark. The state of CUC's power engines are so bad that it is a wonder that it is still functioning right now. We need to start somewhere. We need to write this debt off in order for CUC to begin in a clean slate. They need to start working on those engines. Privatization is a long ways down. We need to take care of our engines right now and this is what is going to help CUC. It does not take a rocket scientist to figure this one out. They need the money. How are they going to get the money? They need to borrow money but if they have something in their books that lenders would look at and say, hey, I do not think that we can lend you the money because of this dilemma with CDA, then where do we go from there? Any privatization will take time. We all know that but now we are asking...this has been dragging on too long and it is time that we close this debt. Thank you, Mr. Speaker.

The Chair recognized Representative Palacios.

Rep. Palacios: Thank you, Mr. Speaker. First of all, whenever you have a contract, we also have requirements in constitution that prohibits this Legislature from impairing existing contracts. That is Article I, Section 1. The first top three lines of our own Constitution prohibit enactments of laws that impair contracts. So I think that it would be well advised to have our legal counsel look into this

issue whether this is even constitutional because this is an existing contract that we are trying to wipe off. Second, in the bill itself, Section 5 of the bill has a Saving Clause regarding contracts. There is no question that CUC has been mismanaged but boards on different terms of this government. We have seen it. Is it the reason why we need to write off a loan because of a mismanagement of a corporation? You have to be mindful also that writing off a debt does not necessarily create good credit for CUC. That is a fact. There is no question of the Emergency of CUC and the power generation system. We know that. The Governor has declared an emergency at CUC. Is this because of the power generation system? The generators and the fuel cost? We have given the Governor one hundred percent reprogramming authority. Even beyond and I still question it but he certainly exercising emergency powers to reach beyond the Executive Branch of government into the Legislative and the Judicial as well as the other autonomous agencies. It is beyond \$213 Million dollars that we basically had given him. So I would like to ask the legal counsel if this is an impairment of contract? I remembered that when this issue came up in the Thirteenth Legislature, and yes, we in the Thirteenth Legislature entertain a legislation of this nature. We also did it in the Fourteenth and yes in the Fifteenth. In the Thirteenth and the Fourteenth Legislature, we had extensive comments from CDA. In fact, the Lieutenant Governor in the Fourteenth Legislature was the Chairman of PUTC and I believe he has those. I tried to get a hold of my copies and I could not find it this morning but it was a letter referenced to this particular legislation. Just as Representative Deleon Guerrero stated, this was an indentured document. To date, CUC has not paid a penny. It has not paid a penny. So the loan itself never impaired its ability to use its internal funds. In fact, there was another loan agreement beyond the \$45 Million dollars. When CUC purchased or they had to pay a \$10 Million dollar to Mitsubishi that was again a CDA loan. There was a settlement with Mitsubishi. Mitsubishi had to pay back CUC the \$10 Million. There was a judgment. Unfortunately, at that time, CUC kept the \$10 Million and never made a payment or gave that back to CDA. So those are issues that should have been really thought of and I understand your frustration, Representative Waki in trying to get together with CDA but let me point out, that at this point in time, CDA is almost dysfunctional because of the resignations of its board and that is because our Governor requested their resignation. I think that even if the boards are not in place that the Acting Executive Director of CDA could still come to the table and shed some lights as to its position. That is the least... **[end of tape 1 side a - beginning of tape 1 side b]** ...taken into consideration and documentation of CDA's position and why they hold such positions. I think that is what Representative Deleon Guerrero is alluding to. There are so many things that we need to look at. Is this going to help CUC? Really? How is wiping off this \$45 Million dollars today plus interest going to help CUC? That should have been articulated perhaps in the Committee Report or the Findings. We need to also be mindful because I recalled back in the Thirteenth and Fourteenth Legislature when this issue came up and we were deliberating on it. CPA send a letter requesting that we write off their loan also because they are also paying those loans today and their contention is that it would also put our financial standing or put us in a better financial standing. That is an issue that we really need to be mindful of. Those issues really should have been addressed. And yes, as much as I trust my colleague, Representative Delacruz, this privatization issue is not as far off as we might want think. At the very minimum, we need to put some provisions in here where even the power generation system is going to be privatized. We got to at least make whoever is going to take over our system to pay some of the liabilities. You are right. You buy assets. When you sell your company, you buy assets but the buyer also assumes certain liability and that is something that we consider. I do not disagree with you. First and foremost is our power system. Everything else is secondary but we need to take a look at this a little bit more careful. I will yield, Mr. Speaker, and thank you.

The Chair recognized Representative Tebuteb.

Rep. Tebuteb: Thank you, Mr. Speaker. I have a few questions but let me start with one of the things that were mentioned by my good colleague Waki. I understand that the Lieutenant Governor received a letter from Telesource offering such solutions to the problems with CUC. Accordingly, I believe that they are ready to come up with a Memorandum of Understanding as soon as the administration responds to their letter to buy out CUC. Again, with all the comments made, I think we should consider those as part of what we are discussing, and maybe ask my good Chairman to maybe even give us some light on the status if any from the Lieutenant Governor on the letter from Telesource offering the solution to buy out CUC. I think that is one positive news, and I think it is a route towards IPP, but then all those factors should be submitted in as part of that. In the findings particularly on the bill, although we had passed the Committee Report, it would be very good to reflect and have the report be part of what you had mentioned in trying to making attempt to try to get CUC and CDA to the table and having no avail to that, although we are empowered that you can subpoena these individuals and so that they leave up to their fiduciary responsibilities, and is it really the best interest of the CNMI to write this off. I am not quite clear yet how does promoting accounting system to any individual corporation by simply forgiving irresponsibility. If somebody messed up, I think they should pay. Maybe someone needs to go to jail for their irresponsibility. I think that this is a very serious issue that has been like you said, going back and forth to the Legislators or even the previous attempts in the Fourteenth to try to write this off. We have yet to even go much closer to the result and does the Executive Order abolish Public Law 4-47. Let me just ask the legal counsel to respond to that if you...

Speaker Babauta: Which question?

Rep. Tebuteb: The Executive Order to transfer.

The Chair recognized the Legal Counsel.

Legal Counsel Antonette R. Villagomez: Your question is does the Executive Order abolish Public Law 4-47? Yes, that is the Public Law that creates the Commonwealth Utilities Corporation. I believe the Executive Order if I am not mistaken, it is number 1. What it does is, I believe it transfers responsibilities of the Commonwealth Utilities Corporation to the Department of Public Works. It does not necessarily abolish the Public Law; it just transfers the responsibility from CUC to the DPW. So therefore, DPW still has to carry out the responsibilities and do everything that was required under that Public Law.

Rep. Tebuteb: What about the Board?

Legal Counsel Antonette R. Villagomez: Well, the board is basically abolished. That is for sure. I believe that is what the Executive Order does. So the board is abolished, the administration of CUC will be under a Director within the Department of Public Works who is supervised by the Secretary.

Rep. Joseph Deleon Guerrero: I believe the Executive Order has language that says that all regulatory statutes are hereby suspended. That is the language that I recalled on that Executive

Order. Now does that mean that all enabling legislation of Public Law 4-47 is no longer applicable? Does CUC no longer have a responsibility for full cost recovery?

Legal Counsel Antonette R. Villagomez: *I am sorry but I do not have the Executive Order in front of me so I cannot respond to a particular language to the Executive Order.*

The House recessed at 11:17 a.m.

RECESS

The House reconvened at 11:24 a.m.

Speaker Babauta: We are back to our session and I believe the Minority Leader still has the floor.

Rep. Palacios: Mr. Speaker, thank you. Let me point out that this is not about just putting up obstacles. Our point is to make this cut the mustard because if we do not, it potentially could get thrown out of court. I was pointing out to my colleagues while we were in recess that the intent at least in the heading portion of the legislation is to authorize CDA to write off the principal and interest due to it. However, on Section 2, we are not authorizing but imposing it. Starting on line 12, it says that the Commonwealth Development Authority shall waive the sum of \$45 Million. We are not authorizing them, we are already waiving it so in order to make this consistent, and potentially make it constitutional, we need to take out “shall waive” and insert, “is hereby authorized” to make it consistent to waive the sum of \$45 Million dollars.

Speaker Babauta: Is that an amendment?

Rep. Palacios: Same on line 19. We need to make this consistent.

Speaker Babauta: Please make it consistent.

Rep. Palacios: Okay. Please delete on line 13, delete the word, “shall waive” and insert, “is hereby authorized to waive.” The same goes to line 13, “CDA is hereby authorized to waive any and all accrued interest.” On the same page under the same Section, after the word references please insert, “However, in the event that the power generation system of the Commonwealth of the Northern Mariana Islands is privatized and controlled by an independent power producer that 50% or \$22,750,000.00 of the principal amount shall be paid by the independent power producer to the Commonwealth Development Authority and such payment shall be reserved and used for loan programs administered by CDA or its successor agency.”

Rep. Waki: Point of clarification.

Speaker Babauta: State your point of clarification.

Rep. Waki: If it is under the privatization, more and likely, the assets will be sold. So you want to say, upon sell of assets, \$22 Million will go to CDA?

Rep. Palacios: What I am saying is that we are trying to write off \$45 Million in principal and interest and what I am saying is that if we are going to privatize basically not just the assets because when we talk about CUC, this is the only power generating utility system that is authorized to operate in the Commonwealth and sale power.

Speaker Babauta: Minority Leader, if no objection, we will go back and dispose of the first motion or the first amendment so that you have time to make copies of those written floor amendment. Any objection.

There was no objection and the oral floor amendment offered by Representative Palacios was seconded and carried by voice

Speaker Babauta: Motion carries. Short recess.

The House recessed at 11:29 a.m.

RECESS

The House reconvened at 11:35 a.m.

Speaker Babauta: We are back to our session and I want to recognize again our Minority Leader.

Rep. Palacios: Thank you, Mr. Speaker. I would like to offer a floor amendment.

Speaker Babauta: Discussion. Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. Would this not possibly increase any established rates that a privatized company should they go that route? Would it be affected?

Rep. Palacios: I do not think this \$22 Million dollars is going to be the straw that would break the camels back and have the IPP if there is an IPP out there raise rates. This IPP is going to look at the cost of doing business providing this power and that would drive our utility rates. Believe me but if that IPP comes in, it will not be .11 cents. They are going to have to make the necessary capital investments to get the thing up to par. File a rate increase with our utilities commission but this is not what is going to drive this prices. It is going to be the cost of doing business plus a return on their investment.

Rep. Yumul: Also, Mr. Speaker, if this privatization is not a full or in other words, what if it is a hybrid like a partial joint venture between the government and private, this might not apply then. Has that been considered?

Rep. Palacios: No. That is the intent...

Speaker Babauta: I guess the mover of the floor amendment is alluding to primarily the first sentence, in the event. If not then it goes back to square one.

Rep. Yumul: Thank you, Mr. Speaker.

The Chair recognized Representative Dela Cruz.

Rep. Dela Cruz: I just wanted to add as per Congressman Yumul's question and Congressman Palacios had already taken the liberty of explaining that. H. B. NO. 15-55 will basically cover the rate regulations for any utility and this includes power, water and sewer whether it is in the government or in the private. The Public Utilities Telecommunication Services Commission will undoubtedly be the regulatory body for all public utilities, and so the Commission will consider the rates. Thank you, Mr. Speaker.

The Chair recognized Representative Waki.

Rep. Waki: Just for everyone's information. If it is privatized, remember, bottom line is, if it stays with the type of fuel that we are using, the rates would definitely be going to go up until they get more efficient running engines and stuff like that. That is why we are looking at privatization to look at the alternative of fuel sources. Hopefully that we can adjust the rates according to what the actual fuel cost and hopefully they would have the fuel storage farm and all these other aspects that we cannot afford to do ourselves. But the bottom line is, it is a monopoly that is going to be there and we have to regulate the power generation system. It should be making money because it is a monopoly, but the bottom line is, as long as you regulate it properly, that would be able to control that amount of profitability that they make so that way it does not fall on the consumers pocket books to continue to profit them exorbitantly. Thank you.

The Chair recognized Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker. You know, Mr. Speaker, I will be really reluctant to even act on this not knowing in fact what we have available to us in terms of the assets. We are kind of shooting in the dark here and putting numbers and cannot justify the numbers. I understand that it was very difficult trying to get CDA and CUC board together because there is practically no board, but at least get some of the legal counsels that worked out all of these agreements and see what we are missing. I would support any move and I realize the fact that we have to act on this because of the severity of the problems with CUC and now with the potential problems that we might not have lights or water tomorrow, but still, I would be very reluctant to actually vote on this bill not knowing at least some ball park figures of what we are offering. We are just playing with numbers here, Mr. Speaker.

Speaker Babauta: Or probably say that it is less than what the government pays for the fuel. That is the reason why CDA does not want to take part of the initiative in buying fuel. Ready for the amendment as offered by the Minority Leader?

Several members voiced, "ready."

Speaker Babauta: Discussion on the amendment. Floor Leader.

Floor Leader Deleon Guerrero: Mr. Speaker, before we go on voting, can I put something in line with what Representative Tenorio? He is saying that we are putting a figure here that we are not even supposed to do and I like what he had suggested. I rather that we delete the \$22,750,000.00 at

this point in time because we do not even know how the situation might be coming in the future. So putting up an amount is not to the absolute point would benefit the amendment.

Speaker Babauta: The 50% is the result of the \$45 Million.

Floor Leader Deleon Guerrero: I know that, Mr. Speaker, that is the case I am saying here. Even if you say that it is \$45 Million, how would you know...?

Speaker Babauta: Let me recognize the Chairman of Ways and Means to clarify. Chairman Ogo.

Rep. Ogo: Anyhow, it is very simple Floor Leader. We are taking away \$45 Million; we are just removing it entirely so half of that at least CDA would have. So instead of CDA not receiving anything, the \$45 Million that we just eliminating, half of it will stay if ever in an event that any power contractor wants to purchase CUC.

Speaker Babauta: What the Chairman is alluding to is that it is better half than nothing.

Floor Leader Deleon Guerrero: It is true, Mr. Speaker. For a fact, I know that \$22 Million is half of \$45 Million; technicality in dealing with money is different. You might say that it is \$45 Million now, however, when you put the 50% it is more clear in what you are inspiring to say here through the amendment, Mr. Speaker.

Speaker Babauta: To clarify further, let me recognize Representative Palacios.

Rep. Palacios: Let me change that, Mr. Speaker, if the Floor Leader wants me to change it. Let me change it to say 50% of the principal amount of \$45 Million dollars. If you do the math, it would come out to...

Speaker Babauta: Is that an amendment to your written floor amendment?

Rep. Palacios: Yes, sir. So 50% of the principal amount of \$45 Million would be the right way.

The oral amendment offered to the written floor amendment by Representative Palacios was seconded and carried by voice vote.

Speaker Babauta: Motion carries. Now we are back to the written floor amendment as amended. Discussion.

The written floor amendment offered by Representative Palacios was carried by voice vote.

Speaker Babauta: Motion carries. We are now back to H. B. NO. 15-64, CS1, HD2. I recognize Representative Taman.

Rep. Taman: Thank you, Mr. Speaker. I think everyone have stated the importance to paying attention this particular crisis that we are being overwhelmed with, and I certainly am in support with taking some actions with this respect. However, it keeps bothering me to hear that CDA does not make it a point to come and sit down on the table and I think that if we are to take any legislative

measure without hearing from CDA, we need to take our legislative authority also to make sure that we hear from these people. We cannot continue doing this and ignoring the fact that some independent agency out there have this fiduciary duty to provide us with necessary information in order for us to make sound decisions here. Thank you.

Speaker Babauta: They will not even listen to the private borrowers. Any discussions? Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Mr. Speaker, I would like to respond to the statements to Representative Waki as it pertains to this matter. First of all, I want to say that I still would like to ask the members to reconsider this approach to dealing with this problem. This approach does not resolve this problem and I do not know how anyone can make that jump or that logic to jump from writing off CUC's debt to resolving CUC's problem. Let me tell you what this bill does. It does reinforce responsibilities. I am sorry to say but this bill if passed does not help CUC improve its credit rating or the CNMI government's credit rating in the future should we need to borrow money. So if we think that by writing this off we will improve CUC's ability to get funding to buy new engines. It does not. It does the opposite. That let me state for the record. You ask for solutions and this is one solution, and I do not subscribe to privatization because no matter what even if the company (IPP) has a funding to buy power generation units, where would they get the money? They will have to loan. Colleagues, when they loan, they will also have to pay interest. When they pay interest, we will have to pay interest. On top of that, they will have overhead and they would have to get profit. After all, it is a business. And who would shoulder those cost? The consumers. So privatization, while there is a possibility that it happens is not something I...right now at this point in time, I have not seen any proposal that is favorable to consumers so I can subscribe to that. Now, let me say, what should be the solution? Right now in its current form, this bill abolishes Public Law 13-35 and Public Law 13-36. What that does is it nullifies the potential for a settlement agreement to be reached between these two agencies. I still feel that is the best approach. It is the most mutually benefiting approach and it is an approach that will not be looked down by either the Department of Interior or any lending institution. If CUC needs to borrow money in the future, right now CUC under the State of Emergency is under Public Works, right? Right now under the State of Emergency, are they required to do full cost recovery because that is what is needed here? My friends, the problem with CUC with our power situation right now is partly the engines. That is true. The main problem is the fuel. This will not resolve the fuel issue. I do not care how you look at it. That is a global issue and it is a separate problem that we need to address separately. Waiving this will not address the fuel issue. Now in terms of the engines, *economist.com* came here and studied the CUC issue. What were their recommendations? As unpopular as it may seem, their recommendations is that, CUC should be charging what it cost to run a utility firm and it should raise rates. As unpopular as it may seem for two reasons...one, is to be able to purchase the fuel and not have the fuel subsidized totally by government workers alone and that it should be spread out by every power user. Second, they also recommended that part of that increase, a temporary increase, could be included to purchase new engines and once the new engines are on board, efficiency rates go up and depending on the kind of engines we get, if we are able to get low cost fuel, then we will be saving more and eventually we can reduce the power rates for the CNMI without having to pay anybody profit. You ask for a solution and that my friend is the best way to address this. This is an irresponsible way and it will not address CUC's problem. I can tell you that for sure. So, again, I would like to ask the indulgence of the members to please consider your actions today, will affect

the future ability of this government of any future Governor to be able to borrow to use funds for CIP or whatever. This is not a responsible act to approve this bill. It is irresponsible. Thank you.

The Chair recognized Representative Dela Cruz.

Rep. Dela Cruz: We have listened and taken all the comments here and suggestions that were made here. We have to also understand that this write off is not between a government agency and a private agency. This write off is between two government entities here. We cannot continue on with this. We have been borrowing from one government agency to another. The reason why we came up with bill is because we felt that a government entity should not be borrowing from any other government entity. We understand also from *economist.com* when they made the presentation that yes, the fees might have to up in order for CUC to survive and yes, new engines have to be purchased. We even ask what can we do with the present engines that we have? You know what they told us? For us to sell it on ebay. I feel these engines still have a life. For how long? If they were properly rehabilitated, five to ten years. I think we can still restore these engines to give it more life in the interim that we are discussing purchasing newer engines or even privatization for that matter. Awhile back, there was a mention of privatizing the power plant at CUC, and I had looked at that proposal from this company and the administration was willing to privatize it, but one of the things that I did not agree at all was for the government to purchase fuel for this private company to run, operate and make a profit. CUC is an autonomous agency. It is basically a monopoly that does not make money. How do you figure? You are in this business all by yourself and you are not making money? It just baffles the mind. I just wanted to state that these are my views. If ever privatization would come up on the table, I will certainly not agree to purchasing fuel for a private firm to run the power plant here and I hope that all my colleagues here will feel the same way when that time comes. Also, Mr. Speaker, I move to end debate.

Speaker Babauta: Before I recognize that motion, let me just recognize Representative Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. I want to thank my colleagues for the very good discussions on this subject. There are some very legitimate points here and it has been very enlightening. I am part of the PUTC committee and one of the first things that we did was to go down to CDA and sat down with the on a fact finding mission to basically understand from them what the problem was. At that meeting, they shared with us that they were quite willing to enter into this debt equity write off. This meeting undertaken after we all invited CUC here and they expressed their concern about not having the ability to loan so that they can buy new engines. I recognized the emergency. At any time now, those engines can go. Of course, we all know what catastrophe that is going to be and I am sure that we all want to avoid that. I have no question in my mind and no doubt that you all feel the same way but whichever way that we want to proceed, I think what we want to bear in mind is that time is of the essence. My good colleague Representative Deleon Guerrero is absolutely correct. We have to be responsible and we have to show responsibility that when we do loan especially in the name of our government that we take that seriously that we have that responsibility to repay the loan. We are also at a crisis situation now where as we said there has been a lot of talk going back and forth. This bill was contemplated since the Fourteenth Legislature and probably going back and we are playing with a ticking time bomb here. At any time at all these engines could go and of course that would affect not just our private citizens but everything such as the hospital, the schools, home and you name it. I want to ask the honorable Representative Deleon Guerrero, if

the amendments that were offered today or do you find any of these acceptable and can we proceed based on the amendments that were offered to this bill?

Rep. Joseph Deleon Guerrero: Let me tell you first what is preferable as an option. The leg work has been done in terms of the two agencies, the negotiations have been done and...[end of tape 1]

[Beginning of tape 2]

Rep. Joseph Deleon Guerrero...just going forward but what I think should happen is that the Governor should make sure that he appoints members so that CDA does have a quorum and I think that the administration should bring these two agencies together and mandate if need be. If I were Governor, I would require the two agencies to implement what they have already agreed to and that way, the part of the bill that I have a problem with is repealing Public Law 13-35 and Public Law 13-36. Not because I introduced the bill but what it does is, if you repeal it, you effectively remove those two agencies ability to effectuate the approved MOU. It is for that reason that right now I have a problem with the bill.

Rep. Kaipat: Can I respond to that?

Rep. Joseph Deleon Guerrero: Please.

Rep. Kaipat: Thank you. There was a joint meeting over at the Governor's Office actually and I believe you were there and it was between CDA and CUC. I was there when the Lieutenant Governor gave the group a mandate to come up with a solution of this and unfortunately for whatever reason that it did not work out, it is unfortunate, but at this point, the problem that exists with CDA is the fact that it is not that the Governor does not want to appoint. He does want to appoint. The problem is that people who traditionally had tendered their courtesy resignation refused to do that so that impedes what the Governor wants to do in terms of appointing people that he has confidence in. As I said, I do not know what happened to that group when they were given a mandate by the Lieutenant Governor to come up with a settlement to this. Apparently communications broke down and Representative Waki shared that he tried and tried to get CDA to respond. They are playing games at this point and as I said, this is a ticking time bomb while they are playing games, we are waking up everyday thanking the Lord that we have electricity, but at any time, it could go out. My point is, let us decide today what compromises we can make so that we can leave with what compromise we can make. You can be happy and we can go on and go about the business of taking care of business. At that note, I move to end debate.

The motion to end debate was seconded.

Speaker Babauta: The motion is undebatable and the Chair would now recognize that motion to end debate.

Rep. Palacios: Point of clarification.

Speaker Babauta: State your point.

Rep. Palacios: Just to the legal counsel and I hope that I am not out of order. I just want to ask her whether the first amendment complies with the constitutional requirement?

Speaker Babauta: Is it your oral amendment?

Rep. Palacios...[inaudible]...to avoid the issue of violating certain constitutional provision and by saying that we are only authorizing CDA to go into this and either have CDA make that decision. It is their contract with CUC rather than us...

Legal Counsel Antonette R. Villagomez: *The amendment basically gives CDA the authority to basically write off part of the loan...well, \$45 Million with the second amendment of privatizing CUC, so yes, basically now we are not mandating that CDA write off the debt. We are just authorizing them so CDA still has to take the next step of approving the write off with the condition of in the event that IPP takes over that they pay half of that \$45 Million to CDA. That is going to be apart of the condition.*

Speaker Babauta: Any more point of clarification before we vote? Representative Deleon Guerrero.

Rep. Deleon Guerrero: I would like to offer an oral floor amendment, Mr. Speaker. On page 2, line 26 and 27. Strike out, “b” and “c” and leave “a” in there. By striking this out, you will still allow for the possibility of amicable resolution through negotiations if the Governor eventually appoints members and they are eventually able to address this matter. Like I said, most of the legwork is done and it should not impede the timeliness of resolving this issue. Thank you.

Speaker Babauta: The Chair has allowed the Minority Leader to clear with the counsel and...short recess.

The House recessed at 12:06 p.m.

RECESS

The House reconvened at 12:25 p.m.

Speaker Babauta: We are back to our session. Any discussion on the oral floor amendment offered by Representative Joseph Deleon Guerrero? Representative Waki.

Rep. Waki: I would like to present a subsidiary motion to Representative Deleon Guerrero’s motion. Instead of deleting both line 26 and 27, just delete, line 26. Keep line 27 but label it instead of “c” label it “b”.

The subsidiary motion offered by Representative Waki to the main motion of Representative Deleon Guerrero was seconded and carried by voice vote.

Speaker Babauta: Motion carries. For clarity purposes also on line 6, delete, “13-25” to be consistent. Ready?

Several members voiced, “ready.”

Speaker Babauta: We are now voting on H. B. NO. 15-64, CS1, HD3. Representative Yumul.

Rep. Yumul: One minor technical error on page 2, line 28. There are four slashes there.

Speaker Babauta: Consider that a technical error. Roll call.

The roll called on the motion to pass H. B. NO. 15-64, HS1, HD3 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	no
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	no
Rep. Candido B. Taman	yes
Rep. Ramon A. Tebuteb	no
Rep. Manuel A. Tenorio	no
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of 14 “yes”, H. B. NO. 15-64, HS1, HD4, hereby passes the House on First and Final Reading. We are going into lunch and come back at 2:00 p.m. so that we may at on all these bills on the Calendar.

The House recessed for lunch at 12:27 a.m.

RECESS

The House reconvened at 2:16 p.m.

Speaker Babauta: The House now will come back to plenary session. Before we move on, I would like to inform the members or primarily the Clerk that Representative Taman is excused for this afternoon’s session. Representative Ada should be coming in anytime now. Before we continue on the Bill Calendar, if no objection, Representative Tenorio requested that we go back to the House Communication. Any objection?

There was no objection.

OTHER COMMUNICATIONS

MISC. COMM. 15-5: A LETTER FROM FORMER CONGRESSMAN HERMAN PALACIOS.

The Chair recognized Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker. I would like to submit this letter from Mr. Herman and Joyce Palacios as part as of the Other Communication for the Houses' consideration.

Speaker Babauta: I assumed most of the members have received those and if not, just explain the basic analogy of the context.

Rep. Tenorio: There are some prayers here to, Mr. Speaker, that I do not want to...but basically the Communication here is that Mr. Palacios is asking for some consideration from the Legislature in regards to a loan that they have with CDA. The reason why I brought this up, Mr. Speaker, is that part of the problems with some of the delinquency loans on fishing and agricultural loans are due to lack of marketing facilities and while his particular problem may not be marketing, a lot of the people that borrow money from CDA are delinquent because some aspects of the business plan are missing. So it is pretty much self-explanatory and I request that the Clerk make copies and make it available to the members.

Speaker Babauta: Clerk, please make note and distribute copies during the session so that the members can have time to digest the letter. Any other communications? Before we move on to the Bill Calendar, I have a Memorandum here from Representative Torres. Does everyone have copies? I would officially respond to your request in due time if that is okay with you, Representative Torres. Thank you very much. Bill Calendar, Floor Leader.

BILL CALENDAR

Floor Leader Deleon Guerrero: Mr. Speaker, I think we should wait for the Chairman of the Ways and Means Committee. He offered H. B. NO. 15-95 for recall, as I understand.

Speaker Babauta: I told him to provide me a copy of his Memorandum pursuant to the Rules. We can proceed with the next bill.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for H. B. NO. 15-36, CS1 under S. C. R. NO. 15-19.

The motion was seconded.

H. B. NO. 15-36, CS1: A BILL FOR AN ACT TO PROVIDE FOR THE REGULATION OF AUTOMATED TELLER MACHINES BY ADDING A NEW CHAPTER 11 TO DIVISION 6, TITLE 4 OF THE COMMONWEALTH CODE; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion. Vice Speaker.

Vice Speaker Quitugua: Mr. Speaker, on page 5 of the bill on line 1. Strike out the number "\$300.00" and replace it with "\$500.00".

The oral floor amendment offered by the Vice Speaker was seconded and carried by voice vote.

Speaker Babauta: Motion carries. Any more discussion? Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. I would just like to add for the record, which is absent from the Standing Committee Report. Currently, there are just over twenty four automated teller machines that are operated by banks within the CNMI and a total of thirty five machines on Saipan operated by a third party operator with...

Speaker Babauta: What is the number again?

Rep. Yumul: The bank operated ATM's is twenty-four. The third party operated ATM's is thirty-five for Saipan and four on Tinian. So with the Vice Speaker's proposed amendment, that would bring it to \$29,500.00, the annual fees to be collected should this bill pass into law, which I fully support.

Speaker Babauta: Let me just ask this question. Is this renewal?

Rep. Yumul: It is for new and renewals. It is a license fee per machine payable to the Commonwealth Treasury.

Speaker Babauta: Annually?

Rep. Yumul: Annually.

Vice Speaker Quitugua: I understand that this fee is not imposed at this time. You pay your \$50.00 license fee and you operate your teller-automated machines for free.

Speaker Babauta: What about the bank ATM's? Is it incorporate in the banks license?

Rep. Yumul: At present, the banks have free...all they have to do is just order a machine in and will operate under the current business license except that if an ATM machine can receive deposits and withdrawals, then it will be considered a branch. Any machine that only dispenses is not considered a branch.

Speaker Babauta: Okay. Further discussion? Representative Palacios.

Rep. Palacios: So how many ATM's are in the premise of the banks and therefore are considered branch that are not going to be subject to the fees and how many are outside of the premises of the banks and are considered ATM machines?

Rep. Yumul: I will give you a break down. Bank of Guam has nine machines, the Bank of Hawaii has ten, the First Hawaiian Bank has three and the Bank Pacific has two. I believe Bank Pacific has one right outside their establishment and another one in the Mobil Station across Microl in C.K. The ATM machine at their bank location takes deposits but I believe their machine at the Mobil does not. As far as how many machines that are bank owned and how many of them take deposits, I do not

have that information. Again, since the ATM machines for the banks are located within the facility that should fall under their branch as if it was just another teller. The banking bill that is presently in the Committee on Commerce and Tourism is going to address that should we have a final draft of the bill ready for debate. Right now the Committee has decided to temporarily put the bill on hold until we have a Task Force come back to us and give us their findings. I believe we are going to label that as H. B. NO. 15-1, Committee Substitute. It would create a Banking Task Force to go through the bill and provide for recommendations.

The Chair recognized Representative Palacios.

Rep. Palacios: You said that there are thirty-five ATM's out there that are not bank owned?

Rep. Yumul: Basically, the Non-Bank ATM machines are really an...Every ATM machine has to subscribe to the system, which is the network for the electronic funds transfers and other communications within that system. In order for a third party to gain access, they must be sponsored in by a bank and we believe that there is one current operator in the CNMI that operates such system and are license or receiving access through a system that is not from the CNMI and is in Las Vegas, Nevada.

Rep. Palacios: So there is only one that is actually out there other than a bank?

Rep. Yumul: Currently there is one business entity that is in a business providing among other services cash dispensing machines. They pay one business license fee. I believe it is \$50.00 and there is no per machine license fee. So basically all the thirty-five machines on Saipan plus the four in Tinian fall under one business license, which is \$50.00 annually.

The Chair recognized Representative Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I just have one question as far as security measures for ATM. I have recently glanced over the bill here and are their any requirements for security cameras on the bill itself?

Rep. Yumul: Yes. Turn to page 7, subsection 60205, it talks about minimum-security requirements and it is listed there. It even includes that the machine be required to fix to the location. In other words, bolted down so you cannot just grab it and go. There is a provision that requires recordings through video cameras be maintained by the operator for at least thirty days. It starts on line 15.

Rep. Dela Cruz: Okay. Thank you.

Speaker Babauta: Further discussions. Now we are passing as H. B. NO. 15-36, CS1, HD1. Roll call.

The roll called on the motion to pass H. B. NO. 15-36, HS1, HD1 on First and Final Reading is as follows:

Rep. Martin B. Ada	absent
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes

Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	absent
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: H. B. NO. 15-36, HS1, HD1, hereby passes the House on First and Final Reading. Representative Ogo.

Rep. Ogo: Thank you, Mr. Speaker. Before we proceed with the other bills, the Chairman of Ways and Means moves to recall H. B. NO. 15-95 to be placed on today's Calendar for action. It is a request by the Rota Director of Public Works. Thank you.

Speaker Babauta: Any objection?

There was no objection.

Speaker Babauta: So ordered. Representative Palacios. H. B. NO. 15-95 is hereby recalled and place on today's Order of Business for action. Floor Leader, next bill.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. NO. 15-86 under S. C. R. NO. 15-15.

The motion was seconded.

H. B. NO. 15-86: A BILL FOR AN ACT TO AMEND 1 CMC § 2281 BY AMENDING SUBSECTION (C) AND ADDING A NEW SUBSECTION (D); AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion. Representative Palacios.

Rep. Palacios: Mr. Speaker, if I recall, this is the second time this has changed. I am not sure but I am pretty sure that you would know this because you have been here longer than I have and I remembered that one of the problems was the disagreement between the contracting officer at the time and the way the contracts were being executed at the time, particularly on CIP projects. I understand that the rationale for reverting back again has to deal with the workload and the seeming inability of TSD to deal with CIP projects. I wonder if the author could elaborate more on the intent. I know that he has been with PSS for a long time and he is been involved on issues when PSS was the contracting officer and the expenditure authority.

The Chair recognized the Vice Speaker.

Vice Speaker Quitugua: Mr. Speaker, I am not sure whether it was a bond but there was a particular legislation that spelled out the contracting officer, the expenditure authority is PSS but it says that Public Works shall be the contracting officer, and that is where the problem came about. The expenditure authority cannot really sit down and agree with the contracting officer on how the projects should be designed. Yes, Mr. Speaker, this bill was introduced in the Fourteenth Legislature. We passed it in the House. It went up to the Senate and they amended it. The House did not accept the amended version because the Senate inserted a provision that says that the Commissioner may hire a contracting officer but only the board can fire the contracting officer. That is why the House rejected it because you cannot have two bosses when one is the hiring person and the other is the firing person. That is mainly why we objected to the Senate's version, but in most instances, Mr. Speaker, when we put down expenditure authority for the Commissioner, it automatically is the contracting officer unless the time when it was spelled out in the bond legislation.

Rep. Palacios: So this will not pose the problem with those projects that are issued or funded under this particular bond that has specifications?

Vice Speaker Quitugua: To my knowledge, Mr. Speaker, no because this will take affect only upon the approval of the Governor. It is my understanding that the previous projects will remain with the Department of Public Works.

Rep. Palacios: Thank you, Mr. Speaker.

The Chair recognized Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. I wanted to also add on to that. One of the other responsibility as the contracting officer is they also ensure that the contractor complies with procurement regulations providing treasury listed bonds and so forth. We know that if Public Works was the contracting officer, they would have to comply with CNMI procurement regulations as part of DPW's job and that is to make sure that they comply with CNMI procurement regulations in terms of bidding, selecting of contractors and in terms of requirements that are imposed on the contractor. Are we satisfied if we have Commissioner be the contracting officers assuming that they would only have to comply with PSS' procurement regulations and they no longer have to comply with the CNMI? Is that correct?

Vice Speaker Quitugua: Yes. The Public School System will only use their own regulation once PSS gets the authority as contracting officers.

Rep. Joseph Deleon Guerrero: Are they handled to enforce requirements that are...?

Vice Speaker Quitugua: Yes, Mr. Speaker, they have their own CIP office there and they have their own CIP coordinator and they have done some projects already like the headstart projects. That is all purely under PSS and the Department of Public Works did not come into the picture. So they applied their own procurement regulation on those projects.

Rep. Joseph Deleon Guerrero: I know that PSS has their own CIP coordinator but do they have for example, Public Works has construction CM and they have their own inspectors, does PSS have the ability to inspect local projects?

Vice Speaker Quitugua: In some instances, I understand that they source out the designs and construction management.

Rep. Joseph Deleon Guerrero: CM?

Vice Speaker Quitugua: Yes. One of the problems that the Minority Leader mentioned is that the bulk of work now at Public Works is tremendous and the PSS projects are really actually being delayed from completion. So I think we are in the right direction if we put this under the Public School System.

Speaker Babauta: I am not too sure if Representative Deleon Guerrero is alluding to one, whether or not PSS has its own procurement rules with respect to selecting contractor.

Vice Speaker Quitugua: Yes, they do have.

Speaker Babauta: They have that ability?

Vice Speaker Quitugua: Yes, Mr. Speaker.

Speaker Babauta: Okay. Representative Torres.

Rep. Torres: Just to brief the history for restricting the Commissioner of Education and now what we are trying to do is give them back because it used to be, PSS has a NON-U.S. certified engineer at the time, and that is why we took it away from PSS and gave it to Public Works. Now, as long as PSS conform with the U.S. Spec on who is heading the CM...I will support the bill as long as PSS does not go back to hiring a third country engineer.

Speaker Babauta: Thank you. Representative Tebuteb.

Rep. Tebuteb: This is to just do an amendment on this and I know that we just passed H. B. NO. 15-51 and that was the reduction on the rebate so we gave PSS a seven-year CIP projects and we also included in that as the expenditure authority as the Commissioner and also the contracting on the amendment. Are we talking about the same thing?

Speaker Babauta: Are you talking about the rebate reduction? Vice Speaker.

Vice Speaker Quitugua: That is consistent with that particular bill, but there are occasions where we in the delegation appropriate funds for PSS but we indicated Public Works as the expenditure authority. This bill is trying to make things on the same level with H. B. NO. 15-51.

Speaker Babauta: Further Discussion. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 15-86 on First and Final Reading is as follows:

Rep. Martin B. Ada	absent
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	yes
Rep. Candido B. Taman	absent
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: By a vote of 16 “yes” H. B. NO. 15-86 hereby passes the House on First and Final Reading. Floor Leader.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. L. I. NO. 15-1.

The motion was seconded.

H. L. I. NO. 15-1: A HOUSE LEGISLATIVE INITIATIVE TO AMEND ARTICLE XV, SECTION 2(A) OF THE CONSTITUTION OF THE NORTHERN MARIANA ISLANDS.

Speaker Babauta: Discussion. Before I acknowledge anyone, Clerk, please note that Representative Ada is duly present. Thank you. Minority Leader, proceed.

Rep. Palacios: One of the reasons why I believe the Board of Regents of the Northern Marianas College, which is presently the body that approves and disapproves any other post-secondary education institutions from operating in the CNMI, one of the biggest reasons that I remembered an issue where an applicant had taken an application process and was rather prolonged because of the lack of resources in the Board of Regents to do some verification particularly when institutions are from countries other than the United States. One of the applicants was from Korea. One remembers the Saipan University issue that was duly licensed by NMC but because of the lack of resources to really look into these issues, they apparently and factually fell through the cracks. My question though is, if we go about doing this and having it approve through the Initiative, there would be a time void wherein there would no institution if Congress or the Legislature does not come up with how to license and who would be responsible for licensing post-secondary educational institution in the Commonwealth...that means that until such time that the Legislature enact a law no post-secondary education will be licensed at that time. That is my only concern. I have no problem with taking it away from NMC because they have their own set of challenges. We should isolate that we

should have them concentrate rather than have all these other functions, obligations and responsibilities. We should just have them concentrate on the College, but at the same time, if we do not have an organization or institution that license, then we would have potentially a problem. That is my only concern, Mr. Speaker.

Speaker Babauta: You want to respond, Vice Speaker?

Vice Speaker Quitugua: I take it as an amendment made by the Minority Leader and I second it.

Rep. Palacios: I am not offering an amendment. I am raising the concern. I looked at this and I do not know how to deal with it. I do not know and I think it is a bigger task that we need to take a look at. Maybe we should take this back and look at it so we can see how we can put the governing body that is going to license this and put that in place already. That is something that we may have to consider.

Vice Speaker Quitugua: We can insert an amendment here, Mr. Speaker that would take that consideration with Representative Palacios' concern. We can add after line 7, "that in the event that the Legislature failed to establish such commission by law that NMC will continue to be the licensing authority."

Speaker Babauta: The way I read this, it is the same. I do not think they need license because even if this Initiative is not yet ratify before the next election. Otherwise, even if its ratified, the last sentence on page 2 clearly says that it should be the higher education commission which shall be established by law but until such time that we have establish a commission to govern. I do not think anyone in its right mind would just license a University or a College for that matter.

Vice Speaker Quitugua: Yes, Mr. Speaker, but the Minority Leader is taking the extra precautionary measure just in case this is ratified and a post-secondary institution comes in and wants to apply to establish an institution here.

Speaker Babauta: Well, clearly the Constitution compels the Legislature to establish one as any other provisions of the Constitutions that are ratified by the people. It compels the body to enact one statutorily.

Rep. Palacios: Perhaps, Mr. Speaker...[inaudible]

Speaker Babauta: Short recess.

The House recessed for lunch at 2:54 p.m.

RECESS

The House reconvened at 3:03 p.m.

Speaker Babauta: We are back to our plenary session. We are still discussing H. L. I. NO. 15-1. Further discussion. Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. Before we continue, I would like to make a motion to suspend Rule V, Section 8 of the House Rules.

Speaker Babauta: Representative Deleon Guerrero requested to be excused. He has tomato ketchup on his tie. Before we vote, it requires $\frac{3}{4}$ of the members present and voting so $\frac{3}{4}$ of sixteen is twelve. Roll call.

The roll called on the motion to pass H. L. I. NO. 15-1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	absent
Rep. Candido B. Taman	absent
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: Thank you. By a vote of 16 “yes” H. L. I. NO. 15-1 hereby passes the House and meets the Constitutional required votes of 16 “yes” on First and Final Reading.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading H. B. NO. 15-76.

The motion was seconded.

H. B. NO. 15-76: A BILL FOR AN ACT TO AMEND TITLE 4, DIVISION 5, CHAPTER 5, BY ADDING A NEW ARTICLE 6 TO ENSURE THAT ALCOHOLIC BEVERAGES BOTTLED OR IMPORTED FOR SALE IN THE COMMONWEALTH CONTAIN HEALTH WARNINGS ON THEIR CONTAINERS IN COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS AND TO ENSURE THAT THE COMMONWEALTH DEPARTMENT OF COMMERCE, DIVISION OF ALCOHOL BEVERAGE AND TOBACCO CONTROL HAS THE POWER TO ENFORCE THE REQUIREMENT FOR SUCH LABELING; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion. Representative Yumul.

Rep. Yumul: I have an oral floor amendment.

Speaker Babauta: Proceed.

Rep. Yumul: On page 3, line 4, after domestic products, insert, “except for Tuba.”

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

Speaker Babauta: State your point.

Rep. Tebuteb: What Tuba, can you be more specific?

Rep. Ogo: Mr. Speaker, can we get the scientific name for that?

Speaker Babauta: Short recess.

The House recessed for lunch at 3:08 p.m.

RECESS

The House reconvened at 3:15 p.m.

Speaker Babauta: We are back to our Session. I recognize Representative Yumul to clarify his oral floor amendment.

Rep. Yumul: Thank you, Mr. Speaker. I would like to clarify my oral floor amendment. After domestic products, put a new paragraph, “Except traditional alcoholic beverage (TUBA).”

The oral floor amendment was seconded.

Speaker Babauta: Discussion on the motion. Vice Speaker.

Vice Speaker Quitugua: Mr. Speaker, I think it’s just fitting to include the words, “locally produced” because we do not want Tuba drinks to be coming in from other places outside of the Commonwealth without any labels. That may be dangerous for us here.

Speaker Babauta: I would recognize that subsidiary motion to clarify. Continue the clarification, Vice Speaker.

Vice Speaker Quitugua: That is my comment if the mover of the previous amendment can withdraw his amendment and insert the words, “locally produced.”

The Chair recognized Representative Yumul.

Rep. Yumul: Mr. Speaker, I do not have a problem with that subsidiary motion. Just as a note that we are in Subsection (a), which is the domestic products. There is a Subsection (b), which is the imported. I believe the Vice Speaker’s comments would actually fall under imported if produced outside of the CNMI.

Speaker Babauta: Clarified, Vice Speaker?

Vice Speaker Quitugua: Okay.

Speaker Babauta: So the amendment now would read, “Except traditional produced alcoholic beverage (i.e., TUBA). Discussion. Representative Tebuteb.

Rep. Tebuteb: Can you clarify that again? I believe the Vice Speaker mentioned locally so that means we are not going locally but traditional? Is that correct?

Rep. Ada: Correct.

Rep. Tebuteb: Thank you, Representative Ada.

The Chair recognized Representative Ogo.

Rep. Ogo: Mr. Speaker, I just want to clarify to the Manamko in this Chamber because there are two types of Tuba. One is the sweet one and the strong one. Which of the two is alcohol?

Speaker Babauta: Both.

Rep. Ogo: I do not think that the sweet one contains much alcohol unless you ferment it. Is there a law that states that TUBA should not be sold to minors? I have never seen any of that.

Speaker Babauta: This is exempting the locally produced...

Rep. Ogo: So how do you describe TUBA as an alcohol? If there is no law that says that TUBA is an alcohol then how do we ever get into thinking to include TUBA as an alcohol?

Speaker Babauta: Well, traditionally it has been considered as a famous pass time alcoholic beverage before Pap smear, Olympia and Kirin Beer and Asahi were introduced.

Rep. Ogo: Mr. Speaker, but like I said, the sweet one is not really considered an alcohol.

Speaker Babauta: Let me yield to Representative Kaipat.

Rep. Kaipat: I think my good colleague from Rota; your concern would be addressed if this bill calls for the labeling of the TUBA, but it actually exempting it. So you do not have to worry about defining it. This is exempting and we are not calling for the labeling of it.

Speaker Babauta: Ready.

The oral floor amendment offered by Representative Yumul was carried by voice vote.

Speaker Babauta: Motion carries. Now we are discussing H. B. NO. 15-76, HD1. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 15-76, HD1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	absent
Rep. Candido B. Taman	absent
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: H. B. NO. 15-76, HD1 hereby passes the House on First and Final Reading. Floor Leader, H. B. NO. 15-34, CS1.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading H. B. NO. 15-34, CS1.

The motion was seconded.

H. B. NO. 15-34, CS1: A HOUSE BILL FOR AN ACT TO PROHIBIT THE IMPORTATION OF USED TIRES AND SALE OF IMPORTED USED TIRES IN THE COMMONWEALTH; AND FOR OTHER PUROSES.

Speaker Babauta: Discussion. Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. I have a floor amendment and it was passed out earlier.

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

Speaker Babauta: Motion carries. Now we are discussing H. B. NO. 15-34, CS1, HD1. Clerk roll call.

The roll called on the motion to pass H. B. NO. 15-34, HS1, HD1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes

Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	absent
Rep. Candido B. Taman	absent
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: H. B. NO. 15-34, HS1, HD1 hereby passes the House on First and Final Reading. Floor Leader.

Floor Leader Deleon Guerrero: Mr. Speaker, I have a suggestion here from the Ways and Means that we entertain H. B. NO. 15-95.

Speaker Babauta: Without objection, suspension motion, Floor Leader.

Floor Leader Deleon Guerrero: I move that we place, H. B. NO. 15-95 on today's Order of Business.

Speaker Babauta: I guess we need to dispose one more then we dispose that because we need suspension of rules. Continue with H. B. NO. 15-35.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage of H. B. NO. 15-35, CS1.

The motion was seconded.

H. B. NO. 15-35, CS1: A HOUSE BILL FOR AN ACT TO AMEND THE ENFORCEMENT AND PENALTIES OF ALCOHOLIC BEVERAGE CONTROL VIOLATIONS; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion. Clerk roll call.

The roll called on the motion to pass H. B. NO. 15-35, HS1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	absent
Rep. Candido B. Taman	absent
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes

Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: H. B. NO. 15-35, HS1 hereby passes the House on First and Final Reading.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the suspension of Rule IX, Section 9, 10 and 11 for the placement of H. B. NO. 15-95.

The suspension motion to place H. B. NO. 15-95 on the Calendar was seconded and carried by voice vote.

Speaker Babauta: Motion carries. Passage motion.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for the passage on First and Final Reading, H. B. NO. 15-95.

The motion was seconded.

H. B. NO. 15-95: A HOUSE BILL FOR AN ACT TO APPROPRIATE \$50,500 FROM THE FIRST SENATORIAL DISTRICT SOLID WASTE MANAGEMENT FUND; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion. Representative Palacios.

Rep. Palacios: Thank you, Mr. Speaker. I have some oral amendments to offer, Mr. Speaker. On line 2, page 1. After the word “equipment” on line 2, strike out the comma (,) and put after equipment, “heavy equipment parts.” I am offering an amendment on line 2, page 1, after the word “landfill heavy equipment” it should read, landfill heavy equipment parts”. Further on line 10 also should read, “landfill heavy equipment parts”. So moved, Mr. Speaker.

Speaker Babauta: Discussion on the oral floor amendment.

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

Speaker Babauta: Motion carries. Vice Speaker.

Vice Speaker Quitugua: Just a legal question because in the Fourteenth Legislature, we were trying to appropriate some funds under the bill and we were told that we could not because unless we passed a new budget. I just want to know whether this bill or are we consistent with that statement by the legal counsel in the Fourteenth Legislature?

Speaker Babauta: Representative Ogo, please respond.

Rep. Ogo: I know that the question is being referred to the legal counsel, but earlier I had a conversation on this issue with Legal Counsel Bermudes and he mentioned that all of these are local revenues in actuality. 10% part of that Public Law 13-42 is given to Rota and 10% is given to Tinian. So those are considered local revenue and I believe we can appropriate those funds. If you

have further questions probably Legal Counsel may explain further, but according to Mr. Bermudes, this Solid Waste is considered local revenues. Saipan has its own Solid Waste and so does Rota and Tinian.

Speaker Babauta: The Vice Speaker earlier cited a previous legal opinion issued by our Chief Counsel that says that no general fund can be appropriated for others other than what is stipulated here like CIP's and what we are trying to do here except local generated revenue and earmarked local revenue. Unless we are appropriating from the general fund then this is in violation of the Budgeting Act and primarily the Constitution that requires a balance budget appropriation. I understand that you have already verified with our Chief Counsel?

Rep. Ogo: Yes, Mr. Speaker. Basically if you look at it, Solid Waste Revolving Fund is a local revenue generated fund pursuant to Public Law 13-42.

The Chair recognized Representative Palacios.

Rep. Palacios: Mr. Speaker, could we have a five-minute recess so I can pull out Public Law 13-42.

The House recessed for lunch at 3:33 p.m.

RECESS

The House reconvened at 3:41 p.m.

Speaker Babauta: We are back to our plenary session and we are still discussing H. B. NO. 15-95, HD1. Representative Palacios.

Rep. Palacios: In defense of my colleague from the First Senatorial District, I believe in looking at the Public Law where he is sourcing his funds from, it is in line and it is legal that the First Senatorial has funds and could be appropriated specifically for their Solid Waste Management Program. Just make sure that it is not for Little League.

The Chair recognized Representative Tebuteb.

Rep. Tebuteb: Thank you, Mr. Speaker. I do understand the intent and I do support the bill but just a minor question on the payment of clean up outstanding obligation. I am just wondering how much do we have? Is \$50,000.00 enough and should we go ahead and increase the amount in this bill?

Rep. Ogo: It is more than enough, Mr. Speaker. The request of the Department of Public Works Acting Resident Director is minimal but the priority here is to have the heavy equipments up and running along with fuel to cover the open dumpsite on Rota so we can minimize the fly infested area. We really need the constant covering of the open dumpsite until such time that Rota is provided by the current administration \$12 Million to have their own Sanitary Landfill. Thank you, Mr. Speaker.

Rep. Tebuteb: It is nice to know that we have minimum obligation or due payment but I did not get the correct answer or is that the correct answer as minimal?

Rep. Ogo: Colleague, I do not have the correct exact amount but within that \$50,000.00, I think the obligation is more than enough to pay off previous obligations for those vendors.

Rep. Tebuteb: Again, I do support the bill, but it is just that I am wondering if it is really enough. As far as I understand, there were also payments to the Feds on the clean up from Typhoon Pongsona or is this exclusive?

Rep. Ogo: Mr. Speaker, if I am not mistaken, according to the Acting Director of Public Works, there are parts of the clean up process that FEMA is able to subsidize. However, they have classification and part of this, there are amounts that FEMA cannot pay and I believe it is less than \$50,000.00 and those classification falls under “B” and “C” under the FEMA standards. FEMA could only fund the “A” category but the “B” and “C”, according to the Acting Director, those are supposed to be by the department. So that is their request.

Speaker Babauta: Are you alluding to the local matching of FEMA?

Rep. Ogo: Yes, Mr. Speaker, but part of this “Pongsona” obligation cannot be covered. Some of the vendors requesting for payment...**[End of tape 2]**

[Beginning of tape 3]

Rep. Ogo...all certain vendors that are not covered under FEMA.

The Chair recognized Representative Kaipat.

Rep. Kaipat: I believe that now I understand it and the members do also.

Speaker Babauta: If you look at the attachment in the back, I guess the payments of the vendors and the beautification projects is continued to be an un-ended programs. So we have one from Public Law 14-61, 14-70 and now we are having another one, which is which?

Rep. Palacios: And this leads me to my next question, Mr. Speaker.

Speaker Babauta: Let me recognize Representative Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. I would like to offer an oral amendment to change the sentence on line 11 to say, “of outstanding clean up obligations”. Switch the “clean up” and “outstanding”.

Speaker Babauta: Discussion.

The oral amendment offered by Representative Kaipat was seconded and carried by voice vote.

Speaker Babauta: Motion carries. Vice Speaker.

Vice Speaker Quitugua: Again, Mr. Speaker, this is just a legal clarification. During the Fourteenth Legislature, there were bills that we were asked to recall so that we could strike off the sentence, “funds appropriated by this Act shall not be subject to Fiscal Year limitation.” Is this a different interpretation now in the Fifteenth Legislature?

The Chair recognized Legal Counsel Villagomez.

Legal Counsel Antonette R. Villagomez: *I am not sure if we are talking about the same thing, but I believe that sentence that you are referring to on line 15 was basically a sentence that the previous administration did not like. I guess the previous Governor did not like to have appropriation bills not be subject to Fiscal Year limitation. So I think that was his recommendation not to include it. I believe he was not vetoing bills but line iteming parts of the bill. But again, in my opinion, it is the purview of the Legislature whether or not you want to include a Fiscal Year limitation or not but then again, the Governor will be the one approving this bill so it will be up to him in the end. I believe it was just a policy. I did not receive any formal memorandum regarding the legal restriction on any Fiscal Year limitation or reprogramming provisions of appropriation bills.*

Vice Speaker Quitugua: It is not under the budget?

Legal Counsel Antonette R. Villagomez: *Not that I am aware of. We can take another recess and come back and verify because I cannot say for sure. I am just speaking from what I recalled regarding that issue.*

Vice Speaker Quitugua: Mr. Speaker, I support the bill but just to make sure that after all these efforts and passage, the Governor would veto it saying that because of this phrase “Fiscal Year limitation” and...

Speaker Babauta: To clarify, Representative Palacios.

Rep. Palacios: I would recommend that we take it away or take it out because this is an operational cost and it should be...when you have an operation within a Fiscal Year, it cease to exist. We usually put this phraseology in CIP projects, which extends over and beyond a fiscal year. So I would suggest and let me make that amendment to delete on line 15 to delete, “nor subject to fiscal year limitation.” Delete that out and put a period (.) after reprogram.

Speaker Babauta: Discussion on the oral floor amendment. Representative Ogo.

Rep. Ogo: Mr. Speaker, with that striking out of that oral amendment, I believe that if the Governor signs this, it would only take a month to finish the \$50 k. Thank you, Mr. Speaker.

Rep. Palacios: If you really need it then you would finish it.

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

Speaker Babauta: Motion carries. We are still discussing H. B. NO. 15-95, HD3. Representative Waki.

Rep. Waki: Thank you, Mr. Speaker. When we look back at some of the use of the Revolving Fund during Fiscal Year 2004 and 2005, if the Solid Waste Project is really important, why is it that \$262,000.00 in Fiscal year went to various program, \$247,000.00 in Fiscal Year 2005 went to beautification projects and then appropriate \$90,000.00 for Landfill equipment and Typhoon vendor payments after the fact that they could have used the \$500,000.00 prior? It is interesting that there is only \$53,000.00 left in the account and we are going to appropriate \$50,000.00 but we do not know where is it going? It is understandable if it is for equipment but do we have the numbers? We love to give the money over but it is nice to know if we have \$20,000.00 in parts needed and \$30,000.00 for vendor payments and who is it going to, but I just wonder where all these money is been going to various projects other than the landfill? To me it is just like, I do not even think that this money is going to the landfill. That is just what I feel and I am sorry Representative Ogo, but I just do not see that the money is been spend wisely in the last two years. Now, you need \$50,000.00 but you do not know how much really are you going to spend so I just do not feel that you have justified enough at least to me. I am sorry but that is just the way I am and I need to know what you are going to use it for. If you do that then I am in agreement to do it but I do not see any numbers and you are willing to use up \$50,000.00. Why not just use up the \$53,549.00? It is there. Why leave anything in it? Just take it, but the bottom line is I would like to know where is it going to go. You can give the programming authority to the Rota Resident Director of Public Works but he can take it and put it in some other projects and not into the landfill. That is my only concern. I appreciate the report but I am just worried because \$500,000.00 went into something else and not to the landfill and the vendors of Pongsona, which was three years ago. It just makes me wonder sometimes. That is just my concern and if you have an answer for me, it would be nice because I am just kind of worried as to where this money is going to this time.

The Chair recognized Representative Ogo.

Rep. Ogo: Let me just try to justify this peanuts money, Mr. Speaker.

Speaker Babauta: Proceed with the peanuts justification.

Rep. Ogo: Like I said, once the Governor signs this, it would just evaporate like nothing. Basically, we have heavy equipment that is sitting there that needs to continuously cover garbage on the island of Rota so when you go there, you do not see any garbage in front you. Okay. We need fuel to keep this running. We need about \$10 to \$15 Thousand dollars on heavy equipment parts. That is as far as I know. We do not know if they need more parts, but I understand that they need to purchase parts to have the heavy equipment running. To run the equipment every other day takes a lot of money and fuel. So just those two alone will probably cost \$20 to \$30 Thousand and you are left off with \$20,000.00 and they would probably use that to pay the vendors that have been waiting for the past two years. Like I said, this peanut money will evaporate in about a month after the Governor signs it into law. Basically, the appropriation just states right there as to what are they going to be used for.

Speaker Babauta: Maybe to shorten the discussion on this and apiece our colleagues concern, would you be kind enough to request from Rota primarily DPW to give this House a copy of what is pending from Public Law 14-61 and Public Law 14-79 as it pertains to this legislation?

Rep. Ogo: The amount available?

Speaker Babauta: No. What has been paid out of those appropriations and what H. B. NO. 15-95 intents to...

Rep. Ogo: That is not a problem, Mr. Speaker. I will specifically request for those.

Speaker Babauta: We sincerely appreciate that. Continue Representative Waki.

Rep. Waki: Thank you, Mr. Speaker. Like I said, whenever we are going to even make out a Purchase Order to buy anything, you get a quotation. Usually when you are going to pay for an invoice, you have an invoice. We can appropriate money all the time and maybe this is an old habit we had just to give the money because it is there, but I think we should try to be a little bit more physically what they call it responsible and just get the numbers, payments and the money that we need to make. If it is not enough and it is just peanuts then at least we see that it is peanuts. But I am saying that you are talking about clean-up outstanding obligation from Typhoon Pongsona, which was over three years ago and the \$500,000.00 did not go to any of that. That is why I am questioning it because the money was appropriated for different reasons and now after the fact, people are still waiting for payments. I am just saying that we need to really just say that the money is going to here and if it is not enough then it is fine but we will look for some money later on from somewhere else. I want to see it go to where it is suppose to go. That is all. Nothing more. Nothing less. Thank you.

Speaker Babauta: Thank you for that healthy concern. Representative Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I guess Congressman Waki is just wanting to find out what kind and how much peanuts is going to be bought for \$50,000.00.

The Chair recognized Representative Torres.

Rep. Torres: Thank you, Mr. Speaker. I am supporting this bill but I think that if the Governor sees this bill, he would probably send us a letter officially that we restrict him on Public Law 15-1 and here we are appropriating. Siempre ilek-na in restrict yu ya hamyo man gugupot. Thank you.

Speaker Babauta: Noted. Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. This is just in light with Congressman Waki's comments. It is true that we should as much as possible try to itemize in a perfect world and the way the Legislature and the Administration operates. Sometimes you cannot just put numbers in specifically for a purchase of collateral equipments and what not because as you know, this bill could be entertain today but it could be sign into law many months from now, and when that happens, pricing is subject to change as we all know, Matson like to increase fuel surcharge. Although I understand his comments that it is good to see everything broken down but again at the same swing, we need to be also cognizant that prices are not subject to stay in one particular area. We see prices fluctuate like in fuel jumping up and down within a matter of weeks. Although, I do like his comments, it is very important that we do get some kind of justification. I do caution the members that if we are

going to be making appropriations bill that we try not to be specific to the penny otherwise we run into this problems coming back and making further amendments. Thank you.

The Chair recognized Representative Palacios.

Rep. Palacios: Thank you, Mr. Speaker. I share the concern brought by Representative Waki in almost a totally different way. I am the author of Public Law 13-42, which created the Solid Waste Revolving Fund, and we did it with a lot of heavy heart in the Thirteenth Legislature because what it did was impose additional excise tax specifically to address our dump or to make the Saipan landfill operational. That was a requirement otherwise EPA at the time was not going to permit or issue a license to operate the landfill because they wanted some assurance that we will have adequate funding to operate the landfill. That is why we went ahead and created what is termed as Beautification Tax, but in actuality it was not really a beautification tax but it was to fund the operation of the landfill and the other solid waste management program. Over the years in the last four years, every year, I stand in front of the Legislature whenever I see an appropriation, which is highly inappropriate for other funding of other things aside from the actual Solid Waste Management System. I share Congressman Waki's concern. The First Senatorial District have in the past done a wholesale appropriation completely with no connection or whatsoever to a Solid Waste Management Program; buying cars and all that, but I am happy to see that this appropriation is specifically for the open dump in Rota. Whenever the First and Second Senatorial District appropriates funds, I say it is there slush fund. You would not believe what they use or how they use some of this money for, but at least today, I can say that I will support this because it is for the operations of their dump. I hope that we do not see appropriations for any other various projects other than addressing the solid waste management program. That is what this fund is for. Thank you.

Speaker Babauta: I understand also that recently the Office of Public Auditor have established a permanent office in Rota so I guess we should not be bothered about the \$50,000.00 anymore. Representative Yumul, another amendment?

Rep. Yumul: Mr. Speaker, just as a final note. I know that there are a lot of questions here coming from the members of this House should we then consider putting in another section to mandate that the Department of Public Works make a report upon completion of this expenditure to provide to us the Legislature within one year.

Speaker Babauta: Representative Palacios, is that in the original provision of the enabling?

Rep. Palacios: No.

The Chair recognized Representative Waki.

Rep. Waki: Given the fact that based on what Congressman Palacios was mentioning that at least it is going towards the bill set aside for the Solid Waste, and even though it is peanuts, I will support it. That is not a problem but I just wished that in the future that we have a little bit more information to help us make these decisions but if nothing else, a report may not be necessary and we just hope that the money is strictly used for solid waste. Please understand that \$50,000.00 is never peanuts. \$50,000.00 is Fifty Thousand and a lot of people in any Senatorial District could use that for

different programs for assistance. I will tell you that it is not a drop in the bucket right at this point in time, and \$50,000.00 is Fifty Thousand. Thank you.

The Chair recognized Representative Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. I think we are all in agreement here that as long as this money over much it is being expended for its intended purpose then it is not a problem, and I believe that our Honorable colleague from Rota did say that it is not a problem for him to provide further information on the justification. So I think that if you just provide that then there should not be any problem. As we said, there are safeguards build into this and I am sure that you are going to assure or ensure that as this money is disbursed that they obviously follow the law. Thank you.

The Chair recognized Representative Ogo.

Rep. Ogo: Basically, Mr. Speaker, I just want to share to everyone that I have trust and faith on our Resident Director of Public Works that he will do follow Section 2 of this bill. Thank you, Mr. Speaker.

Speaker Babauta: Thank you. We are now voting on H. B. NO. 15-95, HD3. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 15-95, HD3 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	yes
Rep. Benjamin B. Seman	absent
Rep. Candido B. Taman	absent
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: H. B. NO. 15-95, HD3 hereby passes the House on First and Final Reading.

MISCELLANEOUS BUSINESS

None

ANNOUNCEMENTS

The Chair recognized Representative Ada.

Rep. Ada: Wednesday afternoon...

Rep. Ogo: Mr. Speaker, on Wednesday afternoon is Ways and Means at 1:30 p.m.

Rep. Ada: So can we do it in the morning, please for Commerce and Tourism?

Speaker Babauta: You check whose day is that then you can arrange.

Rep. Ada: No. I will stick to my day but what happens if beyond our circumstances that we cannot meet on Monday?

Speaker Babauta: Okay then discuss with the Chairman of Ways and Means if you can have it on Wednesday morning.

Rep. Ada: Okay.

The Chair recognized Representative Tenorio.

Rep. Tenorio: Mr. Speaker, under Miscellaneous.

MISCELLANEOUS BUSINESS

Rep. Tenorio: Mr. Speaker, I think it is timely that we call the Chairman and the Executive Director for the Retirement Fund to maybe assess the Legislature of what is going on. There are some rumors going around that there may be payless payday for the retirees and we want to know what is going on before that happens. I would like to request the Chair if he could make the arrangements...

Speaker Babauta: So noted. The Chair would make the request. Representative Torres.

Rep. Torres: Mr. Speaker, to add to what Representative Tenorio's request. Can you expedite that invitation because I understand that the Administrator has been given a walking paper already, which might not be able to accommodate us?

Speaker Babauta: I would do that request depending on their schedule too. Representative Waki.

ANNOUNCEMENTS

Rep. Waki: Just a reminder that tomorrow at 11:00 a.m is the funeral for Ms. Bobby Arriola Mizutani's mom. She has been a long time employee here in the Legislature and we appreciate your attendance at the funeral at the Cathedral. Thank you very much.

The Chair recognized Representative Palacios.

Rep. Palacios: Thank you, Mr. Speaker. Just a request for the Chairman of Commerce and Tourism, I think I have five legislations in your committee. Could you be so kind and check on them and see how they are doing since you are meeting this week? Thank you.

Rep. Ada: We have a busy schedule this week and I think everybody has their own committee so I guess I do not have any choice but to schedule it for Monday in the morning.

Speaker Babauta: Who is meeting on Wednesday?

Rep. Ogo: Ways and Means, Mr. Speaker.

Speaker Babauta: Is that the Committee's day? So you want to arrange your meeting with the Chairman on Commerce and Tourism?

Rep. Ogo: No problem, Mr. Speaker, because I have mine in the afternoon.

Rep. Ada: Okay. Wednesday morning at 8:00 a.m. in my conference room.

Speaker Babauta: Once again, I would continue to urge the Standing Committee Chairs to vigorously work on bills. Anything that is not of controversy technical amendments, please see to it that we act on it immediately. Representative Torres.

Rep. Torres: Thank you. Just to remind the Chairman for Commerce and Tourism, I appeal to the Chairman to keep in mind our Silver Club bill please.

The Chair recognized Representative Yumul.

Rep. Yumul: Mr. Speaker, we are having conflicts with the Senate. They are not enthusiastic about that bill because it does not generate any revenue. It just aims to give these citizens from abroad a four-year residency. In other words, another class of nonresident but a \$200.00 fee for four-years, no revenue generations such as mandating required condominium purchase or lease. So I need to get back to our Congressman here on the real intent of the bill because it seems that we are just trying to create another class of nonresidents, but they are retirees.

Speaker Babauta: The initial investment on the Silver Market is what? \$150,000.00?

Rep. Yumul: No. Congressman Torres' bill does not address that. It just addresses that if you are over the age of 55, can show proof of retirement income, then you can be given a four-year residency. I am not sure of the mechanics but it basically allows these guys to stay for four-years with a \$200.00 fee.

Speaker Babauta: Clarify that with our Tax Code because as I understand it, it allows for a deduction or a taxable income without as it presently does.

Rep. Yumul: We are also waiting for SEDC's comments regarding these types of investors and up to date, they have not provided our office...

Speaker Babauta: Usually, the SEDC supports removing that provision from taxing investors like the Silver Market with their earned income without and that is their pensions abroad tax to be

waived. So it is a lengthy debate but it is worthwhile. Please continue working on those. Chairman Ada.

Rep. Ada: I think we should meet with our counterpart from the Senate so we avoid having to introduce two similar bills. It is going to be a waste of time to try to get these two together. Thank you.

Speaker Babauta: Okay. Floor Leader, motion for recess.

Floor Leader Deleon Guerrero: So moved, Mr. Speaker, for recess subject to the call of the Chair.

The House recessed at 4:18 p.m.

Respectfully submitted,

/s/

Sheila T. Herwin, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

SECOND APPEARANCE

NONE

THIRD APPEARANCE:

H. L. B. NO. 15-24: To amend Section 3(c) of Saipan Local Law No. 13-16; and for other purposes.

H. L. B. NO. 15-25: To name the street located in Capitol Hill, off of Savanna Road between Agrigan Lane and Guguan Drive, as "Norita Lane".

H. L. B. NO. 15-26: Naming the Port of Saipan the Capt. George F. Fleming / Port of Saipan in recognition of his contributions in the development and modernization of Saipan's seaport facility and the islands economy.