



House Journal

THIRD REGULAR SESSION, 2007

Adopted:
April 4, 2007

Fifth Day

February 21, 2007

The House of Representatives of the Fifteenth Northern Marianas Commonwealth Legislature convened its Fifth Day, Third Regular Session on Wednesday, February 21, 2007, at 10:15 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 silent prayer was observed.

The Clerk called the roll and fifteen members were present. Representative Absalon Waki, Jr. was excused. Representatives Edwin P. Aldan and Benjamin B. Seman came in late.

Rep. Torres: Privilege, Mr. Speaker.

Speaker Babauta: Under privilege, recognized Representative Torres.

Rep. Torres: I would like to recognize our former colleague, Congressman Melvin Faisao.

Speaker Babauta: Thank you. On behalf of the members, good morning and welcome to the House Chamber.

ADOPTION OF JOURNALS

Floor Leader Florencio Deleon Guerrero moved for the adoption of the First Day, Third Regular Session 2007 Journal; the motion was seconded.

1st Day (1/24/07), Third Regular Session 2007

There was no discussion and the motion to adopt the First Day, Third Regular Session Journal was carried by voice vote.

Speaker Babauta: The motion is carried.

INTRODUCTION OF BILLS

H. L. B. No. 15-58: A House Local Bill for an Act to amend the Saipan Zoning Law, 10 CMC § 3511, incorporating by reference Saipan Zoning Law, Divisions 1000 - 15200.

Offered by: Rep. Francisco S. Dela Cruz and fourteen others

Rep. Palacios: Privilege, Mr. Speaker.

Speaker Babauta: Under, privilege and I recognize Representative Palacios.

Rep. Palacios: Would the author be amendable to having his colleagues co-sponsor the legislation?

Rep. Dela Cruz: Definitely.

Speaker Babauta: Under privilege, I recognize Representative Torres.

Rep. Torres: I reserved the right to object and my name should be included in the bill as a co-sponsor, Mr. Speaker.

Speaker Babauta: I assumed that your explanation is very well taken and absolutely clear. Whoever wanted to co-sponsor Chairman Dela Cruz' legislation may do so voluntarily.

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

Speaker Babauta: Recognized.

Rep. Ogo: Since it is a local bill and the author mentioned that it is Committee as a Whole, I want to recognize that the First Senatorial District should be strike off from that as a co-author. Thank you.

Speaker Babauta: Clerk, please make sure that Representative Torres is omitted from the sponsorship and so as other members that would be requesting shortly. Any more bills. I recognize Representative Ogo.

H. B. NO. 15-234: A Bill for an Act to authorize the commercial operation of amusement machines at the Rota Airport and Rota Seaport, to waive applicable license fees for amusement machines and any restriction on the maximum number of amusement machines operating at those locations; and for other purposes.

Offered by: Crispin M. Ogo

Referred to: Committee on Ways and Means

H. L. B. No. 15-59: A Local Appropriations Bill for an Act to appropriate \$100,000.00 from the First Senatorial District Poker Fees; and for other purposes.

Offered by: Crispin M. Ogo

Speaker Babauta: Let me call for a short recess.

The House recessed at 10:22 a.m.

RECESS

The House reconvened at 10:25 a.m.

Speaker Babauta: We are back to our plenary session, and we are under item number 4.

INTRODUCTION OF RESOLUTIONS

H. R. No. 15-93: A House Resolution to request the Child Care Licensing Program under the Department of Community and Cultural Affairs to provide in the existing child care regulation the standards on equal protection and quality education for every child in the Commonwealth of the Northern Mariana Islands.

Offered by: Rep. Ramon A. Tebuteb and seventeen others

MESSAGES FROM THE GOVERNOR

None

SENATE COMMUNICATIONS

None

HOUSE COMMUNICATIONS

None

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, to suspend pertinent rules for the placement of H. R. NO. 15-93.

The suspension motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the adoption of H. R. NO. 15-93.

The motion was seconded.

H. R. NO. 15-93: A House Resolution to request the Child Care Licensing Program under the Department of Community and Cultural Affairs to provide in the existing child care regulation the standards on equal protection and quality education for every child in the Commonwealth of the Northern Mariana Islands.

Speaker Babauta: Discussion. Let me just clarify from the author. On page 2, line 15, the sentence after the word providers, “the private and public pre-schools”, is childcare services also tendered to public and private schools?

Rep. Tebuteb: As far as my information, yes, Mr. Speaker.

Speaker Babauta: Okay. I just want to make sure so that we do not get blasted by the private schools and the Public School System. This is a very interesting Resolution, and if I may add a few comments, I think we need also to engage a dialogue with the Child Care Licensing Service to further review some of those issues that are allegedly submitted to their division for improvement under that program. Okay. Ready?

There being no further discussion, H. R. NO. 15-93 was adopted and carried by voice vote.

Speaker Babauta: The motion is carried. We will move down to Bill Calendar.

REPORTS OF STANDING COMMITTEES

None

BILL CALENDAR

Speaker Babauta: Yesterday, we recessed with the Vice Speaker holding the floor. So in view of that, I would continue to recognize the Vice Speaker, unless otherwise, yield in further discussing H. B. NO. 15-196.

Vice Speaker Quitugua: Mr. Speaker, I recalled that Representative Tenorio was asking where did I get the \$15 Million dollars. I would like to note this morning that the report as of 1/9/07 from the Office of Planning and Budget, it is projecting savings as a result of Public Law 15-24 up through 09/30/07 in the amount of \$15,585,527.00. That is where I got the figure of \$15 Million. Thank you, Mr. Speaker.

Speaker Babauta: Let me recognize those members that have not spoken yet on H. B. NO. 15-196, because yesterday it took us almost two hours on that subject. I recognize Representative Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. Actually, I have a floor amendment that I would like to introduce, but I will do that later, but can I touch on the remarks by our good Vice Speaker?

Speaker Babauta: Proceed.

Rep. Joseph Deleon Guerrero: Yes, that came out on the paper and it is true. However, if my recollections are correct, the budget that was previously passed showed that we had a personnel cost of \$130 Million. If that figure is correct and the current austerity measure proposes to cut salaries by 10%, then the actual figure should be \$13 Million. Ten percent of a \$130 Million, the personnel cost should be \$13 Million. Now, if you add other austerity measures like not filling in vacated positions, not paying out overtime, other things like that, and add on all these extra measures then, yes, it could be \$15 Million, but we are talking about personnel cost and if we are comparing the proposed austerity measure of H. B. NO. 15-196 with the current fiscal austerity measure then we should look at that and not compare other added austerity type of programs. Mr. Speaker, I think I know which way the wind is going to blow today. I am a very...I am in support of H. B. NO. 15-196 for very basic reasons, and if you may allow me, Mr. Speaker, I would like to go over those reasons again and look at it really from a practical stand point. Let us look at each one on its own merits. The current fiscal austerity measure targets a small group or really targets government employees, but take a big chunk of their salary. It takes 10% of their salaries, but still a small group, and how do you expect to support government services when you target a small group? The proposed measure here targets everyone. It spreads it out. Not only government employees, and why? Why? Because it is not just the government employees that need government service, everybody benefits from it. When the police respond to a crisis or a domestic issue, they do not ask whether you are a government employee or not. Everyone benefits from our government providing essential government service. So why not have everybody pitch in and help now? Now is the time. I think it is not unreasonable to ask everyone to pitch in. We are not asking everyone to pitch in 10% of their salaries. When you weigh how much it is going to cost to spread this out, it only affects each one 2.6%. Now, think about that. You are affecting 10% of the government employees' salary. You are affecting his spending power, and we all see that. Representative Tenorio yesterday reiterated that people are moving out by bus loads. They are moving out by family loads. Ten percent, and when you consider that multiplier effect is times five, times six, and that is a lot. That is huge that we are denying government revenues when people do not spend. That is the difference between the two.

Secondly, people depend more on their salaries rather than their rebates. I think if you were to give an employee the choice of touching his salary or touching his rebate, I think people would tend that you touch their rebates. Why? They depend on their salaries for food, basic necessities, for bills that are currently continuing to sky rise, and it is not only CUC. Everything has gone up. The cost of living has gone up and yet we are cutting peoples salary by 10%. Another comparison, if you look at the two, one proposes to not to pay people during holidays. I think that it is great. People are not working anyway and yet we still pay them. This is everyone, not just exempted. Nobody is exempted here other than those essential services such as; doctors, policemen, EMO if there is a calamity, but otherwise, government offices are closed. Businesses can plan for that. They know when government holidays are. They know already and I think they can plan for that. Comparing the two again, one of the flaws I see with this system is with the exemption system process. Let us take the hospital. Doctors are exempted, they come to work, but when you come in to get treated and the support staff are not exempted, they are off, how can you expect to get the treatment. There are basic flaws here. Another practical issue is federally funded employees. You have some agencies that are almost entirely 100% federally funded like Food Stamps. Why deny those offices the opportunity to serve the public? Why deny those employees the opportunity to get paid? Why deny them the opportunity to spend? Those are some of the flaws that I see as you compare the two systems. I can go on and on, but I think everyone here can see. You talk to people, you listen to people, and this is just an easier pill to swallow. I think the results are the same, the net effect is the same, but it is less painful or adverse on the small group of people in the government. It is just fair. It is equitable and it is right that every person in this Commonwealth that benefits that government service should pay for those government services. We are not saying that we are going to deny you 100% of your rebate. It is just a small reduction and just for a limited period of time. The floor amendment that I am proposing would extend the holiday and the rebate until 2008 and then have a sunset provision to end it there. Mr. Speaker, in lieu of our current economic crisis, I do not think that it is that painful to ask that every person in this Commonwealth no matter whom they are pitches in because everyone here benefits from this government providing essential services. So now we see the difference between the two. I would like to hear today on this floor as to why we should not pass H. B. NO. 15-196. I would like to throw it to anyone or ask anyone who is opposing this bill to convince me or convince us why we should not, why we should not pass this bill, why the current system is better, and we should stay with the current system and never mind this one. Please convince me because I really need to know. Thank you, Mr. Speaker, and with that, I would like to offer a floor amendment and everyone will have copies.

Speaker Babauta: Does everyone have a copy of that written floor amendment? Let me just clarify one thing with the comment that Representative Deleon Guerrero made with respect to the hospital. The hospital continues to serve the public whether day or night, and of course, there are support staffs. The support staff that are there deals directly with patients and that is not only the doctors but nurses themselves. The other divisions such as the accounting or administrative staffs are off. That is just for the record. As you may recall, two months ago or three months ago, H. B. NO. 15-196 contained a rebate reduction provision. So approximately three months ago, the House recalled by unanimous consent, a bill that was authored by Representative Guerrero suspending the rebate from the Senate and it was filed permanently. So this one resurfaces again in conjunction with the austerity as proposed by Representative Tenorio. Okay.

Rep. Joseph Deleon Guerrero: I would just like to respond to why I recalled...

Speaker Babauta: Sure.

Rep. Joseph Deleon Guerrero:...and the reason was that it was my alternative to the proposed fiscal austerity measure when it was voted to approve the fiscal austerity measure, I did not feel that there was any further need to compound the pain.

Speaker Babauta: So clarified. I recognize you now for the floor amendment.

Rep. Joseph Deleon Guerrero: Thank you. Mr. Speaker, I have a floor amendment to introduce. The first section amends “Section 2 (a), Legal Holiday leave with pay pursuant to 1 CMC § 312 is hereby suspended from January 15, 2007 to the end of Fiscal Year 2008.” Number two amends Section 5, “Section 5. Sunset Provision. The suspension of legal holiday leave with pay provisions of this Act shall expire at the end of Fiscal Year 2008.” And number three amends Section 7, “Section 7. Tax Reduction Applicability. The Tax rebate reduction shall apply to all tax rebates beginning with year 2007 and shall expire at the end of Fiscal Year 2008.” I so moved.

The written floor amendment was seconded.

Speaker Babauta: Discussion. I recognize Representative Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. I just have a question on the period here under Section 2. As you know, February 19th have come and gone also, so we would probably need to make an amendment. I believe this Holiday have been paid for. I believe we need to put in another starting date.

Speaker Babauta: For clarification, we are now discussing the written floor amendment offered by Representative Deleon Guerrero.

Rep. Dela Cruz: I do not believe we can suspend something that has already gone by.

Rep. Joseph Deleon Guerrero: You are correct. Would you like to make the proper subsidiary motion to amend that? So is it okay to say, “hereby suspended from March 23 which is the next...” Okay.

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

Speaker Babauta: State your point. Brief recess.

The House recessed at 10:46 a.m.

RECESS

The House reconvened at 11:00 a.m.

Speaker Babauta: We are back to our plenary session. Representative Dela Cruz, did you make the subsidiary motion for the amendment?

Rep. Dela Cruz: No, I did not. I believe the mover of the amendment would.

Speaker Babauta: Okay. I recognize the mover.

Rep. Joseph Deleon Guerrero: Thank you, Mr. Speaker. To further clarify, this is a subsidiary amendment on Section 2, after word, “suspended from” strike out, “January 15, 2007” and insert, “beginning on the first Legal Holiday after the bill is signed into law.” Is that correct, Mr. Speaker.

Speaker Babauta: Are you referring to item number 1 under Section 2?

Rep. Joseph Deleon Guerrero: Yes, Mr. Speaker. Is that correct, Counsel Bermudes?

Legal Counsel Joe Bermudes: *It sounds good.*

Rep. Joseph Deleon Guerrero: Thank you.

Speaker Babauta: So it should read, beginning the first Legal Holiday after the bill is signed into law.” Is everybody clear with Representative Deleon Guerrero’s amendment?

Rep. Joseph Deleon Guerrero: Counsel?

Speaker Babauta: Counsel, is that clear?

Legal Counsel Joe Bermudes: *Yes, Mr. Speaker. So we are just deleting from January 15th 2007, and inserting, “beginning the first Legal Holiday after this bill is signed into law.”*

Speaker Babauta: Short recess.

The House recessed at 11:03 a.m.

RECESS

The House reconvened at 11:04 a.m.

Speaker Babauta: We are back to our plenary session, and I continue to recognize Representative Joseph Deleon Guerrero.

Rep. Joseph Deleon Guerrero: Let me restate that again, Mr. Speaker.

Speaker Babauta: Yes, restate your oral amendment.

Rep. Joseph Deleon Guerrero: On Section 1, second line after the word, “suspended” strike out, “from January 15, 2007”...

Rep. Lizama: Clarification, Mr. Speaker.

Speaker Babauta: State your point of clarification.

Rep. Lizama: I believe it is under Section 2.

Rep. Joseph Deleon Guerrero: Yes. Number one of the amendment which is Section 2 is correct, and it will read, “beginning the first Legal Holiday after the bill is signed into law” and you leave “to the end of Fiscal Year 2008.”

Speaker Babauta: Is everyone clear with the amendment? Any discussion on the oral floor amendment to the amendment?

There being no further discussion on the oral floor amendment as offered by Representative Joseph Deleon Guerrero on the written floor amendment was carried by voice vote.

Speaker Babauta: The motion is carried. We will continue to discuss the written floor amendment as amended.

There being no further discussion the amendment offered by Representative Deleon Guerrero was carried by voice vote.

Speaker Babauta: The motion is carried. We will continue to discuss H. B. NO. 15-196, HD1. Ready.

Rep. Yumul: Point of clarification.

Speaker Babauta: State your point.

Rep. Yumul: Thank you. Under page 5, Section 3 amendments, subsection (a), legal holidays, if this section is left intact, it looks like we are avoiding the Christmas Holidays. Strike that. We have already accepted Congressman Joe Guerrero’s amendment on Section 5, which basically extends holidays until the end of Fiscal Year 2008. So if we were to apply this in its entirety, we are skipping certain holidays.

Speaker Babauta: Our parliamentary procedure and the rules of the House allow you to continue to amend whatever amendment was offered if you wish.

Rep. Yumul: Okay. Therefore in that case, I would like to make an oral floor amendment to strike out starting on page 5, lines 24, 25, 26, 27. On page 6, lines 1, 2, 3, and instead, going back to line 22 on page 5, “the holiday leave without pay shall apply to all legal holidays in the Commonwealth.” I so moved.

The oral floor amendment offered by Representative Yumul was seconded.

Speaker Babauta: Okay. It has been seconded. You want to restate the last comment on page 5?

Rep. Yumul: Section 3 (a) starting on line 22 of page 5 will read, “the holiday leave without pay shall apply to all legal holidays in the Commonwealth.” Line 24, 25, 26, and 27 are removed. On page 6, lines 1, 2, and 3 are also removed.

Speaker Babauta: Discussion on the oral floor amendment.

There being no further discussion, the oral floor amendment offered by Representative Yumul was carried by voice vote.

Speaker Babauta: The motion is carried. We will continue to discuss H. B. NO. 15-196, HD2. Ready.

Rep. Yumul: Mr. Speaker.

Speaker Babauta: I recognize Representative Yumul for further amendment.

Rep. Yumul: Thank you. Starting on page 7, Section 6, on the reduction of tax rebates amount, there are only three categories here; not over \$20,000.00 with 70%, not over \$100,000.00 at 50%. I have a written floor amendment to expand the categories if you will.

Speaker Babauta: It is not my will, it is your will. Proceed.

Rep. Yumul: I would like to introduce this written floor amendment that would override this section and add a few more sections.

Speaker Babauta: You have copies available?

Rep. Yumul: Short recess, Mr. Speaker.

Speaker Babauta: Short recess.

The House recessed at 11:08 a.m.

RECESS

The House reconvened at 11:20 a.m.

Speaker Babauta: We are back to our plenary session, and I recognize the Minority Leader.

Rep. Palacios: Thank you, Mr. Speaker. It appears that we still quite involve in the discussion of H. B. NO. 15-196, and if there is no objection from my colleagues, there are couple of important resolutions that Representatives Kaipat and Tenorio wanting to introduce, and hopefully we can adopt it before we continue on with this lengthy discussion on H. B. NO. 15-196. If there is no objection, I would like to ask the...

Speaker Babauta: There being no objection by the request of the Minority Leader, we will move on back to item number 4 under Introduction of Resolution.

INTRODUCTION OF RESOLUTIONS

H. R. NO. 15-94: A House Resolution to urge Governor Benigno R. Fitial to communicate with the United States Department of Defense to encourage increased military presence in the Commonwealth of the Northern Mariana Islands.

Introduced by: Rep. Jacinta M. Kaipat and seventeen others

H. R. NO. 15-95: A House Resolution to request the Northern Marianas Housing Corporation to expedite the resolution of NMHC v. SSFM, et al., Civil Action No. 06-0123B to the benefit of the Tottotville Subdivision Homeowners and to waive the interest and suspend mortgage payments of the Tottotville Subdivision Homeowners pending the outcome of the civil action.

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

RESOLUTION CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, to suspend pertinent rules for the placement of H. R. NO. 15-94 and H. R. NO. 15-95.

The suspension motion was seconded and carried by voice vote.

Speaker Babauta: The motion is carried.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for the adoption of H. R. NO. 15-94 and H. R. NO. 15-95

The motion was seconded.

H. R. NO. 15-94: A House Resolution to urge Governor Benigno R. Fitial to communicate with the United States Department of Defense to encourage increased military presence in the Commonwealth of the Northern Mariana Islands.

H. R. NO. 15-95: A House Resolution to request the Northern Marianas Housing Corporation to expedite the resolution of NMHC v. SSFM, et al., Civil Action No. 06-0123B to the benefit of the Tottotville Subdivision Homeowners and to waive the interest and suspend mortgage payments of the Tottotville Subdivision Homeowners pending the outcome of the civil action.

The adoption motion was seconded.

Speaker Babauta: Discussion. I recognize Representative Tebuteb.

Rep. Tebuteb: I just want to verify line 9 on H. R. NO. 15-94. Line 9 states that the Northern Mariana Islands provides live-fire training ranges. As far as I understand...are there other territories or states that provide live-fire training ranges? We are the only ones, right?

Speaker Babauta: Previously, there used to be two. One was in Puerto Rico, however, that was closed about three years ago as a result of some people protesting.

Rep. Tebuteb: I think it would be appropriate if I may to offer to submit the word, “only” so that there is a little teeth to the military brass who will be able to look at this resolution to consider the request that we are urging our Governor to look into.

Speaker Babauta: You are recommending to insert the word, “only”?

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

Speaker Babauta: State your point, Representative Yumul.

Rep. Yumul: What we are talking about here is aerial live-fire training ranges because there are training ranges throughout the United States. Hawaii also has live-fire ranges in scofield barracks, but these are for small arms and artillery. The point here is aerial when we are using the Air Force or the Marine Jets dropping live rounds bombs.

Speaker Babauta: Right. May I recognize you then to clarify that line, Representative Yumul? Or let me recognize the mover of the resolution.

Rep. Kaipat: Thank you, Mr. Speaker. I believe we can make a simple oral amendment which would say, “Whereas, the Northern Mariana Islands provides the only aerial live-fire training range.

Speaker Babauta: Short recess.

Short The House recessed at 11:25 a.m.

RECESS

The House reconvened at 11:26 a.m.

Speaker Babauta: We are back to our plenary session, and I recognize the author, Representative Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. I want to offer the following oral amendment on page 1, line 9, please insert after the word provides, “the only aerial live-fire range.”

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

Speaker Babauta: The motion is carried. We continue to discuss H. R. NO. 15-94 and H. R. NO. 15-95, and I recognize Representative Yumul.

Rep. Yumul: Mr. Speaker, there is a range in San Diego that is an aerial live-fire, but I think the good Congresswoman here needs to insert territory, South Pacific, or anything that is more geographically...outside of the continental United States would be more appropriate.

Speaker Babauta: I think this is more than clear enough given the provisions of our Covenant.

Rep. Tebuteb: I strongly agree with that comment, Mr. Speaker, because the heading is specific.

Speaker Babauta: Right. Thank you. Representative Tenorio, just to clarify under your Resolution...I think it was last year that we engaged in another Resolution so this would send a strong signal to the agencies and parties involved in the litigation. Do we have any idea where does the 45 homeowners now stand?

Rep. Tenorio: It is in the court, Mr. Speaker.

Speaker Babauta: So it is officially in the court?

Rep. Tenorio: Yes, Mr. Speaker.

Speaker Babauta: Any more discussion?

There being no further discussion, H. R. NO. 15-94, HD1 and H. R. NO. 15-95 were adopted by a voice vote.

Speaker Babauta: The motion is carried. Without objection, we will go back to item number 16 and we will continue with H. B. NO. 15-196, HD2.

BILL CALENDAR

The Chair recognized Representative Yumul.

Rep. Yumul: Thank you, Mr. Speaker. I believe everybody has a copy of my proposed amendment to expand the rebate categories. I so moved to introduce this as an amendment to H. B. NO. 15-196.

The written floor amendment was seconded.

Speaker Babauta: If I may recommend to the mover of the written floor amendment to please date this and sign off.

Rep. Yumul: It is already done. It is with the Clerk now. For the record, I am introducing the written floor amendment to replace page 7 of H. B. NO. 15-196 starting on line 23 and continues through page 8, line 10. Insert those removed lines with my written amendment.

Speaker Babauta: Thank you. Discussion on the written amendment offered by Representative Yumul, and I recognize Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker. H. B. NO. 15-196 on the rebate side is supposed to save the government \$3.5 Million and we work that out on figures or at the rate that is \$70,000.00, \$50,000.00 and 30% at a rebate base of \$20,000.00 and over \$100,000.00. I just want to ask my good colleague, what would be the savings...if the same then we probably be accomplishing the

same thing, but opening up and making broader base covered...I would be interested to know the fiscal impact on these proposal or this amendment. Thank you.

The Chair recognized Representative Yumul.

Rep. Yumul: Right now, Mr. Speaker, I do not have the impact for this, but the purpose of this amendment is really to lessen the burden on those earning less than \$40,000.00. When we are trying to reduce rebates, if you notice on the original, the not over \$20,000.00 per annum is 70%, I left that untouched. The over \$20,000.00 and not over \$100,000.00 is more like a catch all. That is pretty much where the bulk of the tax payers are, but in my amendment, we are also considering those that are over \$20,000.00 but not over \$40,000.00 for those that have tougher time trying to make ends meet. So we are trying to make ends meet those guys at a less impact. Then of course, over \$60,000.00, the privileged few that gets this especially those in the \$100,000.00 per annum category. I think it is only fair that they help pay or shoulder the burden of what H. B. NO. 15-196 is trying to accomplish, but over all, it should work out to be the same.

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

Speaker Babauta: State your point, Representative Tenorio.

Rep. Tenorio: Thank you, Mr. Speaker. I just want to clarify, Mr. Speaker, because there is a big difference between a rebate base and the rebate salary. We are talking about rebate base. The rebate base of \$20,000.00 must be making at least a \$100,000.00. So that is why we are saying or otherwise there would be no savings to what we are trying to do for the average employee that are actually paying to subsidize this government. At a rebate base of \$40,000.00, your based salary is probably around...on top of my head, but there is a schedule of maybe around \$150,000.00. So there is some misunderstanding on the difference between rebate based and a rebate salary. I just want to point that out. \$60,000.00 is not a rebate salary, it is a rebate base, and the \$60,000.00, that is a huge sum of money already and maybe making over \$200,000.00. I just want to point that out and that is why I ask the question. I do not know if...

Speaker Babauta: I guess your amendment primarily the first part is targeted towards to what Representative Tenorio says as the less fortunate, which is primarily in the private sector. Is this correct?

Rep. Joseph Deleon Guerrero: Point of clarification, Mr. Speaker.

Speaker Babauta: State your point, Representative Deleon Guerrero.

Rep. Joseph Deleon Guerrero: I just want to ask the author...looking at it comparatively, H. B. NO. 15-196 amends the existing statute. These categories are already in existence in law and it amends it. Are the categories that you are proposing to amend, are they in the books, or are these new classifications? Can you amend something that is not in existence? Counsel, can you clarify this.

Legal Counsel Joe Bermudes: *If it is not in the existing law then it has to be repealed and created in the new statutory provision. So it is either you repeal or reenact and you include all these...if you are just repealing something or you cannot amend something that is not there.*

Rep. Joseph Deleon Guerrero: So this has to be...

Speaker Babauta: You still have the floor Representative Deleon Guerrero.

Rep. Joseph Deleon Guerrero: I think our legal counsel has clarified that this floor amendment is not in order because it proposes to amend...

Rep. Yumul: Mr. Speaker, I think I can answer that.

Speaker Babauta: Recognized, Representative Yumul.

Rep. Yumul: Based on this minor technicality, I will withdraw this motion.

Speaker Babauta: You are withdrawing the written amendment?

Rep. Yumul: Yes, I am.

The subsidiary motion offered by Representative Yumul to withdraw the written floor amendment was seconded and carried by voice vote.

Speaker Babauta: The motion is carried. We will continue to discuss H. B. NO. 15-196, HD2. Any more amendments? I recognize the Minority Leader.

Rep. Palacios: Thank you, Mr. Speaker. The whole morning, we looked at this alternative austerity legislation that Representative Tenorio put forward. There is no question in my mind, Mr. Speaker, as to his intent, and that is to save our government money. Every member of this body is putting forth their efforts to do something. It is called the alternative austerity measure because it is an attempt to provide some equity over the burden of carrying forth the public service that we provide as a government to the people. In its findings, it is clear that it is the intent of the legislation to not just burden the public sector employees. He is intending to share it through the rebate and through taking off alternative of the Legal Holidays instead of the austerity holidays. One of the most probably often used criticism of the austerity holidays of our public employees is that while we impose a 10% reduction in their basic income, the savings that we have realized of the past 9 months or so that this law has been in the books...the savings have been basically squandered by the continued hiring, and while we are saving on one side, we are open up avenues for more expenditure. I will give you a classic example or example...you have ten individuals making \$20,000.00 and 10% of each individual is \$2,000.00, the ten of them put together will give you a sum of \$20,000.00 in savings. We turn around and we hire just one person and all the savings that we impose from reductions is negated. Those are the criticism that we hear. I am pretty sure that each and everyone of us have heard that from our public sector employees. Mr. Speaker, in the spirit of reducing government cost, I introduced a legislation in the July of 2006, to impose a moratorium on government hiring so that we do not squander away the savings that our government realize with the austerity holiday. I am not sure which committee this legislation sits in, but it has not move beyond introduction. I want to further inject, Mr. Speaker, into this legislation since it is on the table and offer a written floor amendment. I believe the floor amendment is already passed out.

Speaker Babauta: Proceed.

Rep. Palacios: Mr. Speaker, on page 8 of H. B. NO. 15-196, my written floor amendment would add a new Section 8 to read as follows:

“Section 8. Hiring Freeze. Notwithstanding any provision of law to the contrary, all government departments, division, subdivisions, municipalities, agencies, instrumentalities, autonomous agencies, and public corporations shall not hire new employees until the end of fiscal year 2008.”

The written floor amendment offered by Representative Palacios was seconded.

Speaker Babauta: The written floor amendment offered by the Minority Leader has been seconded. Any discussion? I recognize Representative Dela Cruz.

Rep. Dela Cruz: Thank you, Mr. Speaker. While I do agree with our good colleague sentiments on H. B. NO. 15-196, this amendment that he is proposing to make basically takes away the future or needed functions should the need arise. As I read this particular amendment, “public corporation shall not hire new employees until the end of fiscal year 2008”, I feel that if for example a position is open because somebody passed away or retired, I feel that a new hire should be made. What this does is basically chokes the hiring of any new employee, and as I mentioned earlier, if the position is budgeted for and the true need is there, then I believe that they should fill it for the benefit of the people of the Commonwealth. Thank you, Mr. Speaker.

Speaker Babauta: Thank you. Any more on the written amendment offered by the Minority Leader. I recognize Chairwoman Kaipat.

Rep. Kaipat: Thank you, Mr. Speaker. I must say that I do agree with the sentiments expressed by Representative Dela Cruz. I too, I am concerned that when we have this very restrictive clause in here to be inserted into this bill, I weary about some emergency hiring that we would need. For example, CHC, we are always in need of doctors and what about schools, if we need to replace someone? I just think that we need to keep in mind that we are handcuffing the departments from making sure that they hire the needed staff. I for one, I am adamantly against political hiring, against hiring just for the sake of hiring. This needs to be understood that we are at a time where we must justify the position, but I think that this is too restrictive and we have to be careful about this. I am also wondering...I would like to make a ruling from the legal counsel here as to the impact of this particular floor amendment that is being offered in terms of us possibly violating the separation of powers. We are going to apply this across the board and we are going to be treading into the other branches of government, and I am not sure that we will not be violating the separation of powers. Thank you.

Speaker Babauta: Just to remind all of you again that the budget that the legislature or rather we enacted last year for FY 2007 have said and have reiterated the constitutional provision that only the legislature can reduce or increase FTE's for the CNMI government. So that provision is personally under FY 2007 budget that limits the number of FTE's unless otherwise change is made by the Legislature. I recognize the Minority Leader.

Rep. Palacios: Mr. Speaker, I fully understand the concern being raised by my colleagues, but you know, as restrictive as it may seem, we are in a situation where we really need to make some very hard decision. We have one agency that adhered to real austerity measures in their department while we have other agencies that seem like they do not care. I fully understand the situations with the hospital and teachers, but certainly if a doctor quits or retires, he needs to be replaced. Those are exceptions and those exemptions can be made, but we have to admit that in the past year and a half, we have allowed new hiring beyond what we could really afford. What I am trying to inject is the equity that our employees in the government have to sacrifice. We asked them to make 10% sacrifice because we do not have the funds. We needed to take down the personnel cost, we turn around and hire another 200 to 300 employees then those sacrifices would have been for nothing. I must say that I commend the Governor for putting forth a hiring freeze policy in the executive branch, but there are also other autonomous agencies that have to take up some austerity measures, and that is why I am offering this. It certainly means to be restrictive and the legislature through a Joint Resolution, Mr. Speaker, if I am not mistaken could untangle this or give the agencies...

Speaker Babauta:...adjust.

Rep. Palacios:...adjust the FTE's available for new hiring. We do not have to go back and amend this. It is just through a Joint Resolution. The Speaker has said that we have the Constitutional powers to decrease or increase the FTE's. It is not really trying to tie any one agency, but to try to address some equity to all departments and agencies of the government.

Speaker Babauta: Ready. I recognize Representative Ogo.

Rep. Ogo: Mr. Speaker, let me just point out a few comments that Representative Palacios have brought up the administrations hiring of over 200 to 300 personnel. The intention of this Section that Representative Palacios is good. However, if we can all think about the current budget that we have at \$193 Million, we all know that departments, divisions, and municipalities are allocated for the amount that we accepted and became law. Of course, when a person retires or quits because they decided to go into the Military, that position should be available and the funding for that position should be utilized to accommodate the operations. Looking at this, Mr. Speaker, this section or amendment from Representative Palacios, that would really make the department crippled because once we adopt this floor amendment that would make it crippled. What I am trying to say here is those divisions, municipalities or departments are already granted with their allocation for this Fiscal Year. Why cut their hands when there is money for that? The austerity does not really or reducing for the operation itself...this would help, but since there is funding currently funded for those departments, I still feel that we should give a chance for them to operate for this Fiscal Year.

The Chair recognized Taman.

Rep. Taman: Thank you, Mr. Speaker. Sitting down here listening to Representative Dela Cruz and Representative Ogo, I think we have a misconception of the word "new hires." When such a position is budgeted with FTE, when that position is vacated for some reason and we refill that vacancy, I do not think that constitutes new hire. So maybe we need to ask the legal counsel to clarify that. Thank you.

Speaker Babauta: Again, let me remind you that earlier we agreed to get out at 12:00 p.m.

Rep. Palacios: Mr. Speaker, I am glad that the simple amendment is generating some interest. Believe me my colleagues that even though we give the administration \$193 Million, they are saying today that we do not have that, and that we are going to cut back perhaps \$14 to \$15 Million dollars again. So even if we give them 6,000 FTE, if somebody quits, I think the Governor from what I am reading in the paper in terms of his hiring freeze policy is not going to replace that or refill it. What I am trying to inject is that, every instrumentality of this government must take up the slack. I agree with the concern of Representative Dela Cruz that doctors and those really that are needed...just because there are vacancies that we should give every division, subdivision, municipalities or department of this government the flexibility to go ahead and hire because there is a vacancy. If we do not have the money, we do not have the money. That is the only thing. There is no need to read between any lines there and hey, I am awaiting for the final calculation of the OMB and the Department of Finance to give us the real picture of the revenues that we have because I will suspect that we will be cutting across the board and all branches of the government again. Whether you have 10 or 20 vacancies or people that retire – I do not know where we are going to get those funds to rehire those people. It is a reality that we are facing. I am not trying to strangle any one particular department...the whole government has to...I am glad that we are talking about a simple hiring freeze. I do not mean to prolong the discussion on H. B. NO. 15-196, but let us freeze it.

Speaker Babauta: Ready. I guess much have been said about the issues in general, be it the austerity issue and rebate issues...I think we have understood each other on one common goal and that is to salvage this government. Are we ready with the written floor amendment as offered by the Minority Leader?

There being no further discussion, the written floor amendment offered by Representative Palacios was carried by voice vote.

Speaker Babauta: The motion is carried. Ready. Clerk, call the roll on H. B. NO. 15-196, HD3.

The Clerk called the roll on the motion to pass H. B. NO. 15-196, HD3 on First and Final Reading:

Rep. Martin B. Ada	no
Mr. Speaker, this austerity bill has really affected a lot of lives. When we go out there, people are just begging for help to do something. Since this became a law, we have about five to seven more months to take the burden. For the record, I will not support any more austerity measures in the future, and with that, my vote is “no.”	
Rep. Edwin P. Aldan	excused
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	no
Rep. Jesus SN. Lizama	no
Rep. Crispin M. Ogo	yes
Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	no
Mr. Speaker, I would have voted otherwise, but after examining H. B. NO. 15-196 as amended, under Public Law 15-24, we have only 16 days of austerity holidays, but if H. B. NO. 15-196 as amended is enacted into law; we would have 19 none paid Legal Holidays plus the 20% reduction in rebate. So in other words, Mr. Speaker, if we are trying to say that we should not dip deeper into the pockets of the employees any longer, I think H. B. NO. 15-196 as amended will dip deeper into the pockets of the government employees. And on the other side, Mr. Speaker, I still do not agree that the Legislature shall continue to get full while the	

other employees are going to get cut 19 none paid holidays and 20% rebate. So my vote is “no.” Thank you.

Rep. Benjamin B. Seman	excused
Rep. Candido B. Taman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	excused
Rep. Ray N. Yumul	yes

Mr. Speaker, if I may. Generally my vote is no for the bill, but after some deliberation and some amendments, there are some concessions that were given. Although I would have like to have seen the rebates expanded due to a technicality, we could not include this in the bill. So at this time, I would just like to vote “yes” with reservation. Thank you.

Rep. Oscar M. Babauta	no
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Speaker Babauta: By a vote of 10 “yes”, H. B. No. 15-196, HD3 passes the House on First and Final Reading.

Rep. Tenorio: Privilege.

Speaker Babauta: Under privilege, and I recognize Representative Tenorio.

Rep. Tenorio: Mr. Speaker, I just want to express my gratitude for those members who supported this bill, and for those that did not support the bill to think about it because this will go to the Senate and it might need some overhaul too, but I guess most of the members now understood the fiscal impact of the Public Law 15-24, and it is about time that we do something about it. Thank you.

Speaker Babauta: Thank you. Floor Leader, motion to recess.

Floor Leader Florencio Deleon Guerrero: So moved, Mr. Speaker, for recess subject to your call.

Speaker Babauta: The House stands recess until tomorrow afternoon at 1:30 p.m.

MISCELLANEOUS

None

ANNOUNCEMENTS

None

The House adjourned at 12:05 p.m.

Respectfully submitted,

Vicky T. Guerrero, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

SECOND APPEARANCE

H. L. B. NO. 15-52: To rename the “Chamolinian Drive” located in the village of Tanapag to the “LCpl. Adam Emul Road”, in honor of the late lance Corporal Adam Quitugua Emul of the United States Marine Corps, for making the courageous and ultimate sacrifice while unselfishly serving in our mother country’s fight to liberate the people of Iraq and defend freedom in Operation Iraqi Freedom.” (Rep. Candido B. Taman)

H. L. B. NO. 15-53: To appropriate the sum of \$60,000 from fees collected pursuant to Saipan Local Law 11-2, as amended, for the purchase of 500 student desks for Marianas High School; and for other purposes. (Rep. Arnold I. Palacios +3)

H. L. B. NO. 15-54: To offer as alternate land compensation of private properties taken for public purposes lands in the Northern Islands; and for other purposes. (Rep. Ray N. Yumul)

H. L. B. NO. 15-55: To name an existing unnamed road and to rename other roadways, and for other purposes. (Rep. Joseph P. Deleon Guerrero)

H. L. B. NO. 15-56: To appropriate the sum of \$235,283.00 from the local license fees collected for pachinko slot machines and poker machines from the Developer Infrastructure tax funds in the Second Senatorial District; and for other purposes. (Rep. Edwin P. Aldan)

H. L. B. NO. 15-57: To establish a Municipal Park Rangers Division within the Office of the Mayor of Tinian and Aguiguan; and for other purposes. (Rep. Edwin P. Aldan)

THIRD APPEARANCE:

None