



House Journal

1st Day

Eleventh Special Session

Friday, December 28, 2007

The House of Representatives of the Fifteenth Northern Marianas Commonwealth Legislature convened its First Day, Eleventh Special Session on Friday, December 28, 2007, at 10:27 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 fifteen members were present. Representative Martin B. Ada, Florencio T. Deleon Guerrero, and Justo S. Quitugua were absent and excused.

Speaker Babauta: Is there any objection to appoint Representative Lizama to be the Floor Leader Pro Tem? So ordered. Thank you very much. Clerk, take note Vice Speaker Quitugua and Representative Deleon Guerrero are excused for today's session. I understand Representative Martin Ada is coming in a little late. Good morning. I recognize Representative Joe Guerrero.

Representative Deleon Guerrero: I want to make a motion to make our Representative Lizama the permanent Floor Leader for the duration of the 15th legislature.

Speaker Babauta: To clarify Representative Guerrero's motion, it is to be the Floor Leader Pro Tem for the duration of the session.

ADOPTION OF JOURNALS

None

INTRODUCTION OF BILLS

H. B. No. 15-327: A Bill for an Act to amend section 1201 of Title 4 of the Commonwealth Code to include within the definition of "wages and salaries" any cost-of-living allowance paid by the employer of a worker within the Commonwealth of the Northern Mariana Islands, in order to provide for equality, parity and fairness in the treatment of compensation paid to similarly situated individuals; and for other purposes.

Offered by: Rep. Oscar M. Babauta

H. L. B. NO. 15-78: A Local Revenue Bill for an Act for the Third Senatorial District to raise local revenues by permitting certain non-gaming activities; and for other purposes.

Offered by: Rep. Jesus SN. Lizama and three others

Representative Torres: Point of information, Mr. Speaker.

Speaker Babauta: State your point of information, Representative Torres.

Representative Torres: Mr. Speaker, who is the legal counsel that signed on to H. B. NO. 15-327?

Speaker Babauta: I asked Counsel Tony Cabrera to draft this legislation for me.

Representative Torres: So, is this his initial?

Speaker Babauta: Yes. Thank you, any further introduction? We move on to Item 4.

INTRODUCTION OF RESOLUTIONS

H. COMM. RES. NO. 15-105: A House Commemorative Resolution to recognize the contributions made by Mr. Joji Kawaguchi to promote the Commonwealth as a premiere tourist destination and to express appreciation for his genuine interest in preserving the local culture.

Offered by: Rep. Ramon A. Tebuteb

H. C. R. NO. 15-2: A House Concurrent Resolution to approve revenues and resources of the Commonwealth of the Northern Mariana Islands, as identified pursuant to Article III, Section 9(a) of the Constitution, as amended, and 1 CMC Division 7, for Fiscal Year 2008, beginning October 1, 2007, and ending on September 30, 2008.

Offered by: Rep. Edwin P. Aldan

H. R. NO. 15-222: A House Resolution to request that the United States Navy defer all live-fire bombing activities on the island of Farallon De Mendinilla and commence a dialogue with the CNMI government regarding the conservation of the island and its physical integrity, natural environment, and wild & marine life.

Offered by: Rep. Ray N. Yumul and seventeen others

H. J. R. NO. 15-39: A House Joint Resolution to acknowledge and commend Guam Radio Station KUAM, ISLA 63 (630 AM) and the Calvo Brothers and Family for actively promoting the advancement of the Chamorro language and culture through their local music and programming; and to kindly request to include the Carolinian language and culture through their music and programming; and most importantly to humbly request to increase the ISLA 63 power transmission to penetrate and to reach the entire CNMI, as far north as Pagan and Asuncion Islands.

Offered by: Rep. Stanley T. McGinnis Torres

Representative Yumul: Mr. Speaker, if there is no objection, I would like to place H. R. NO. 15-222 on calendar for action and if there is not further objection to introduce this as a Committee of the Whole.

There was no objection from the floor.

Speaker Babauta: There being no objection, your resolution will be introduced in the form of a Committee of a Whole and will be place on the Calendar. Remind me to inject a provision to request for the update on the recent EIS (environmental impact study). Representatives from several agencies were here several months ago and Farallon De Mendinilla was included in that particular study.

Representative Yumul: Mr. Speaker, I am going asking that under House Communications to make a short presentation for the members concerning FDM. I do have some interesting photos I would like to show them.

Speaker Babauta: Your wish is my command. You will have that opportunity. Chairman Aldan.

Representative Aldan: Thank you, Mr. Speaker. I wish to officially introduce H. C. R. NO. 15-2. Thank you, Mr. Speaker.

Speaker Babauta: Are we going to calendar that?

Representative Aldan: If there is no objection from the members.

Speaker Babauta: Okay. There is no objection, it is introduced by the Committee of the Whole and it will be calendared on today's Resolution Calendar. If there is no objection raised, we will also include H. COMM. RES. 15-105 on today's Resolution Calendar and I recognized Representative Stanley Torres.

Representative Torres: Mr. Speaker, I have a House Joint Resolution and I would read the title. To acknowledged and comment Guam Radio station KUAM Isla 63 that's 6:30 am and the Calvo brothers and family for actively promoting at the advancement of the Chamorro language and culture through their local music and programming and to kindly request to include the Carolinian language and culture to their music and programming and most importantly to humbly request to increase the Isla 63 power transmission to penetrate and to reach the entirely CNMI as far north as pagan and Asuncion islands. And If I may request for H. R. NO. 15-39 to be introduced by the Committee of the Whole.

Speaker Babauta: No objection. If I could be the number two signatory? Any further on Item 4. If none, we will go down to Item 12. Before I recognized the Floor Leader -- Representative Yumul.

Representative Yumul: If there is no objection, I would like to Item 7 so I can bring forward a House Communication.

There was no objection from the floor.

Speaker Babauta: No objection, we will go to Item 7.

MESSAGES FROM THE GOVERNOR

None

SENATE COMMUNICATIONS

None

HOUSE COMMUNICATIONS

The Chair recognized Representative Yumul.

Representative Yumul: Thank you, I had written a letter that was co-signed myself and Representative Stanley Torres to Admiral French, Commander of US Naval Forces Marianas based out of Guam writing to express very strong concern regarding the continued use of the island of Farallon De Mendinilla by naval and air forces as a live bombing range. In particular, the concerns are that the island has lost a significant amount of land mass due to the bombing exercises conducted there. Basically since 1976 FDM has been used as a live fire range under a lease agreement with the CNMI government for a period of 50 years with an option to extend for another 50 years at the conclusion of the first term. Under the terms of the Covenant between the CNMI and the US government and also under PL 1-14 which the CNMI Congress at the time approved the land lease it was stated that there was approximately 206 acres or 83 hectares, but based on certain US reports the land mass is now being evaluated has only having 72 hectares. So, the gravity of the concern, Mr. Speaker, is that because of prior lawsuit against the continued use of FDM as a live fire bombing range this resulted in the limited use of the area to prevent loss of migratory birds, which uses the island as a nesting grounds that basically results in the destruction of one-fourth of the island's land mass which is where the concentration of a live fire is now conducted. So, basically we are requesting that the annual reports of both the types of ordinances both life and inert the numbers on an annual basis has been dropped, also the annual assessment prepared by and for the US Navy on the island which includes aerial photographs to show the land mass diminishing. I also have a short slide show. If no objection, we can go into a Committee of the Whole so I can present it and then we can move on I think it will be informational.

Speaker Babauta: Before we move on into a Committee of a Whole, I recognized Representative Stanley Torres.

Representative Torres: Thank you for recognizing me all the time. Before this document become a legal house property, I would like to ask Representative Ray Yumul to please correct the letter and strike out the "I" and put "We" on "I am gratefully", "I am writing this", to "we are writing" -- can you just put the "we" there because I sign my name here and I wanted to make sure that the correction show that it is from two people.

Speaker Babauta: Representative Torres has a point. Please take note Representative Yumul and clerk wherever the "I" appears, replace it with "we". It should reflect the signatories of that particular letter. There is been no objection to put this as a house communication and the number shall be 15-56.

HSE. COMM. 15-56: A joint letter from Rep. Yumul and Rep. Torres to the Commander of US Naval Forces Marianas opposing the use live fire at FDM.

Speaker Babauta: We are still under Item 7. Continue. We are not in the committee of the whole yet. I have to request Congressman Yumul to silently prepare this. Before we go into a committee of a whole, I recognize the Minority Leader or Representative Taman.

Representative Taman: Can you repeat the house communication number please.

Speaker Babauta: HSE. COMM. 15-56. Minority Leader.

Minority Leader Palacios: Thank you, Mr. Speaker. Mr. Speaker, this issue is not very easy issue to really talk about or to just adopt a resolution and send a resolution,. I know that even the Department of Defense is required to periodically have the environmental impact assessment or

study and plan report done on a periodically studies that meet the requirement I believe and requirement of the migratory bird study. I am not sure when the last environmental study was conducted or where the report is, but let me make a suggestion, the division of fish and wildlife on our local department of natural resources should have copies of these studies. I believe even our DEQ (Division of Environmental Quality) should have copies of these studies because they participate on this studies over the past years so they should have most updated. We have to be also mindful this is an agreement that the Commonwealth signed under our Covenant. Having said that there is also the Department of Defense as a federal agency is also required by federal laws and national treaties to comply with certain environmental requirements. I remember the fisheries council, one of the Western Pacific Fisheries Council (WES PAC) requiring the Department of Defense to do an EIS around Farallon de Mendinilla as it relates to fisheries and marine resources in the vicinity, so that is also another source of information that Representative Yumul should look into. There are many reports on these impacts of the bombing of Farallon de Mendinilla its something that we need to consolidate and make judgment whether to adopt this resolution or not. Thank you.

Speaker Babauta: Thank you for sharing that information, Minority Leader, and I think Representative Yumul might use those comment. Let me recognize the motion to go into Committee of the Whole. Floor Leader.

Floor Leader Lizama: I move for the House to dissolve Committee of a Whole.

The motion was seconded and carried by voice vote.

The House dissolved at 10:45 a.m.

COMMITTEE OF THE WHOLE

The House reconvened in it plenary session at 11:10 a.m.

Speaker Babauta: We are now in plenary session and we move down to Item 12.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

Speaker Babauta: Under committee, I recognized the Floor Leader for the suspension of the rules to place that committee report.

Floor Leader Lizama: Thank you, Mr. Speaker. Mr. Speaker, we have one standing committee report, standing committee report No. 15-99 in reference to HB No. 15-205, CS1 and I move, Mr. Speaker, to suspend permanent rules for the placement on today's calendar for action.

The motion was seconded and carried by voice vote.

S. C. R. NO. 15-99: REPORTING ON H. B. NO. 15-205, entitled, "To Establish a Fireworks Control Act; and for other purposes." *Your Committee on JGO recommends passage of the bill as substituted.*

Representative Torres: Just looking at the standing committee report it says here December 18, and the bill was introduced on December 27. I just wanted to know if it is okay that the committee report was done before the --

Speaker Babauta: The bill was finalized in a form of committee substitute 1 on that day.

Minority Leader Palacios: This one is a very brief comment. I guess it is one of those very important legislation that kind of fell through the cracks. We should have acted on this six months ago, thank you, Mr. Speaker.

Speaker Babauta: I just do not want the people of the Commonwealth to know that we are reactionary or otherwise -- just for the record -- this bill has been in the House for the past year and I want everybody to know that we are not sleeping over anything. As the Minority Leader says, it is one of those that fell through the crack and was rescued by the humble members of the House. Representative Kaipat.

Representative Kaipat: Thank you, Mr. Speaker. You are absolutely correct there were two --

Speaker Babauta: Before I continue to let this discussion go any further, let me recognize the Floor Leader for a motion for the adoption then we will have discussion.

Floor Leader Pro Tem Lizama moved for the adoption of S. C. R. NO. 15-99 and the motion was seconded.

S. C. R. NO. 15-99: Reporting on H. B. NO. 15-205, entitled, "To Establish a Fireworks Control Act; and for other purposes." *Your Committee on JGO recommends passage of the bill as substituted.*

The Chair recognized Representative Kaipat.

Representative Kaipat: Thank you, Mr. Speaker and my colleagues. Just to refresh your memory H. B. NO. 15-201 was introduced by Representative Justo Quitugua and H. B. NO. 15-205, which I introduced, were actually introduced on December 14, 2006. They were introduced on the same day, and both were referred to committee and we agreed that we would combine the bills and this is the product of that combination. Part of the delay actually was DPS requested an opportunity to comment and so the committee waited for them to submit in their comments. We have not receive the comments but we have been getting a lot of calls from the community about the aggravation on all these fire works that are going off and causing a lot of nuisance and safety hazards. So we have

worked around that compromise by giving the Department of Public Safety and Fire Department thirty days to promulgate the rules and regulations on this and giving this bill an effective date of 60 days after enactment. So, that will give them a chance to take care of the promulgation but at least we will be enacting this very important piece of legislation. I know that the governor is in full support of this bill also and he has stated that he will sign it into law as soon as its passed by both houses of the legislature. Also, I am also happy to say that senate president and the senators who were present when I brought this issue up were in full support of passing this important piece of legislation. Thank you.

Representative Taman: I just want to go on record in addition to what Representative Kaipat had stated. I want to share some experience concerning this issue. I have an eight-month pregnant daughter and she practically almost lost her unborn child on Christmas Eve. These are no longer firecrackers; these are bombs. And you know what scares me, I don not know, maybe I am a little negative in my thinking but I always think that someone somewhere might plan a very dangerous bombing activities and will use this as a camouflage. This is a very scary thought. I think it is about time that we enact this piece of legislation so we could put an end to this, thank you very much.

There was no further discussion and the motion to adopt S. C. R. NO. 15-99 recommending approval of H. B. NO. 15-205 HS1 was carried by voice vote.

Speaker Babauta: S. C. R. NO. 15-99 is hereby adopted by the House. We move on to Item 15.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

Speaker Babauta: I recognized the Floor Leader for the suspension motion to place those resolutions on today's calendar for action.

Floor Leader Lizama: Mr. Speaker, I move to suspend pertinent House Rules for the placement of H. R. NO. 15-222, H. J. R. NO. 15-39, H. COMM. RES. 15-105 and H. C. R. NO. 15-02 on today's Resolution Calendar for action.

The motion was seconded and carried by voice vote.

Speaker Babauta: The motion carries. Floor Leader, motion for adoption.

Floor Leader Lizama: Thank you, Mr. Speaker, I move for the adoption motion on H. C. R. NO. 15-02 on First and Final Reading.

The motion was seconded.

H. C. R. NO. 15-2: A HOUSE CONCURRENT RESOLUTION TO APPROVE REVENUES AND RESOURCES OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, AS IDENTIFIED PURSUANT TO ARTICLE

III, SECTION 9(A) OF THE CONSTITUTION, AS AMENDED AND 1 CMC DIVISION 7, FOR FISCAL YEAR 2008, BEGINNING OCTOBER 1, 2007, AND ENDING ON SEPTEMBER 30, 2008.

There was no discussion and the motion to adopt H. C. R. No. 15-2 was carried by voice vote.

Speaker Babauta: H. R. No. 15-2 is hereby adopted. Floor Leader.

Floor Leader Lizama: Thank you, Mr. Speaker. Adoption motion on House Commemorative Resolution No. 15-105 on First and Final Reading.

The motion was seconded.

H. COMM. RES. NO. 15-105: A HOUSE RESOLUTION TO RECOGNIZE THE CONTRIBUTIONS MADE BY MR. JOJI KAWAGUCHI TO PROMOTE THE COMMONWEALTH AS A PREMIERE TOURIST DESTINATION AND TO EXPRESS APPRECIATION FOR HIS GENUINE INTEREST IN PRESERVING THE LOCAL CULTURE.

There was no discussion and the motion to adopt H. COMM. RES. 15-105 was carried by voice vote.

Speaker Babauta: H. COMM. RES. 15-105 is hereby adopted. Floor Leader.

Floor Leader Lizama: I move for the adoption of H. J. R. No. 15-39 on First and Final Reading.

The motion was seconded.

H. J. R. No. 15-39: A HOUSE JOINT RESOLUTION TO ACKNOWLEDGE AND COMMEND GUAM RADIO STATION KUAM, ISLA 63 (630 AM) AND THE CALVO BROTHERS AND FAMILY FOR ACTIVELY PROMOTING THE ADVANCEMENT OF THE CHAMORRO LANGUAGE AND CULTURE THROUGH THEIR LOCAL MUSIC AND PROGRAMMING; AND TO KINDLY REQUEST TO INCLUDE THE CAROLINIAN LANGUAGE AND CULTURE THROUGH THEIR MUSIC AND PROGRAMMING; AND MOST IMPORTANTLY TO HUMBLY REQUEST TO INCREASE THE ISLA 63 POWER TRANSMISSION TO PENETRATE AND TO REACH THE ENTIRE CNMI, AS FAR NORTH AS PAGAN AND ASUNCION ISLANDS.

Speaker Babauta: The motion on the floor is to adopt H. J. R. No. 15-39, introduced by the Committee of the Whole. Representative Torres? Representative Torres, do you have any comment or is it Representative Yumul.

Representative Yumul: I do not have any issue with the House Joint Resolution, I just want the members to be aware that when it comes to AM radio, it is not very easy for stations to request through the FCC an increase in their transmitting power because unlike FM frequencies, AM frequencies will bounce off the atmosphere. So if there is a similar radio station somewhere in China or even as far India that is on the same frequency, this will cause interference and there are U.S. treaties with regard to the interference. In fact, in the evenings, AM radio stations are required by federal law and regulations to power down because the reach is far greater.

Speaker Babauta: Meaning, losing mega hertz.

Representative Yumul: They are not actually in the mega hertz range, there actually on the kilohertz range, but because of the frequency that they operate and the time of modulation AM, they can go pretty far. So it is commendable that the representative asked these people to transmit power. The best and easiest solution is really for them to request for a station such as a booster station that they can locate here, and have that frequency from Guam bounce to Saipan and then rebroadcast it here. That is perfectly allowable, but again these are all technical stuff so that is just for your informational purposes. This is a very good resolution.

Speaker Babauta: Ready.

There was no further discussion and the motion to adopt H. J. R. NO. 15-39 was carried by voice vote.

Speaker Babauta: H. J. R. NO. 15-39 is hereby adopted by the House. Floor Leader.

Floor Leader Lizama: Thank you, Mr. Speaker. I move for the adoption motion of H. R. NO. 15-222 on First and Final Reading.

The motion was seconded.

H. R. NO. 15-222: To request that the United States Navy defer all live-fire bombing activities on the island of Farallon De Mendinilla and commence a dialogue with the CNMI government regarding the conservation of the island and its physical integrity, natural environment, and wild & marine life.

Speaker Babauta: Discussion. I recognized Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. I like to make some additional amendments on page 2 to include after line 9, "United States Congress to include the Honorable Carl Levin, Chairman, Committee on Armed Services; United States Senate Honorable Jeff Bingaman, Chairman, Committee on Energy and Natural Resources; United States Senate Secretary Robert M. Gates, Secretary of Defense". Also I would like to ask that if no objection from the members, I would like to work with the legal counsel on some other minor technicalities which is to include other information that was discuss earlier so that we can include it into the resolution and also to include the CNMI representative to Westpac.

Speaker Babauta: Any objection?

There was no objection from the floor to allow the author and the legal counsel and house clerk to work on technical inclusions that were recommended.

Representative Kaipat: Point of clarification, Representative Yumul. I stand to be corrected but I believe Sylvan Igisomar is the new representative to WES PAC, so you might want to confirm that with the Division of Fish and Wildlife.

Speaker Babauta: That is the reason we are allowing Representative Yumul to work with the counsel and the clerk, so that the information is accurately injected in the resolution. Is there any objection on that recommendation? So ordered. I will now recognize the motion for adoption. Representative Tenorio.

Representative Tenorio: Just a simple comment that concerns me regarding the resolution the suspension of live bombing. As you know, I am an environmentalist. I am for the protection of the species and protection of the environment. As a matter of fact during the first ConCon, I worked on something to do with preservation of our natural resources. But in these days and age where there are so many activities going around the world--the military moving to Guam or relocating to Guam from here, there's another problem with in Pakistan, the lady Bhutto was assassinated. I am not a military man, so I do not know what they are thinking but I wonder if it is not prudent to probably inquire into all these areas to see if the military will not be using or see the need of continuing using of this place because of what is going in the world not necessarily in this area. That is a concern that I have and I do not know if we should actually ask them to suspend all live bombing as a member of the legislature. So if I may, Mr. Speaker, I just want to suggest to the author to maybe look more into this problem through correspondence and see if it is really prudent for us to adopt this resolution. As I said, I am for the protection of the endangered species and preservation of our natural resources especially Farallon de Mendinilla and the economic impact on the fisheries and the life of the fish and wildlife. We should probably check into these other areas of concern with regard to the military activities. Thank you.

Speaker Babauta: Well, similarly the Minority Leader shared that comment on what you have just stated. And you are correct, Representative Manny Tenorio, there are some compelling issues here that need to be addressed and Guam is the agreement between the Commonwealth, its people and the United States of America with respect to the military use of certain lands Commonwealth in the Commonwealth. Perhaps if the author would like to suspend adoption or discussion on this because I was thinking and I am recommending that we look into the recent data that the study, environmental study which involves military personnel that were doing some environmental study for Northern Islands particularly Farallon de Mendinilla. You may continue, Representative Yumul.

Representative Yumul: Thank you, just to allay the concerns of Representative Tenorio, the resolution basically requests to suspend at this time all live fire bombing so that we can mainly look at a better plan for the effective conservation of the island. The island is deteriorating, there is no doubt about it. Under the Tinian lease back agreement there is a provision lease back that talks about additional lease back, even talks about reassignment where United States Navy can assign FDM under the agreement to the U.S. Fish and Wildlife, for FDM being used as a sanctuary. Of course, we understand what the military is doing in its defense of the United States and its protectorates, mainly the Commonwealth but we need to look beyond that. Puerto Rico, which had a very lengthy crusade, if you will, with regard to the bombing used portion of their territory, the United States Navy, Department of Defense, came on and said it is a critical vital role but yet they understood the fiscal impacts. (*End of Tape 1 side b*) (*Start of tape 2, side A*). ... No, in fact it is very well documented. You can go look at the CPA's flight books and even that of the control tower down at Saipan International Airport that the U.S. military in plane clothes has been flying up to Pagan very often. They are very interested in using Pagan as a full scale exercises area to land marines on the beachhead and to even conduct bombing activities from one end to the other using Howitzer 105s. They have been going up there many, many times, and I can assure that sooner or later within the next few years they are going to come knocking on our doors and they going to ask for additional lands because marine corps training environment requires the use of all assets to include landing forces and the use of live training for the affect on their training environment. Tinian, in a recent report, has twice the number of turtle sightings than that of Saipan, over 374 in the vicinity where the U.S. military wants to even consider landing Hellcats on their small beachheads. I believe that is on the northwest side and that is not really feasible because the narrow beach is very difficult

to navigate. So the whole point I am getting at here, Mr. Speaker, is that we really need to request the Navy to stop bombing and we need to sit and talk with them we want all the information that they have collected so that we can look forward and see in if it is really feasible for them to continue bombing.

Speaker Babauta: We are also much concern with respect to the diminishing of the land mass area. But may I suggest that we put this on first reading and include all those and we will get this out on our session on January 3rd, and probably as Representative Tenorio and Minority Leader recommends to just allay their fears of having to be bombarded by the House DOD critics. We can probably for lack of better words choice humble words would be injected in this if there is no objection from the author. We will support this resolution one way or the other. Representative Tenorio

Representative Tenorio: I am just going to suggest on the resolve clause on line 19 page that the United States Navy immediately conduct a discussion with our military representative here to address the issue instead of suspending fire bombing and maybe the legal counsel can put a better choice of words and we just pass it.

Speaker Babauta: As the old saying says, depends for you. I recognize you to make that oral amendment.

Representative Tenorio: Can I try, Mr. Speaker, line 19 after the word “immediately”, insert “conduct discussion with the CNMI military representative”. I think we have one to address the issue on this matter, right. I so moved, Mr. Speaker.

Representative Yumul: I second that with the inclusion that to amend his amendment that a Mr. Roy Tsutsui is the point contact --

Speaker Babauta: Short recess

The House recessed at 11:35 a.m.

RECESS

The House reconvened at 11:37 a.m.

Speaker Babauta: We are back in our session and on the oral amendment offered by Representative Manny Tenorio.

There was no further discussion, the motion to adopt the oral amendment was carried by voice vote.

Speaker Babauta: The motion is carried.

Floor Leader Lizama: Mr. Speaker, a subsidiary motion for adoption on First Reading.

The motion was seconded and carried by voice vote.

Speaker Babauta: H. R. NO. 15-222, HD1 is adopted on First Reading. Clerk, take note the recommendation made by some of the members to include names on the copy on the final form. Representative Yumul, please work on the substitute and we will pass it next Thursday. We move to Item 16.

BILL CALENDAR

Speaker Babauta: I recognize Representative Ogo.

Representative Ogo: Mr. Speaker, I am pulling out of the crack H. B. NO. 15-243 and be placed on today's calendar for action. I have provided everyone a copy.

The motion was seconded.

Speaker Babauta: The motion is to recall H. B. NO. 15-243 from the Committee on Ways and Means. This is the bill to amend 4 CMC § 1204 on the wage and salary earning tax.

Representative Ogo: I believe everyone should have a copy Mr. Speaker.

The motion to withdraw H. B. NO. 15-243 from the committee on place on the Bill Calendar was carried by voice vote.

Speaker Babauta: H. B. NO. 15-243 is hereby withdrawn from the Committee. Floor Leader.

Floor Leader Lizama: Thank you, Mr. Speaker. I move to suspend permanent rules to place on today's Bill Calendar for action H. B. NO. 15-243.

Speaker Babauta : Would you include 15-205?

Floor Leader Lizama: I did that, Mr. Speaker, already.

The motion was seconded and carried by voice vote.

Speaker Babauta: H. B. NO. 15-243 is hereby place on today's order of business. Floor Leader, motion for the passage on First, Second or Final Reading of those bills on today's calendar.

Floor Leader Lizama: Mr. Speaker, I move to suspend Rule IX, Sections 8, 9, 10, and 11 for the passage of S. B. NO. 15-102 HS1, HD1, H. B. NO. 15-205, HS1, and H. B. NO. 15-243.

The motion was seconded and carried by voice vote.

Speaker Babauta: The motion carries, Floor Leader, proceed with the first bill.

Floor Leader Lizama: I move for the passage motion on Second and Final Reading S. B. NO. 15-102 HS1, HD1.

The motion was seconded.

S. B. No. 15-102, HS1, HD1: A BILL FOR AN ACT TO IMPOSE AN EMPLOYER RETIREMENT CONTRIBUTION RATE OF ~~ELEVEN~~ EIGHTEEN PERCENT FOR EMPLOYEES FUNDED BY THE GENERAL FUND; AND FOR OTHER PURPOSES.

Speaker Babauta: We are now under discussion and I recognized Chairman Dela Cruz.

Representative Dela Cruz: Thank you, Mr. Speaker, I wish to offer a substitute to Senate Bill 15-102 in the form of Senate Bill 15-102, HS1 HD2. I so move.

The motion was seconded.

{ TO IMPOSE AN EMPLOYER RETIREMENT CONTRIBUTION RATE OF ~~ELEVEN~~ EIGHTEEN PERCENT FOR EMPLOYEES FUNDED BY THE GENERAL FUND; AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE FIFTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and purpose. The Commonwealth Legislature finds that the suspension of employer retirement contribution payments under Public Law 15-15 expired on September 30, 2007. The Legislature finds that the current employer retirement contribution rate, as determined by an actuarial study, is 36.7%. Due to a drastic decrease in resources over the past 24 months, however, the CNMI Government can only afford to remit a reduced contribution rate of ~~44%~~ 18% for salaries paid from the General Fund. The difference between the ~~44%~~ 18% and 36.7% contribution will accrue as a liability to the government. The purpose of this Act is to meet the government's obligation to remit employer retirement contributions for employees funded by the General Fund while at the same time preserving diminished government resources.

It is the intent of the Legislature that this Act shall not be inconsistent with the Employee Retirement Income Security Act (ERISA, 29 U.S.C. §1001 et seq.), particularly with regard to the CNMI Defined Contribution plan established by Public Law 15-13. Any conflict in law should be resolved in favor of the federal statute.

Section 2. Employer retirement contribution.

(a) Notwithstanding 1 CMC §8362 or any other provision of law, the Public School System (PSS) and employers of employees funded by the General Fund shall remit a retirement contribution of ~~44%~~ 18% of the total salary of the employee. Except as provided by law, employer retirement contributions under this section shall be deducted from the agency's personnel appropriations. The Secretary of Finance shall remit employer retirement contributions not later than the end of each quarter of the fiscal year. This section shall be retroactive to October 1, 2007.

(b) Any difference between the actuarially calculated contribution rate and the sum remitted by the employer shall accrue as a liability for the government and shall not be excused or waived by this provision.

(c) This section shall apply to salaries funded from the PSS budget and the General Fund only. Employer retirement contributions for employees not funded by the PSS budget or the General Fund, including but not limited to federally funded employees, and employees of autonomous agencies, and employees of the Public School System, including but not limited to the CNMI Government Health and Life Insurance Office, Commonwealth Development Authority, Commonwealth Ports Authority, Commonwealth Utilities Corporation, N.M.I. Retirement Fund, N.M.I Housing Corporation, the Office of the Public Auditor, and the Department of Public Lands, shall not be affected by this provision. Retirement contributions for those employees shall be made according to law.

(d) Any savings realized by PSS as a result of this section shall be applied to the "all others" account in the PSS budget, and shall be apportioned to the schools for budgetary needs according to student population. The expenditure authority for apportioned funds shall be the school principal.

(e) The Northern Mariana Islands Retirement Fund (NMIRF) is authorized to liquidate assets held to cover any shortfall in retiree distributions. }

Speaker Babauta: I am pretty sure copies have been distributed. The number should read S. B. NO. 15-102, HS1, HD2. Discussion. This is the final product of the last session where Representative Guerrero made an amendment. It is now in a form House Draft 2. Representative Ray Yumul.

Representative Yumul: I spoke with some members up at the Retirement Fund and showed me the information that they have determined as critical to their needs and that 18% is not what is required for them – they are asking for 24%. I am concern that when the last time this bill was debated the 18% that was brought up as an amendment to this bill did not have any findings or any technical support in terms of the financial liability of the Retirement Fund to sustain itself. So, I would like to ask the original mover on the 18% if there is any information, financial or otherwise, that precipitated the use of that number or is this just a 50% of the 36.7% contribution that the government is required to pay under the current law.

Speaker Babauta: For all of us, for all we know in this Chamber, not even the 11% that was recommended by the Administration has any bearing on the impact less the 18%, which is 50% of what is recommended -- and again, recommendation. I believe this is a compromise figure that the Representative Guerrero, the mover of the amendment, made during the last session. We were discussing these yesterday with some of the members including the Senate. Minority Leader, do you have the that copy with you that was shared with us yesterday?

Minority Leader Palacios: No, Mr. Speaker, I do not, I apologize. I think the President of the Senate probably has that information. The Retirement Fund Administrator emailed some information. Regardless of that information, which we could go into recess and asked the Senate President to provide, the 18%, let us be honest, is going to be short of what we really need to fund the benefits, the benefit payout annually. I know that the Retirement Fund has made a point to inform us that they would rather have 24% than 18%. It is very predictable they would rather have the 36% because it is the actual rate that came out. Having said that it is going to be a policy call of these legislature, of this house, whether we can go to 24% or 18% as a compromise and be able to pay at least 18% and not be able to pay 24%. In looking at those numbers with the Senate President yesterday and several other members and staffers, we are looking at potentially maybe fifteen to nineteen million dollars short at 18%. At 11% as being proposed by the Administration the number of course is significantly higher than what so it is. So, to me it is a compromise. If we have the funds to go 36% that is what we should do, but the reality on the ground is we do not. Again, it is going to be a policy call and it is open for discussion. I think everybody should discuss this because is a very sensitive issue. We have two to three thousand retirees that are depending on this benefits for their livelihood.

Speaker Babauta: Again, the Minority Leader's comment is not to mean that the balance of the other 18% is in a sense is still a liability from the CNMI government to the Retirement Fund. We have arrived and concurred yesterday in the joint meeting with some members of the Senate and the House with respect of the budget issue. So, we agreed on moving with the amended version of the original bill, which is 18% to move the budget next.

Representative Yumul: Mr. Speaker, point of clarification on Representative Palacios's comment. He mentioned and you talked about joint meeting between the Senate and the House but there is no meeting of the minds. The Retirement Fund was not consulted, we are basically just putting it into their face that we are going to give 18% and that is the end of it. If I hear otherwise, that the Retirement Fund will accept the 18% then this argument is moot, this discussion is done with. But

as far as I have been informed by retirement fund they are asking a minimum at least to break even on their side is 24%, and that there was no striking of a balance. So I am at a loss here and if there were such communication, I would like to be brought up to speed on that.

Speaker Babauta: With respect to your sentiment on the issue, I beg of you and humbly ask that we consider this. As if any other agencies, any legislature would carry out a policy that is contrary to what they would like to see with most cases we see minor negative criticism.

Representative Yumul: Can we have a five-minute recess?

Speaker Babauta: Before I do that, let me recognize Representative Guerrero.

Representative Guerrero: Thank you, Mr. Speaker, and Representative Yumul is correct in that Retirement Fund is more comfortable with 24% but at the same token the Administration is lobbying hard that we leave it at 11%. If you look at this compromise, the compromise tends to lean closer towards the Retirement Fund wants. What good is it to put 24% in there when 24% cannot be paid by the general fund. So this is really an informal compromise. You will find nothing--no records, no letters, no resolution by the Retirement Board saying are comfortable with 18%. But believe me this 18% is more of a consensus and consideration towards them. So you will know, this will be a great sacrifice for the Administration. We may have people being laid off because of the lack of revenues that is being projected even to fund the 18%, and that is why there asking us to reconsider 11%. But, we have looked at both sides, we have listened to both sides and this is an informal compromise. We have to be mindful how we are going to have to deal also with the shortfall that is going to happen once we pass this 18%. We are going to be meeting with the Administration and looking at ways to address their concerns.

Speaker Babauta: Thank you Representative Guerrero. Before I call for a brief recess, I would recognize Chairman Dela Cruz.

Representative Dela Cruz: Thank you, Mr. Speaker. I just like to add this is strictly confined to the Public School System and the General Fund employees. All others such as, autonomous agencies will have to stay with the current rate. In essence, we are helping one of the critical agencies, which is the education department. So, I would like to point out that this strictly is confined to PSS and the General Fund employees.

Speaker Babauta: I am sure Chairman Yumul is ready to proceed. Brief recess.

The House recessed at 11:54 a.m.

RECESS

The House reconvened at 12:05 p.m.

Speaker Babauta: We are back to our plenary session and are we ready to vote? Where are Representative Yumul and Representative Taman? House Clerk, call the roll on S. B. NO. 15-102, HS1, HD2.

The Clerk called the roll on the motion to pass S. B. NO. 15-102, HS1, HD2 on Final Reading, which resulted as follows:

Rep. Martin B. Ada	absent (excused)
Rep. Edwin P. Aldan	yes (with reservation)
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	absent (excused)
Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes
Rep. Jesus SN. Lizama	yes
Rep. Crispin M. Ogo	yes

(Minority Leader Palacios: If I may, Mr. Speaker, one of the key concerns that I have regardless of where we put the rate -- 36, 24, 11, 18, 20, or 21 percent -- we want to make sure that the central government meets it, because even after the end of the suspension of the employer's contribution the Retirement Fund Chairman has come out in no uncertain language said that we have not paid a penny to the Fund on employer contribution. So, I hope that we will make all the good faith effort to do that. My vote yes at 18%.)

Rep. Arnold I. Palacios	yes
Rep. Justo S. Quitugua	absent (excused)
Rep. Benjamin B. Seman	yes

(Representative Taman: Can I also make some comments. Earlier in this 15th legislature, we passed a legislation to suspend the government's contribution to the Retirement fund. We did that in good faith because we know how bad our economy is and the whole government operation is in a very unstable situation. However, we still are very mindful of those several hundred retirees that deserve the benefit. I remember when we overrode the governor's veto of the lowering of the power rate, many members from our community as well as business bombarded us because we were accused of lowering the power rate and we do not have the money to replenish the shortfall. I am afraid that if we have to go either 36% or 24% on this we will fall into the same criticism. So, I believe that 18% at this point of time is rather more realistic so that we can afford to pay this contribution or the government liability at least a minimal. My vote is yes.)

Rep. Candido B. Taman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes

Representative Waki: You know 11, 18, 24, 36 -- these are all numbers. When we pick one of the numbers, we are eventually saying we are going pay. In the absence of an actual budget, in the absence of certain austerity measures being passed, in the absence of actual numbers to see whether we can actually afford it, we may be passing something we cannot afford and we are back to square one. I am just looking at the numbers in itself. The Retirement Fund is still funded. It is one of the only agencies that actually has money that they can still pay out to their members for a time period even without us contributing anything. Yes, it may have a difficulty in solvency down the road, but in the mean time, they can still pay out. And them using scare tactics to the retirees and everything is not a good thing in reference their trying to get as much percentage out of the government that does not have the money at this point in time. It is an unfortunate thing. So, my vote in the absence of all the different variables coming in to play to make sure that we can actually afford the 18% -- and like I say do you put the cart before the horse, I am not sure, but because the absence of certain numbers and certain bills that have not been passed and the budget not being passed, I cannot in good conscience vote on yes on the 18%. So, my vote at this particular time is no.

Rep. Absalon V. Waki, Jr.	no
Rep. Ray N. Yumul	abstained

Speaker Babauta: Before I rule on the outcome of this bill, let me have a word with the Clerk. (Pause) Chairman Yumul, you want to reconsider?

Representative Yumul: If I am not out of order, I would like to request that since you did indicate a January 3rd session, I move to reconsider all the votes and place this bill back on calendar.

Speaker Babauta: As I said it earlier, we need to move this bill in order to incorporate it in the budget on next Thursday on January 3rd. (*End of Tape 2, side A*)

(*Start of Tape 2, side B*)

Representative Yumul: After lunch and I will walk over personally to Retirement Fund and I will talk them.

Speaker Babauta: I kindly ask my good Representative Yumul to reconsider because some members already have commitment at 1:00 this afternoon, and have requested that we recess. Representative Ogo is also leaving this afternoon to try to make it to his sister's 1st Death Anniversary Mass in Rota, so I humbly request your outmost consideration colleague Yumul.

Representative Yumul: Five minutes recess.

Speaker Babauta: Two-and-a-half minutes recess.

The House recessed at 12:13 p.m.

RECESS

The House reconvened at 12:25 p.m.

Speaker Babauta: We are back to our plenary session. I ask the Clerk to continue with the roll call and recognize again Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. I had asked for the recess because I made some calls across the street and it is very interesting--what I got from Retirement Fund personnel and their comments. I am ready to change my vote, but before I do so I just want to state for the record that I have just received information through another source that a certain taxpayer within the CNMI on a part-time basis had remitted to the Federal Government over twenty million dollars in taxes and was notified by the Federal Government that the money -- this is separated from the 26 million in cover over that had come back. These twenty million dollars was reverted to Department of Finance and IRS did inform this part-time taxpayer and the CNMI that the tax was remitted back so that is additional revenue from within. I am really perturbed that this information -- the communication from the secretary through the Administration -- has not come to us. So I will assure you, Mr. Speaker, that come 16th Legislature, I will push for a higher percentage. I will look to this as a starting point to fund the Retirement Fund. I will vote yes for now for this 18%.

Rep. Ray N. Yumul

yes (change of vote)

Rep. Oscar M. Babauta

yes

Speaker Babauta: Thank you and I would also assure you and the other members that we will look into that information that you just shared with the members. I hope that we could take that up before the House passes the budget on January 3rd. Representative Torres, before I call the vote.

Representative Torres: Mr. Speaker, could we have my good colleague from Precinct 3 share that information.

Speaker Babauta: I would ask him to do so. This is privileged information that he obtained. All of us know that tax involving individual tax has a right to privacy that is protected in both the CNMI and the U.S. Constitutions and other pertinent laws. He just swallowed it.

Representative Torres: You are protected when you share it in the Chamber.

Speaker Babauta: He just swallowed it. He did not divulge the taxpayer, not even the identity. I just saw Chairman Yumul swallow the paper. He is chewing it right now. By a vote of 14, “yes” S. B. NO. 15-102, HS1, HD2 passes the House on Final Reading. Floor Leader, continue.

Floor Leader Lizama: Thank you Mr. Speaker. I moved for the passage of H. B. NO. 15-205, HS1 on First and Final Reading.

The motion was seconded.

H. B. NO. 15-205, HS1: TO ESTABLISH A FIREWORKS CONTROL ACT; AND FOR OTHER PURPOSES.

There was no discussion and the Clerk called the roll on the motion to pass H. B. NO. 15-205, HS1 on First and Final Reading, which resulted as follows:

Rep. Martin B. Ada	absent (excused)
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	absent (excused)
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	absent (excused)
Rep. Benjamin B. Seman	yes
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.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: By vote of 15 yes HB 15-205, HS1 passes the House on First and Final Reading. Bill number three, Floor Leader.

Floor Leader: Thank you Mr. Speaker I move for the passage motion First and Final Reading on H. B. NO. 15-326.

The motion was seconded.

H. B. NO. 15-326: TO APPROPRIATE THE SUM OF FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) TO BE USED AS START-UP FUNDS TO IMPLEMENT THE ROTA CASINO ACT OF 2007; AND FOR OTHER PURPOSES.

Speaker Babauta: Discussion. Ready? Clerk, call the roll. Representative Yumul, recognized for discussion.

Representative Yumul: Thank you, Mr. Speakers I am concern that this might not be an allowable reappropriation. I would like to ask the house legal counsel.....

Speaker Babauta: *Maila' ta chagi.*

Representative Yumul: *Siguru hao*, well I would like to ask the house legal counsel on what legal standing does he or she have.

Speaker Babauta: Counselor to respond to Chairman Yumul.

Counselor Villagomez: Yes, Mr. Speaker. The funds that are being re appropriated are funds that were appropriated pursuant to PL 13-48 and I believe this are CIP funds and there are specific uses for CIP funds. However, the Section 2 of this appropriation has a notwithstanding clause so basically were saying notwithstanding any law to contrary these funds shall be appropriated and to be used as a start off funds for the implementation of the Rota Casino Act. Normally, you would not be able to appropriate a CIP funds for this use, but because we have a notwithstanding clause and basically we are saying despite any law to the contrary we are going to go ahead and appropriate these funds for the Rota casino act start up costs.

Speaker Babauta: *Maila ya yanggen siña ta ayudayi i mane'lu-ta Luta, ta ayudayi.* Representative Manny Tenorio, I know that you are going to Rota soon.

Representative Tenorio: No, Mr. Speaker, I just want to find out what is Public Law 13-48--is the CIP?

Speaker Babauta: That is on the funds appropriated for Rota. Partial of that is Rota share.

Representative Tenorio: Can we use this money to finance the casino?

Speaker Babauta: It is a policy call that we need to address, Chairman Ogo.

Representative Ogo: Yes Mr. Speaker let me just share a light on the intension of this. It is pretty clear on the bill, but like what Mayor of Rota have indicated to me throughout our discussion on this issue is that yes there are priorities, projects and others for the island of Rota. However, we just recently passed the Rota Casino Act. For the Mayor and the Leadership of the Island of Rota, we need to jumpstart that casino act and hopefully that half a million dollars will multiply in effect and it would eventually assist us in looking at other projects. So, this is something for the local leadership....

Speaker Babauta: Would you like to share with the Saipan gaming act? Representative Ray Tebuteb.

Representative Tebuteb: I believe we attempted to appropriate about the same amount, according to the findings, for the failed negotiation between the Japan Airlines relative to the incentive plan for the 46-chartered flights.

Speaker Babauta: We appropriated that already.

Representative Tebuteb: Was this supposed to be part of it? I am getting mixed information from other Rota delegates regarding the appropriation here.

Speaker Babauta: Representative Ogo, to respond to Representative Tebuteb.

Representative Ogo: Earlier the Senate made a rider for this amount and because I realized that four hundred thousand that they were proposing has already been covered by that eight hundred thousand that we passed just recently. So the Mayor and I spoke and he favored the idea of having this half a million dollars used to jumpstart the casino act. I encourage and I humbly everyone to please support this bill. This would eventually start up our Rota Casino Act of 2007.

Representative Yumul: I just pulled PL 13-48 and in the findings of 13-48 it mentions that the capital improvement projects such as the Route 100 Road Project is in need of additional finances in order to complete the construction, which means this is an ongoing construction. I am really concern that if we taken money away from an existing project it will become uncompleted. I would like to know from the good representative from Rota if this project had even commenced.

Speaker Babauta: Representative Ogo to respond.

Representative Ogo: Earlier this year the delegation and the technical service division at DPW had a meeting and this project cannot even begin without acquiring all those lands that goes through Route 100. This project has not even started. We need millions of dollars to acquire those private lands and to piece meal each private land in the island of Rota as to who will come first – the half a million is not even enough. As what the Rota Mayor, other members and I have discussed the priority now is to jumpstart the Rota economy and the half a million dollars will really help in the establishing the Rota. To acquire land that encroach Route 100, we need millions of dollars. We cannot even start the project according to TSD without acquiring those private lands. So just to share with you that project for Route 100 is over five years old and there is no money that could cure the acquisition of those private lands that encroach in the master plan for that Route 100. The federal fund that was allocated to Route 100 is diverted to other projects for the island of Rota. *Pues gi pa'gugu ha' nai, taya' salape-ña i Route 100.*

Speaker Babauta: Let me ask you, I understand that with TSD, a seriously problem with Route 100 as far as land issues is concern and that has been the case for DPW and public lands. What is the initial appropriation for that Representative Ogo?

Speaker Babauta: One million dollars, Mr. Speaker, however, it got diverted to other projects in Rota because the federal government or federal highway would not even entertain the Route 100 project without procuring with the CNMI government acquiring those private land and that is the bottom line.

Representative Tebuteb: I did not quiet get the respond the eight hundred thousand that we passed was for the Rota airline incentive program.

Speaker Babauta: Procurement of equipment for the potential...I understand that now will be served by Continental Airlines.

Representative Tebuteb: At a lesser price, am I to understand that given the difference from that 800 thousand now, it will also assist with the promotion for Rota or for the forty-six flights that was intended for Rota?

Representative Ogo: If I am not mistaken, Mr. Speaker, the eight hundred thousand dollars was strictly just for the procurement of those supplies.

Speaker Babauta: Aircraft equipments.

Representative Ogo: Yes, the promotional part is not included in that eight hundred thousand. Now if we are going to look at that part, just recently the Rota Legislative Delegation have passed an amount of money for a trade mission and those types of projects and it is already signed into law. I guess so that will entertain that question that you have.

Speaker Babauta: Ready clerk call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 15-326 on First and Final Reading:

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

Representative Tenorio: Mr. Speaker, *bulan biahi na ma divert i CIP funds ya ilek-hu na ha nisisita este Luta na pupulu para u ma jump-start i casino. Pues baihu supotta este, Mr. Speaker, for the betterment of Rota, yes.*

Speaker Babauta: Before I cast my vote Representative Torres

Representative Torres: *Ilek-hu na'i Luta. Etyigue siempre na ta ririp.*

Speaker Babauta: That was a good intension. We will reap it through tax.

Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. Absalon V. Waki, Jr.	yes
Rep. Ray N. Yumul	abstained
Rep. Oscar M. Babauta	yes

Representative Ogo: Request for a short recess, Mr. Speaker.

Speaker Babauta: Before I ask for a short recess, let me again ask the clerk to recall the names for those members--may I kindly request again those members to

reconsider the assistance that Rota is seeking—the ones who voted no or abstained.
Clerk, continue.

The Clerk called the roll of the members who abstained from voting..

Rep. Joseph P. Deleon Guerrero	yes
Rep. Jacinta M. Kaipat	yes

Representative Yumul: Infrastructure, Mr. Speaker, is very critical to any island municipality if this is the wishes of the people of Rota that funds be diverted then I will vote yes with serious reservations.

Rep. Ray N. Yumul	yes
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Speaker Babauta: Thank you very much. By a vote of fifteen “yes”, H. B. NO. 15-326 passes the House on First and Final Reading with fifteen members voting yes. Floor Leader, last bill.

Floor Leader Lizama: Thank you, Mr. Speaker. On the bill withdrawn from the Committee on Ways and Means, I move for the passage of H. B. NO. 15-243 on First and Final Reading.

The motion was seconded.

H. B. NO. 15-243: A BILL FOR AN ACT TO AMEND 4 CMC § 1204 TO INCREASE THE AMOUNT OF TAX IMPOSED BY 4 CMC §§ 1201 AND 1202, THE WAGE AND SALARIES AND EARNINGS TAXES; AND FOR OTHER PURPOSES.

There was no discussion, and the Clerk called the roll on the motion to pass H. B. NO. 15-243 on First and Final Reading:

Rep. Martin B. Ada	absent (excused)
Rep. Edwin P. Aldan	yes
Rep. Francisco S. Dela Cruz	yes
Rep. Florencio T. Deleon Guerrero	absent (excused)
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	absent (excused)
Rep. Benjamin B. Seman	yes
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.	yes
Rep. Ray N. Yumul	yes
Rep. Oscar M. Babauta	yes

Speaker Babauta: By vote of 15, “yes” H. B. NO. 15-243 passes on First and Final Reading. I ask the clerk to engross the bills immediately that we passed this morning to expedite it to the Senate.

MISCELLANEOUS BUSINESS

Speaker Babauta: I recognize the Minority Leader.

Minority Leader Palacios: Thank you, Mr. Speaker. I take privilege, Mr. Speaker, I believe 2 weeks ago, I asked our legal counsel to look into the matter of the cover over revenue. One of my questions, Mr. Speaker, is the lack of formal communication from the Administration to you as the Chair of this Body regarding the outcome of all our negotiations with IRS. I wonder why that was the case. I also asked the clerk if there was any form communication to the House and she advised me that there was not any. My point is I believe the legislature has the right to know of these revenues any new revenues coming to the Commonwealth. It is also the purview of the House of Representatives any appropriations. That is in our constitution. I asked the legal counsel, Mr. Speaker, as a member of this Body and I believe the chair should pursue this issue to clarify the legal circumstances regarding the cover over revenue. These are tax revenues. These are not federal grants. These are tax revenues that are supposed to have gone back to the Commonwealth of individuals that did business in the Commonwealth or individuals that lived in the Commonwealth. This issue dates back maybe over a decade. I do not know, maybe more. We finally put finality to it through negotiating with the IRS. I have no question to the noble intent of using that revenue to pay the rebates. That was not my question. The question is the constitutionality, I posed that to our legal counsel, and I hope he does the research and give us a legal memo to that effect, because it is my humble opinion that any revenue due to the Commonwealth--whether it is for cover over tax--is tax revenue and must be declared under our constitution. The Executive Branch must declare this revenue to the legislature and if it is so desires submit a proposal as to how that revenue would be use. The absence of the declaration revenue in my humble opinion is a violation. I am not going to raise any legal issue with the governor, with the administration. I am raising the issue among us because that is our responsibility. It is our obligation once that question is answered those other remedies must follow Mr. Speaker. You and Representative Torres, I am not sure if Representative Tenorio was a member of the House of Representatives at that time but I recall a taxpayer filing a lawsuit against then Governor Froilan Tenorio for basically misappropriation of funds. I believe it was Rayphand vs. Tenorio and it is, I believe, a similar question whether it is a declaration of revenue. Again let me be clear--the question of how the governor uses the funds through give rebates to our people, our taxpayers--that is not the question. The process is mandated by our Constitution and I hope, Mr. Speaker, and let me conclude by saying I believe it is important that the Chair and every member of this House proceed and asked our legal counsel namely, Mr. Catlett to look into this issue. I have asked him, he has been trying to get a copy of the MOU between the IRS and the Commonwealth, and we found out that there really was not any. It was basically in the Covenant and the only agreement was the amount. Do you recall we were at one time scrambling for funds to replenish the 15% cut to PSS and DPW and we found that there was six million dollars cover over in 2006, I believe, to which the Secretary of Finance said no. That money was going to go to rebate also so the question is we have over thirty-two million the last two years. Secondly, what is also bothersome and kind of confuses me is we just declared a state of emergency because we could not pay 2.5 million dollars of fuel bill. On the other side, we in this community had gotten what some people have call windfall revenue through hard negotiation to his credit. The secretary of finance was able to close this negotiation out with 27.7 million dollars. Would we not have allayed and resolved the emergency situations had we use some of that fund. Those are priorities that become secondary consideration after we answer the important question is. *(End of Tape 2 side B)*

END OF TAPE 2 SIDE B

BEGINNING OF TAPE 3 SIDE A

Speaker Babauta: (*Beginning Tape 3 side A*) ...their board resolution suspending payment of retiring pensions to the potential retirees that would occur this month and early next month, so I hope that you support the chair in that endeavor to engage our legal counsel to file a temporary restraining order immediately until we rectify whatever is administratively with Retirement Fund.

Representative Torres: This is in regards to Laolao Kumho transfer of ownership. I was looking back my file and notice this is a concern of legality of the signer of the UMDA representative. I would like to find out from the attorney general whether the process of signing the assignment from UMDA to Kumho is really a legit Russell Snow signed the assignment representing the UMDA on March 14, and somehow it was notarized. His signature was notarized by notary public James Choi from the state of Arizona, however the question is the notary from Arizona came to the Northern Marianas and execute the acknowledgement of Mr. Snow or Russell Snow was in Arizona on the 14th of March. If that is the case then the notary public execute acknowledgment sloppily. The reason why I brought this up because the Secretary for DPL, Mr. John Del Rosario signed and was executed on the 15th of March is one day later, so I do not believe that Russell between the 3 people, Russell Snow and Choi flew back from Arizona in less than one day. That is my question. Now, if that notary public James Choi did appear in Saipan executing the assignment, Mr. Choi did commit a violation of because there was no reciprocity of notary service between NMI and state of Arizona--this is the question.

Speaker Babauta: Or for that matter, it is the United States, the other 50 states.

Representative Torres: I cannot go to Arizona and execute a notary document so I would like to find out from the attorney general himself if this is really proper and if it is improper and I think it is improper--that it should be re-executed to make it right for recording purposes.

Speaker Babauta: Chairman Aldan, let me ask you and report back to the House on the 3rd before we pass the budget. Check that information with the attorney general and so as the Department of Public Lands how is it because the distance and in less than 24 hours -- why the shortness of the execution of documents -- since you were in charge of handling the Kumho deal. This is a concern that we need to address because we want to make sure that our action is legally binding. I would like to acknowledge the personal commitment or the personal issues that Representative Torres has over the past several months that he had engaged the Administration. In particular many of the members asked me to express their gratitude to you, Representative Torres, for having the planning and budget office returned what we call in the House *the unintentionally reduction of the members salary* of a little over \$3,000 with each respective members account at the Department of Finance. However, that has to be utilized or encumbered and obligated before January 01, 2008, to make use of it. For those that are coming back, I'm not to sure whether or not that is transferable to the next legislature but I suggest that those that are retiring and those that are not returning in the next legislature this is a money well use for your unpaid obligations at. Anyway, I wish to express and extend a very Happy New Year to all of you and your entire families and of course, the able staff of the Legislative Bureau and all of our staff in our offices. We wish you well and we'll see you back on January 3rd. To those members that are working on the budget, I sincerely appreciate your cooperation, your serious attention to this issue and let us start by coming back again on Monday--before we leave for the New Year's Eve and again on the 2nd so we can finalize everything and have it ready for January 3rd. Before I recognize Chairman Torres, let me recognize Chairwoman Kaipat.

Representative Kaipat: Thank you, Mr. Speaker, I just want to thank all my colleagues for voting to pass the fireworks bill. I know that a lot of people in our community are going to be so relieved to

have this bill enacted into law. So thank you again, I know you all share the concern. Thank you, Mr. Speaker, and I also want to wish all my colleagues and all the staff a very Happy and safe New Year. Thanks for the support.

Speaker Babauta: Thank you, Representative Torres

Representative Torres: Mr. Speaker, just to ask you, are you conveying that appreciation message on behalf of the governor?

Speaker Babauta: On behalf of the 15th House of Representatives.

Representative Torres: What about the Administration's part?

Speaker Babauta: I humbly extend our appreciation for acknowledging the mistake that have occurred.

Representative Torres: Mr. Speaker, thank you for admitting the guilt.

Speaker Babauta: No, I was a part of the defendant so I am with you. They are the defendant not us. Well everybody, thank you and have a very happy new year to you and your love ones and everyone else in the Commonwealth.

ADJOURNMENT

Speaker Babauta: Floor Leader, motion to recess until January 3rd.

Floor Leader Lizama: I so move, Mr. Speaker.

The motion was seconded and carried by voice vote.

Speaker Babauta: House stands recess until January 03 at 10:00 am.

Floor Leader Jesus Lizama moved to recess; was seconded and carried by voice vote.

The House adjourned at 1:07 p.m. until Tuesday, January 3, 2008 at 10:00 a.m.

Reviewed actions and votes and
respectfully submit,

Evelyn C. Fleming, House Clerk

APPEARANCE OF LOCAL BILLS

FIRST APPEARANCE: First Appearance of a local bill is the day of introduction

SECOND APPEARANCE: NONE

THIRD APPEARANCE:

H. L. B. NO. 15-75: To amend Saipan Local Law 15-12; and for other purposes. (Rep. Joseph P. Deleon Guerrero +7)