



House Journal

SECOND SPECIAL SESSION, 2008

**Adopted:
October 16, 2008**

Second Day

Thursday, April 24, 2008

The House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature convened its Second Day, Second Special Session on Thursday, April 24, 2008, at 1:45 p.m., in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Arnold I. Palacios, Speaker of the House, presided.

A moment of silence was observed.

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

The House dissolved into the Committee of the Whole at 1:47 p.m.

COMMITTEE OF THE WHOLE

The House convened in plenary session at 2:10 p.m.

ADOPTION OF JOURNALS

NONE

INTRODUCTION OF BILLS

H. B. NO. 16-85: A Bill for an Act to provide for a liquid fuel tax holiday for the CNMI residents 2 days of every month; and for other purposes.

Offered by: Representative Ray N. Yumul and five others

Referred to: Committee on Commerce and Tourism

Representative Yumul: With no objection, I would like to place this on calendar for debate.

Speaker Arnold Palacios: Let me clarify your request. You are asking that it be placed on calendar for debate?

Representative Babauta: And for eventual passage, Mr. Speaker.

Speaker Arnold Palacios: Representative Yumul, this is a very interesting piece of legislation that you have just pre-filed this morning. I think we need to take a look at this at least on the committee level or at least allow for members of the House to go through this legislation and fully understand it. I want to ask for your indulgence that you withdraw your request and allow for members to look at this bill to digest. It is very interesting. There is no question about it. Okay?

Representative Yumul: Mr. Speaker, although I have attached an analysis, I will still heed to your request if you want to send it to a committee.

Speaker Arnold Palacios: We will have a session next week and we will certainly take it up. I assure you.

Representative Yumul: Since I still have the Floor, Mr. Speaker, I welcome anybody to sign the bill.

Speaker Arnold Palacios: Thank you.

H. B. NO. 16-86: A Bill for an Act to amend the Commonwealth Entry and Deportation Act (3 CMC § 4301 et seq.) to create the immigration category of “resident foreign national;” and for other purposes.

Offered by: Representative Christian M. Sablan and three others

Referred to: Committee on Judiciary and Governmental Operations

H. B. NO. 16-87: A Bill for an Act to repeal and reenact Public Law 12-51 and Public Law 14-28, and to provide a 120 day amnesty period for the filing of delinquent returns under Title 4, Chapters 2, 3, 4, 5 and 7, Division 1 of the Revenue and Taxation Act of 1982, as amended, and the payment of delinquent taxes without imposition of penalty and interest, with certain exceptions and for the waiver of penalty for failure to obtain a business license; and for other purposes

Offered by: Representative Oscar M. Babauta and one other

Referred to: Committee on Ways and Means

H. B. NO. 16-88: A Bill for an Act to repeal and re-enact Article 2 of Division 5 of Title 3 to clarify the control usage of fire protection hydrants and units; and for other purposes.

Offered by: Representative Ray N. Yumul

Referred to: Committee on Public Utilities, Transportation and Communications

Representative Yumul: Anyone wishing to cosponsor the bill is welcome to. Thank you.

H. B. NO. 16-89: A Bill for an Act to revise the Commonwealth Utilities Corporation’s (CUC) electrical rate structure to ensure CUC’s continuing ability to deliver vital utility services; and for other purposes.

Offered by: Representative Heinz S. Hofschneider and one other

Representative Hofschneider: Mr. Speaker, we try to restrain ourselves from making comments under Introduction of Bills, particularly it is because it is inappropriate to debate or make further comments. But this is a rehashing of the bill that was filed by the Senate on the repealer of Public Law 15-94. I have taken it upon myself, Mr. Speaker, to reintroduce the bill. Having sat in my office for four days with CUC and with your presence and several members here, I do not know what is going to come upon members to see the urgency. Whether we continue to debate on whether or not PUC is duly organized and ready to deal with setting rate structure without having to legislate or repeal it is beside the point. Comes Friday this week, CUC will be without a penny in its account. Is that what we are waiting for, for total bankruptcy until we get our senses together? I introduced this, Mr. Speaker, the same bill, “A Bill for an Act to revise the Commonwealth Utility Corporation’s Electrical Rate Structure to ensure CUC’s continuing ability to deliver vital utility services, and for other purposes.” The only difference, Mr. Speaker, perhaps with the grace of God upon the Senate,

is to suspend it for one year so that we can take away the debate of this issue. Every single day we procrastinate for differences unbeknownst to members here, whether the author is the problem or whether the theory behind it is the problem, everybody agrees that the practicality of the law is the problem. Thank you, Mr. Speaker.

H. B. NO. 16-90: A Bill for an Act to provide flexibility to the governor and other expenditure authorities to reprogram funds for the remainder of fiscal year 2008; to suspend earmarking of certain non-general fund revenue; to authorize CUC to use a portion of customer security deposits to pay for its fuel expenses; to set the government employer contribution rate at 11% for fiscal year 2008; to increase certain government services fees; for other purposes.

Offered by: Representative Arnold I. Palacios and two others

Speaker Arnold Palacios: I certainly invite others who wish to co-sponsor the bill to do so. If there is no objection, I would like to ask that we at least consider and put it on today's Order of Business for potential debate and disposition. Thank you.

H. L. B. NO. 16-10: A Local Appropriation Bill for an Act for the Third Senatorial District to appropriate \$4,752,000.00 from revenues collected pursuant to Saipan Local Law 11-2 as amended for Fiscal Year 2008; and for other purposes.

Offered by: Rep. David M. Apatang

INTRODUCTION OF RESOLUTIONS

H. R. NO. 16-15: A House Resolution to congratulate the Saipan Southern High School Manta Ray Concert Band on their triumphant and exhilarating performance at the 2008 Tumon Bay Music Festival.

Offered by: Rep. Joseph N. Camacho

Floor Leader Camacho: If there is no objection from the members, pursuant to the rules, we can place it on the calendar. I welcome any other members who want to sign the resolution.

Speaker Arnold Palacios: So ordered.

Representative Babauta: Clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Babauta: On the Order of Business, did we adopt the journals?

Speaker Arnold Palacios: No. We just received those journals and I will allow members to review the journals and we will dispose of the journals in subsequent sessions.

Representative Babauta: Thank you.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 16-73: (4/3/08) Certification for a vacant position at the Department of Public Health.

GOV. COMM. 16-74: (4/3/08) Certification for vacant positions at the Department of Public Health.

GOV. COMM. 16-75: (4/3/08) Certification for a vacant position at the Department of Public Safety-Rota.

GOV. COMM. 16-76: (4/3/08) Certification for a vacant position at the Department of Community and Cultural Affairs-Rota.

GOV. COMM. 16-77: (4/4/08) Submitting the Fiscal Year 2009 Budget.

GOV. COMM. 16-78: (4/4/08) Requesting that the date for the State of the Commonwealth Address be scheduled sometime in May.

GOV. COMM. 16-79: (4/9/08) From Acting Governor Villagomez informing the House that he vetoed H. B. NO. 16-83, HD5 (FY'09 Interim Fiscal Measures Act). [*Deadline 6/8/08*]

GOV. COMM. 16-80: (4/17/08) Certification for a vacant position at the Department of Corrections.

Speaker Arnold Palacios: We are on Item 5, on Messages from the Governor. Is there any comment on these messages? I recognize Representative Apatang.

Representative Apatang: I would like to move that we refer Governor's Communication 16-73 through 16-76 to the Chairman of Ways & Means Committee to look into that first prior to approving it.

Speaker Arnold Palacios: Representative Apatang, please turn on your microphone and restate your request so that our Chairman can hear.

Representative Apatang: I move that we refer Governor's Communication 16-73, 16-74, 16-75, and 16-76 to the Chairman of the Ways & Means to review for compliance with our budget's requirement. Thank you.

Speaker Arnold Palacios: Is there any objection to that? Representative Yumul, you are the Chairman, would you be so accommodating as to look into this issues for our good Representative Apatang?

Representative Yumul: Yes, Mr. Speaker.

SENATE COMMUNICATIONS

SEN. COMM. 16-19: (4/3/08) Returning H. B. NO. 16-11 (Safe Diving Act) which was passed by the Senate without amendments on April 3, 2008. [Before the Governor]

SEN. COMM. 16-21: (4/3/08) Transmitting S. B. NO. 16-26, SD1, entitled, "To amend Section 3304 of Title 1 of the Commonwealth Code to reduce the salary of the Commonwealth's

jurists; and for other purposes,” which was passed by the Senate on April 3, 2008. [Referred to Committee on Judiciary and Governmental Operations]

SEN. COMM. 16-22: (4/4/08) Returning H. B. NO. 16-83, HD5, Fiscal Year 2008 Interim Fiscal Measures Act, which was passed by the Senate on April 4, 2008. [Vetoed]

SEN. COMM. 16-23: (4/9/08) Transmitting S. B. NO. 16-19, SD1, entitled, “To amend PL 15-2 to codify its provisions as a new chapter 14 of Pat 1, Division 2, Title 1 of the Commonwealth Code and to give mayors of each municipality, Saipan, Rota, Tinian and Aguiguan, and the Northern Islands an opportunity to affect the disposition of public lands in their respective municipality; and for other purposes,” which was passed by the Senate on March 19, 2008. [Referred to Committee on Natural Resources]

SEN. COMM. 16-24: (4/9/08) Transmitting S. L. I. NO. 16-9, SD1, entitled, “To propose a constitutional amendment to Article XII Section 3 of the CNMI Constitution to change the term permanent and long-term interests in real property,” which was passed by the Senate on March 19, 2008. [Referred to Committee on Natural Resources]

SEN. COMM. 16-25: (4/23/08) Informing the House that the Senate filed H. B. NO. 16-79, SD2, HD2 (re Regulation of Electrical Power Rates) on April 22, 2008. [For info]

SEN. COMM. 16-26: (4/23/08) Returning H. B. NO. 16-81 (To amend 1 CMC § 8347 re NMIRF Disability Certification), which was passed by the Senate with amendments on April 22, 2008, in the form of **H. B. NO. 16-81, SD1**. [*For action on Senate amendments*]

SEN. COMM. 16-27: (4/23/08) Transmitting S. B. NO. 16-16, entitled: “To amend the Public Lands Act of 2006, 1 CMC §§ 2801, et seq., to include a new Section establishing a resident director for the Department of Public Lands in the First Senatorial District and Second Senatorial Districts; and for other purposes,” which was passed by the Senate on April 22, 2008. [*For action*]

SEN. COMM. 16-28: (4/18/08) From Senate President Reyes requesting for the fiscal committees of the legislature to meet regarding the FY 2008 Fiscal Measures.

SEN. COMM. 16-29: (4/21/08) Transmitting a certified copy of S. R. NO. 16-7: “A Senate Resolution relative to commending the CNMI Board of Elections for its diligence in the establishment of the NMI Descent Voter Registry as mandated by statute,” which was adopted by the Senate. [For info]

SEN. COMM. 16-30: (4/24/08) Informing the House that the Senate accepted the House amendments to S. J. R. NO. 16-3, HD1 (State of the Commonwealth Address & Washington Office Report) on April 22, 2008. [For info]

SEN. COMM. 16-31: (4/24/08) Transmitting S. J. R. NO. 16-4, entitled, “A Senate Joint Resolution to respectfully request that the President of the United States refrain from unilaterally creating a Northern Marianas National Monument and imposing the regulatory burdens appurtenant thereto upon the People of the Commonwealth of the Northern Mariana Islands without the consent of the local government,” which was adopted by the Senate on April 22, 2008. [*For action*]

Speaker Arnold Palacios: Thank you, so ordered. Is there any discussion on Senate Communications? I recognize Representative Babauta.

Representative Babauta: Mr. Speaker, I noticed there is a new format in our Order of Business, particularly under the Senate's Communications. It is indicated that Senate Communications 16-21; 16-23; and 16-24 has already been referred to committees. Is this preconceived referral, Mr. Speaker?

Speaker Arnold Palacios: No, actually these have been referred to committees. It was in there from the last session.

Representative Babauta: Okay, so it is not necessarily referred to the committees.

Speaker Arnold Palacios: Right.

Representative Babauta: Thank you.

Speaker Arnold Palacios: Is there any more comments on some of the Senate's Communications? I recognize Representative Hofschneider.

Representative Hofschneider: Mr. Speakers and members, I guess I am running out of reasons but I want to impress that we have a mutual respect for each house' action and what we, as a body, think is best. In respect to what the Senate has done to file House Bill 16-25, this is the bill that originally aims to repeal Public Law 15-94 but was amended by the Senate to instead suspend the law for sixty days. We rejected the Senate's amendment and sent the bill back to the Senate which it decided to file and put finality to the original bill. If you read the Standing Committee Report, it is the same analogy as the old farmer, the old man that drives the bull cart. *Guiya este na asunto, Mr. Speaker, i bihu ni ha susugon i karetan guaka. Todo ha' mu lili'e na i bihu gaige gi san me'na na ha hahala i karenten guaka. Ha gogotdi i guaka gi san tatte ya ha chacha baksala i guaka yan i kareta. Kumeke ihot esta para hu sen yafai. Puru cho'cho' hanao back este, fino' i famagu'on. Esta ti konprendiyon hafa na asunto, Mr. Speaker, para ta empresa guato gi san hilo' na guma' na sen siriosu i estao-ña i CUC. Mismo tiempo, ni Atministrasion esta kumeke hokog ha guesgues i fondon i satten para hu aligao-yi salape' para hu ayuda mamahan laña. Hafa ta keke nañga esta ki sen bihu? Ya ni kandet ni kapesedat-ña para hu apase i emplehao-ña i CUC.* To argue further, Mr. Speaker, if you read the Senate Standing Committee Report, its assumption is that the PUC has a quorum of three. The problem is that it is not only the composition and having a quorum of PUC, but the members of PUC admitted that they need to go through the process of being taught how to look and set rates. The assumption that any study forthright or already undertaken by the CUC may be presented and supersede Public Law 15-94 and therefore not act on repealing the law. If you listen to that logic, it does not make one sense in any sense because if you agree that PUC can supersede whatever rate including Public Law 15-94, why will you not take the action to repeal 15-94? Every single day that the rate imposed by 15-94 is maintained, at the end of the month it is equal to \$1.5 million shortfall collected by the CUC. So they are under recovering as we speak and we continue to argue. The argument whether the Administration can purchase fuel through the general fund or not is convoluted and at the same time pressuring the CUC to diligently collect. This is the problem when every single one of us behaved like we graduated from Harvard Business School. We fail to listen to the administrator delivering power. The assumption in this committee report is ludicrous, Mr. Speaker, with any logic in any fact and basis if you buy the contention stipulated in the committee report that the PUC today in fact has the authority to supersede 15-94. The PUC has a total

apprehension about moving forward even with the previous rates study done and submitted by economist.com. We need to give the PUC the right environment, allow the members of the PUC to develop and mature. They are asking for time. This is analogous to a doctor that just recently walked down the isle and got the diploma and is sent to cut up a person. There is great apprehension and there is a great possibility of wrong doing. *Basta hit man mama' scientist. Basta este siha na animosu pat animasa na klasen aksion siha. Ta'lo un biahe ya humanao hulo' este na bill ya ma puno' osino ma aplacha'i, taigüe esta i agumento gi fundamenton lehislatura, petsonat.*

Speaker Arnold Palacios: Representative Hofschneider, we need to wrap it up.

Representative Hofschneider: *Un lili'e ha' na man cha'cha makalelu ha' i bereñenas gi tronko. ... (End of Tape 1, Side A) (Start of Tape 1 side B) ... Fan manmata ya basta man hugando. Man mamadedesi i publiko gi huyong. Sigi ha' ma huchom i business. Ombres si Samson, anai matto ya dinasai, inamot nui fuetsa-ña. Cha'mu pepega gi konsensian-mu, ni pot un minutu, na hago ha' lolo. Si Yu'us ma'ase.*

Speaker Arnold Palacios: Thank you, Representative Hofschneider. Are there any more comments?

Representative Babauta: Just for clarification, Mr. Speaker.

Speaker Arnold Palacios: I recognize Representative Babauta.

Representative Babauta: The deliberation of the good Representative Hofschneider falls upon the members of the Senate and not necessarily the House because the House has done its part. Thank you very much.

Representative Hofschneider: Point of clarification, Mr. Speaker. With all due respect, I have my own mouth to justify and defend what I said, and I did not impress upon Representative Babauta that it is targeted against the Senate but be it as it may, he said it. Thank you.

Speaker Arnold Palacios: You just clarified what his impression is. Is there any other comment on any of the Senate Communication? I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. This is in reference to Senate Communication 16-31 regarding the Senate Joint Resolution that was just passed requesting the President of the United States to refrain from creating a National Monument in the Northern Islands. I would like to ask, Mr. Speaker, that we send this to the committee because I certainly do not agree with the Senate's position that majority of the citizens will not formally endorse such a proposal. It gets a bit prematurely to say that. They made reference to a presentation that was given for the members of the Senate and the House. Very few members of the Senate and the House actually attended and I think that it would be not only fair but wise on our part before we even consider saying no to this proposal now.

Speaker Arnold Palacios: I would like to request that we first discuss whether we are going to accept the communication and place it on the Resolution Calendar and then you can make your point.

Representative Sablan: Oh, I am just commenting on the communication itself.

Speaker Arnold Palacios: Okay and you can make those comments. I appreciate your comments.

Representative Hofschneider: Mr. Speaker, are we taking it up on the Calendar?

Speaker Arnold Palacios: I will wait for the Floor Leader to make those motions on these particular communications.

Representative Hofschneider: No because I think that we should initially put it on the Calendar and let us discuss it.

Speaker Arnold Palacios: Yes, that is where we will allow the Floor Leader to make the motion. Before I recognize the Floor Leader, I would like to ask the Chairman of Ways & Means, Representative Yumul, to take note of SEN. COMM. 16-28 and I will ask that you go ahead and confer with the Chair of the Senate's Fiscal Affairs Committee to begin the dialogue on this particular communication. I recognize the Floor Leader.

Floor Leader Camacho: Pursuant to the Rules, I make a motion to place H. B. NO. 16-81, SD1 referencing to SEN. COMM. 16-26 on the Bill Calendar.

Speaker Arnold Palacios: A motion to place H. B. NO. 16-81, SD1 as referenced on Senate Communication 16-26 has been made and seconded. Is there any discussions?

There being no further discussions or objection, the motion to place H. B. NO. 16-81, SD1 was carried by voice vote.

Floor Leader Camacho: Mr. Speaker, a motion to place on Resolution Calendar, SEN. COMM. 16-31, referring to S. J. R. NO. 16-4.

Speaker Arnold Palacios: The motion to place S. J. R. NO. 16-4 on today's Resolution Calendar as referenced on SEN. COMM. 16-31 has been made and seconded. Is there any discussions?

There being no further discussions or objection, the motion to place H. B. NO. 16-81, SD1 was carried by voice vote.

Speaker Arnold Palacios: Let me comment on Senate Communication 16-30 regarding the State of the Commonwealth Address. I want to remind all the members that the event will be on May 02, 2008, Friday, at 10:00 a.m. We are asked to be there early. I will be sending out a memorandum to all the members regarding this particular joint session. I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, I believe there is a reference during the introduction of bills in regards to two particular bills that were to be placed on the Bill Calendar. If I can have just a moment from the Clerk to get the House Bill numbers.

Speaker Arnold Palacios: Short recess.

The House recessed at 2:40 p.m.

RECESS

The House reconvened at 2:49 p.m.

Speaker Arnold Palacios: I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, motion to suspend the Rules so we can place H. B. NO. 16-89 and House Bill 16-90 on the Bill Calendar.

Speaker Arnold Palacios: The motion to suspend the Rules for placement of H. B. NO. 16-89 and H. B. NO. 16-90 on the Bill Calendar has been made and seconded.

The motion to suspend pertinent House Rules to place H. B. NO. 16-89 and House Bill 16-90 on the Bill Calendar for disposition was carried by voice vote.

Speaker Arnold Palacios: Motion carries. I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I have read H. B. NO. 16-89 and I understand the content and it is pretty straight forward. We have been there before but with respect to 16-90, I would at least like to ask, because I am assuming that this will end up on the Calendar, that we have the ample time to review before we vote.

Speaker Arnold Palacios: We will discuss that. I am willing to discuss this or dispose of it but discuss at length and if necessary put it on First Reading and allow all members to come back because this is a critical piece of legislation but just allow us to put it on today's Calendar and I will accommodate your concern.

Representative Sablan: Thank you.

Speaker Arnold Palacios: Is there any more discussions?

Several members voiced, "ready."

The motion to suspend the House Rule to place H. B. NO. 16-89 and H. B. NO. 16-90 on the Calendar for disposition was carried by voice vote.

Speaker Arnold Palacios: Motion carries. I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, now that we suspended the Rules, motion to place H. B. NO. 16-89 and H. B. NO. 16-90 on Bill Calendar.

Several members seconded the motion.

Speaker Arnold Palacios: The motion for placement of H. B. NOS. 16-89 and 16-90 on today's Calendar has been made and seconded. Is there any discussion?

There was not discussion and the motion to place H. B. NO. 16-89 and H. B. NO. 16-90 on the Calendar for disposition was carried by voice vote.

Speaker Arnold Palacios: The motion carries. H. B. NO. 16-89 and H. B. NO. 16-90 is placed on today's calendar. I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, just so that the record is clear, we are back to House Communications unless anybody wants to comment on those.

HOUSE COMMUNICATIONS

HSE. COMM. 16-33: (4/4/08) From Representative Aldan informing the Speaker that he will be off-island from April 7-11, 2008.

HSE. COMM. 16-34: (4/3/08) From Representative Stanley Torres with regards to congressional immunity.

HSE. COMM. 16-35: (4/11/08) From Representative Torres with regards to CUC and the FY'09 budget.

HSE. COMM. 16-36: (4/16/08) From Representative Yumul providing a summary of the Overall Fund Status with projection up to 9/30/08 as of 2/6/08. (*Copy of attachments provided to the members 4/16/08*)

HSE. COMM. 16-37: (4/24/08) From Representative Stanley Torres to the Governor regarding the price setting by Mobil and Shell.

Representative Babauta: Mr. Speaker, on Item 7.

Speaker Arnold Palacios: I recognize Representative Babauta.

Representative Babauta: Thank you. Mr. Speaker, this morning I sent your office a short memorandum expressing my concern on the mailroom for the members and I hope that it received the Chair's attention so that we can rectify the problem. I encountered a very serious situation this morning or rather incident.

Speaker Arnold Palacios: Thank you. In reference to your memorandum, Representative Babauta, I did not wait for time to lapse. I immediately called the attention to our Deputy Director of the Legislative Bureau. I discussed the issue with her and I have given her instruction to proceed and set procedures so that such incident does not happen again. She will get together with the Director and give us a briefing on such procedures, basically to restrict access to the copy machines and the mailroom so that confidentiality and mails are not lost or tampered with. Thank you.

Representative Babauta: Thank you, Mr. Speaker.

Speaker Arnold Palacios: Is there any more concern on House Communications? I recognize Representative Santos.

Representative Santos: Mr. Speaker, I have a letter here that I would like to read into the record.

Speaker Arnold Palacios: Okay, I will allow that.

Representative Santos: It is dated today, addressed to Representative Tebuteb as Chairman of SNILD and to you, Mr. Speaker. It states, “Dear Chairman Tebuteb and Speaker Palacios: I write to formally move to reconsider the passage of House Local Bill 16-1, S1, D2, which was passed by SNILD on April 21, 2008. Unfortunately, I was extremely ill on that day and was unable to attend the session. Had I been able to attend, I would have voiced my strong objection to the re-appropriation of funds dedicated under Saipan Local Law 15-6. The passage of House Local Bill 16-1, S1D2 amounts, in my view, to a reckless and shortsighted redistribution of funds from a critical infrastructure project to what appear to be certain special interest earmarks. Furthermore, the bill has passed as Substitute 1, Draft 2, is substantially different from the original version. No notice of this change was provided prior to the session. Indeed, the agenda simply read, “HLB 16-1.” I believe the people of this Commonwealth far better from elected representatives. This type of “sleight of hand” legislative activity has no legitimate place in a fair and democratic society. If the delegation and the House are unwilling to hear this motion to reconsider then I will formally move at a SNILD session to recall House Local Bill 16-1, S1, D2 pursuant to SNILD Rule X, Section 7. Thank you very much for your immediate attention to this matter.” The letter was signed by me and several other members.

Representative Santos’ communication was entered into the House records.

HSE. COMM. 16-38: (4/24/08) From Representative Santos to the Speaker and the Chairman of the Saipan and Northern Islands Legislative Delegation regarding H. L. B. NO. 16-1.

Speaker Arnold Palacios: Thank you. I will consider that. Is there anymore on House Communications? I recognize Representative Stanley Torres.

Representative Torres: First of all, let me say thank you for appointing me for the continuance of my membership to the PUTC committee. However, I ask for the indulgence and patience that I must tender my resignation as a PUTC member altogether in the PUTC committee so that to avoid any appearance of conflict of interest. I do not want any possibility of a conflict of interest with my plan to appeal a Judge Wiseman decision issue last week pertaining to my CUC case on rate dispute. I have instructed my legal counsel to appeal Judge Wiseman’s decision regarding that issue to the Supreme Court. Like I said, I want to avoid any possibility of conflict of interest and I so resign from the committee of PUTC effectively immediately. Thank you.

Representative Stanley Torres submitted his resignation letter and was entered in the House Record.

HSE. COMM. 16-39: (4/24/08) From Representative Stanley Torres resigning as a member of the PUTC Committee.

Speaker Arnold Palacios: Thank you. I will give that due consideration and I will consult with the Chairman of the PUTC and we will formally respond accordingly. Thank you. Is there any more House Communications? I recognize Representative Sablan.

Representative Sablan: This is just a short comment since we are on the subject of PUC and PUTC. Mr. Speaker, I would like to request the Chairman of the PUTC to at least hold a public hearing and that we move expeditiously on the bill to set the guidelines for privatization of the CUC. I received many calls from constituents wanting to know what this legislature is doing to address the problem. There are bills that would make a significant difference if we act on them but at least bring them to the people so that they do in fact know what we are doing. If we could at least begin with public

hearings on the bill that have been introduced, I think that would provide assurance to our people that we are not just sitting around hoping that the problem would take care of itself. Thank you.

Speaker Arnold Palacios: Thank you, so noted. I recognize Representative Hocog.

Representative Hocog: Thank you, Mr. Speaker. First of all, I totally regret that my good colleague, Representative Torres, resigned from the committee again. But we have to respect his decision as he admitted that there will be a conflict as he will be pursuing his appeal that involves a standing committee where he sits on. In furtherance, Mr. Speaker, I totally agree with my good colleague, Representative Torres, on his letter to you regarding the issue of Rota's and Tinian's CUC expenditure. Perhaps this is per the moment of heated concern by the Rota and Tinian Delegations when the delegations held its sessions in the Senate, I believe, yesterday. I just want for the record, Mr. Speaker, to make it known that perhaps the calculated figure that Representative Torres has set forth in his letter contain some merit and truth. I want to make it further known that Rota and Tinian CUC did not in any way imply that the municipalities own those power generations and the associations of CUC operation. I would like for the record to be known that the independent body of the Commonwealth Utilities Corporation established by law in 1984, created the facilities on the islands of Tinian and Rota. It is probably not in the best interest to assume or to point out to the municipalities that Saipan CUC is subsidizing each of the island's own improvement and business. I guess if the assumption that the Commonwealth Utilities Corporation owns the power generation for both Rota and Tinian is correct, then it is just like owning a retail business in Capitol Hill and another in Chalan Kanoa. If the store in Chalan Kanoa is out of Bud Light and Budweiser while the Capitol Hill store has abundance of supply, naturally you will subsidize your store to furnish additional Bud Light and Budweiser for your customers at Chalan Kanoa. I just want to clarify to my very good colleague that while I appreciate him pointing out the cost factor, CUC in Rota and Tinian belong to the Commonwealth Utilities Corporation as established by law. Thank you.

Speaker Arnold Palacios: Thank you. May I ask, Representative Santos and all the members, to please contain yourself from moving around when a member is speaking. We have been very flexible and rather lax on this issue but I think it is time to begin having some sense of decorum when a member is speaking. I recognize Representative Hofschneider.

Representative Hofschneider: I share the same concern with both Representative Torres and Representative Hocog. But I think we need to be perfectly in perspective of what the whole argument was and how it evolved. It started with the "offering" from Tinian representatives when they claim to have excess power generation capabilities. The fact that the argument also offered that by way of bringing the excess to Saipan that Tinian be paid, and I stand corrected, about three million dollars. If that is the case, Mr. Speaker, then both arguments can be put to rest because the people of the commonwealth, not Rota, not Tinian, and not Saipan alone, have already paid for that on the contract terms. So to sell it again through the "offering," is ludicrous. You do not buy something that you already paid for. I think we need to put to rest these arguments because it is not helping anyone even in the situation that we are confronting. It is no longer the issue whether we have the capacity to generate sufficient power in Saipan. We are inching our way to where it is bringing those engines up but the reality is we do not have the money to pay for fuel. Just this week, I think today or yesterday, the cost per barrel of oil has hit \$122.00 from \$106.00 a barrel two weeks ago. So even if we have perfectly running capacity and max out our original capacity of seventy megawatts, it is not a question of having the engine to produce the required demand. Mr. Speaker, for the benefit of any member here and even including the Senate, the rate should be properly structured and applied independently to the consumers in each senatorial district. What we are being

charged today at a rate of \$.25 per kilowatt hour, assuming you discount P.L. 15-94, Rota would be expected to pay \$.07 more and Tinian would pay \$.08 more. So what the CUC did was took those difference, the real cost of producing power and spread it on to the consumers here in Saipan. That came out to be equivalent of one penny per kilowatt hour. So let us not start finger pointing at what subsidy. This is one unified Commonwealth. One unified Commonwealth Utility that needs to survive. We are getting sucked into the argument that each senatorial district should live on its own. That is not how we created the Commonwealth. Thank you.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

Speaker Arnold Palacios: Ready? I recognize the Floor Leader. We go down to Communications from Departments and Agencies. Is there any comment?

Several members voiced, “ready.”

DEPT./AGCY. COMM. 16-21: (4/7/08) From Public Auditor Mike Sablan to Rep. Quitugua regarding the review of SHEFA.

DEPT./AGCY. COMM. 16-22: (4/8/08) From Chairwoman Lucy Maratita-Blanco, BOE, urging the House to consider passing a piece-meal budget for PSS before May 1, 2008.

DEPT./AGCY. COMM. 16-23: (4/15/08) From Administrator Mark Aguon, NMIRF, regarding the presentation to the legislature by Buck Consultants scheduled for April 25, 2008 at 10:30 a.m.

OTHER COMMUNICATIONS

MISC. COMM. 16-23: (2/20/08) From Michael Camacho regarding Alaska’s power generation system.

Speaker Arnold Palacios: Is there any comments under Other Communications?

Several members voiced, “Ready.”

REPORTS OF STANDING COMMITTEES

S. C. R. NO. 16-13: Reporting on H. B. NO. 16-44, entitled: “A Bill for an Act to amend the definition of ‘alien’ under Title 3 of the Commonwealth Code; and for other purposes. *Your*

Committee on Judiciary and Governmental Operations recommends passage of the bill in the form of House Draft 1.

Speaker Arnold Palacios: Ready? I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, I move for the adoption of S. C. R. NO. 16-13 referring to H. B. NO. 16-44.

Several members seconded.

Speaker Arnold Palacios: The motion is to adopt Standing Committee Report 16-13 reporting on House Bill 16-44 has been made and seconded. Is there any discussion on the motion?

Several members voiced, "Ready."

The motion to adopt S. C. R. NO. 16-13 was carried by voice vote.

Speaker Arnold Palacios: The motion carries.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

Floor Leader Camacho: Mr. Speaker, are we now on Resolution Calendar?

Speaker Arnold Palacios: Yes.

Floor Leader Camacho: Mr. Speaker, the statement earlier about House Resolution 16-15, Saipan Southern High School Band, a motion to adopt the House Resolution.

The motion was seconded.

H. R. NO. 16-15: A HOUSE RESOLUTION TO CONGRATULATE THE SAIPAN SOUTHERN HIGH SCHOOL MANTA RAY CONCERT BAND ON THEIR TRIUMPHANT AND EXHILARATING PERFORMANCE AT THE 2008 TUMON BAY MUSIC FESTIVAL.

Speaker Arnold Palacios: A motion to adopt House Resolution 16-15 has been made and seconded. Is there any discussion on the motion?

Several members voiced, "Ready."

Representative Babauta: Clarification.

Speaker Arnold Palacios: State your point.

Representative Babauta: If there is no objection from the author, Mr. Speaker, can the resolution be cosponsored by any member wishing to cosponsor or by the committee of the whole?

Floor Leader Camacho: I believe I did make that statement.

Speaker Arnold Palacios: He did make that statement inviting those that want to cosponsor to please join cosponsoring the resolution. Ready?

There was no further discussion and the motion to adopt H. R. NO. 16-15 was carried by voice vote.

Representative Stanley Torres: Mr. Speaker.

Speaker Arnold Palacios: I recognize Representative Torres.

Representative Stanley Torres: Is it clear that the resolution is sponsored by the Committee of the Whole.

Speaker Arnold Palacios: The Floor Leader asked that for those who want to cosponsor may do so. I recognize the Floor Leader:

Floor Leader Camacho: I now make a motion for adoption of S. J. R. NO. 16-4 referenced to Pew Charitable Trusts (“Pew”).

Several members voiced, “second.”

S. J. R. NO. 16-4: A Senate Joint Resolution to respectfully request that the President of the United States refrain from unilaterally creating a Northern Marianas National Monument and imposing the regulatory burdens appurtenant thereto upon the People of the Commonwealth of the Northern Mariana Islands without the consent of the local government.

Speaker Arnold Palacios: The motion to adopt S. J. R. NO. 16-4 has been made and seconded. Is there any discussion on the motion? I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. Earlier, Representative Sablan suggested that we not place this on today’s calendar and hold it for further review and consideration. I have also heard points being raised about some of the statements in the resolution itself that might not be correct. But I would like to ask that the members take up this joint resolution as quickly as possible and I ask that we do this today. As we speak today, Mr. Speaker, the movement of this organization that is here to provide for this monument federal control on part of the Northern Islands and basically restrict, I say restrict even though some people would argue as to how much of restrictions restricted a lot more than our present use, and that I just can not see that we allow that. My concern is that the process in which the President of the United States would sign an executive order implementing the monument or federal park in that area is something that can be done immediately and upon convincing by this organization. And for those of you who have heard about the experience of the Northern Hawaiian Islands and what had happened in Hawaii, I think that you would agree with me that if we have a position on this issue then we better speak up now and send

the message to the White House before the President acts on this. So I ask the members because it is important that we make this position known that we act on this joint resolution today.

Speaker Arnold Palacios: Thank you. I recognize Representative Deleon Guerrero.

Vice-Speaker Deleon Guerrero: I am still unclear on the true intent of this monument. As the resolution states, we do recognize the existing marine resource management system established by the Magnuson-Stevens Act, which involves a partnership between the National Marine Fisheries Service and the Western Pacific Fishery Management Council. We also have our own laws and I believe it is even in the CNMI Constitution that that is a marine-protected area. With all these in place, one may infer that something is broken here and it needs fixing? What is broken that we need to give this authority to the United States to create a monument and to protect it further? I am really unclear. Why? What is wrong with the existing status? Can the proponents of the Pew, which I am not even sure what "Pew" stands for, explain to me so that I can understand what is wrong with this picture?

Speaker Arnold Palacios: I recognize Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. I agree with my colleagues, Representatives Benavente and Deleon Guerrero. Mr. Speaker, all we have to look at is, this thing is about one-third of what we got. The monument here would be of about one-third of the entire Northern Mariana Islands. I side with the senate resolution because if we are going to try and restrict and give away one-third of what we got and we do not have that many, I think more information should be distributed to the community and a lot of people should be made aware of this thing. So I for now, Mr. Speaker, I also echo the request of Representative Benavente that we act on this resolution today. I support the resolution, Mr. Speaker, again bear in mind this is one-third of all that we have and I think this is one-third too many.

Speaker Arnold Palacios: Thank you. I recognize Representative Hofschneider.

Representative Hofschneider: First, Mr. Speaker, Representative Deleon Guerrero raised a question and before you take credit to my five minute holding the Floor, I would like to exclude that from the deliberation. His question is, is there anything broken and what is the real purpose of this? Let us be franked that the constitution of the Northern Marianas, specifically and has in fact identified certain areas and certain islands up in the Northern Marianas chain to be preserved. But that is on the flora and fauna on specific islands not its surrounding waters. PEW is attempting to include as a marine sanctuary the waters surrounding those specified islands, namely, Uracas, Maug, and Asunsion. In the accelerated development globally, Mr. Speaker and members, there is an accelerated disappearance of marine life and for whatever.... (*End of Tape 1, side B*) (*Start of Tape 2, side A*) ...preservation. I raise the fact, Mr. Speaker, if it is completely a "no take" sanctuary or marine preserve that I made my position very clear I will not support it. I give my qualifying reasons: one, we lost the ability to complete control of the EEZ. Second, we lost the complete title to submerge land and we lost the ability to further reserve a particular traditional practice of harvesting the marine life and fauna, namely the fruit bat and the green sea turtle that the people of the Northern Marianas for centuries have harvested and preserved a particular tradition and culture. On that basis, I made it very clear that if the dialogue, the language to preserve through the executive order of the U.S. President includes no less the consideration and the rights of the American Indians then I will support it. That means that the local people here are the only ones authorized to go into the preserve area to fish and harvest. Mr. Speaker, we have the highest rate of diabetes in the Pacific, if not the

entire contiguous United States. The third highest! You know, there is a contradiction in policy and that is between the most affordable staple, Spam, and the objection last week that the Saipan Delegation to acknowledge the fishermen, we tend to go for the cheapest but the most unhealthy staples. So this is the reason, Mr. Speaker, why we need to preserve what we have from further damage and disappearance in the marine life. For posterity reason one can say, who cares? So what if you create a monument. What good is it going to serve the people of the Northern Marianas? But they assured me that if we want then we spell out what we want. At a minimum, I insist as what the American Indians have in terms of rights to harvest what they have be extended through the executive order. I am hearing a lot of conflicting messages that was initially proposed for the Hawaiian Islands. In Hawaii, it is zero tolerance, no take at all. Now, there is another association that is contradicting the very essence of why we need to conserve and control our marine resources. Western Pacific Fisheries Association is totally in contradiction to preservation. We are a sitting member of that association. We are a voting member. Like a minority sitting amongst us when you only have one vote amongst the twenty, you are always outvoted. So where is your control? I think that logically if we really assert ourselves and become realists, that anything less than to preserve the culture and traditions of the people of the Northern Marianas is not acceptable but to discard this, dispose of this purpose at a minimum I said it is for posterity reason. They have the means to assist in enhancing the marine and by way of that, we can in fact enhance our ability to further harvest our marine life. There is not enough dialogue going on. There is not enough transparency about what is to be included in the executive order. Where is graphed language of that executive order by the U.S. President so that the people can digest it and then we can be relieved of our fear. This is an issue of transparency because the people may in fact come on board. But if it is done to the big brother force then I think it is the wrong approach. That is all I am saying, Mr. Speaker.

Speaker Arnold Palacios: Thank you. I recognize Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. I, too, am concern about this because there have never been a study provided in regards to the fisheries in that area as to whether there is fish around or whatever. All I know is that fishermen have been going up to the north fishing. That is part of livelihood here in the Commonwealth. If we are going to put monument up there and declare this place a marine national monument, we can not eat the monument. Therefore, most of our people have to go somewhere, maybe go to Guam to fish. You know, this is getting to be too frustrating when the federal government wants to come in or somebody wants to come in here, they just come in and create association and try to takeover. They keep slapping us around. We are getting tired of this. The Germans came in and took over. The Japanese came and took over. Everybody else wants to come in and take over.

Representative Stanley Torres: Corrections, Spanish came first.

Representative Apatang: Whatever. We know that these people want to come in and setup a national monument. Let us be realistic. We are taking away the livelihood of our people. That is where we go to fish. Mr. Speaker, I move that we pass this resolution today. Thank you.

Speaker Arnold Palacios: Thank you. I recognize Representative Reyes.

Representative Reyes: Mr. Speaker, I have been made aware of the pozzolan in Pagan and I know that there are some deposits of manganese up there in the north. Chances are there are mineral or whatever and we might be a handcuffing ourselves here if we give this away. We need money and these are possibilities. Thought I would express that. Thank you.

Speaker Arnold Palacios: I recognize Representative Sablan.

Representative Sablan: I think that it will behoove us all and behoove our community if we would take a moment to pause and perhaps not panic. Try to clear up I think some of the very common misperceptions that have been put out into the community by people who do have interest in commercial fishing. And there is nothing wrong with that. They also are stakeholders and we should hear them. But I think the fact of the matter is that the dialogue in the community has really just started. I mean I will be interested in knowing how many of us in this room right now actually heard the presentation that have been given so far. How many has actually attended any of the forums that have been held. This is not something that entails federal control. We are not being forced to act on anything. We are not being asked to give anything up. And in fact it will not be complete federal control at all but what is being proposed if we will consider it is a co-management scheme. And the resources would be provided by the federal government just as resources are provided now for Fish and Wildlife and DEQ and other federal programs. But we will be participants and just like with the co-management terms of agreement that were negotiated with the people of the State of Hawaii. Native Hawaiian Association was very active in the negotiation. The same thing is being proposed here in the CNMI. I think that before we rush to say no, we should at least listen and allow the discourse in the community to continue and to be part of that conversation. And at least hear the presentations and hear from our people. So far we have heard from people who oppose it but there are many people who think that this will be good for the Commonwealth, good for the future generations. I would like to point out that what is being proposed is not that the federal government should come in and unilaterally take over one-third of the Commonwealth. What is being proposed is that three of the islands be considered as marine sanctuaries. And if we do the math, there are fourteen islands in the Commonwealth, fifteen if you include Mañagaha. Three out of fifteen is one-fifth and that still leaves eleven other islands where we can engage in commercial fishing, and Goat Island, but it leaves eleven other islands where we can engage in commercial fishing. Eleven other islands where we can explore submerge minerals that may be present there. I think it is important to consider that we set aside increasingly rare resources for our own people. What should be pointed out as well, Mr. Speaker, is that in Hawaii, it is not completely no take in their own national monument, which by the way has received tremendous international acclaim for their farsightedness, their thinking about the future. What was negotiated for the State of Hawaii was that the native Hawaiians would in fact have access to fishing. In fact, the native Hawaiians requested that fishing be restricted. Those were the terms that they asked for. We can ask for the same terms.

Representative Benavente: Clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Benavente: I wonder if Representative Sablan is aware as to what restrictions or ability for the native Hawaiian to fish there. My understanding is that if you go up there and paddle some canoes.....

Representative Sablan: No, and again, that is another very common misconception. The fact that native Hawaiians go up there, if you will allow me, I can actually get a copy of the memorandum of agreement, there is nothing that says that they have to go out there and paddle in canoes. What they negotiated was that they will be able to fish for subsistence while there are up there conducting their ceremonial rituals. And they happen to go up there for ceremonial rituals in canoes. That is their practice. But there is nothing in the memorandum of agreement that says that they have to do that.

That is what they do. And if I could just go over, Mr. Speaker, some of the potential opportunities that we would be giving up if we say “no” at this point, when we really have not given ourselves the time or given our community the time to talk about it and really hear it. If I could just be allowed to finish this, Mr. Speaker --

Speaker Arnold Palacios: Representative Sablan, you still have the Floor. Go ahead and wind down, please.

Representative Sablan: Thank you. So the reason why the CNMI is being approached to be considered as a candidate is because we have a tremendous rare and valuable resource that is important on a global scale. We have the Marianas Trench, the deepest canyon in the globe. It is considered one of the Wonders of the World. That is great. We have healthy biological systems up there. Fish, yes, great, healthy ecosystems that are relatively free from pollution. There is very little fishing that is going on up there right now except for illegal fishing and this proposal will give us the resources to enforce against that. Some of the benefits we could bring with this monument --

Representative Hocog: Mr. Speaker.

Speaker Arnold Palacios: Privilege.

Representative Hocog: Can I yield my ten minutes to Representative Sablan?

Speaker Arnold Palacios: You do not have to yield. I will allow her to finish.

Representative Sablan: Thank you. Thank you, I appreciate this. Thank you for your indulgence.

Speaker Arnold Palacios: Wind it down please so we can allow other members.

Representative Sablan: Yes, thank you, Mr. Speaker. I am wrapping up. But the tremendous opportunities that we have here just for designating these three northern islands as monuments are international publicity. We can develop a real high adventure ecotourism industry up there. That is something that we have always been talking about and this will actually give us an edge in that door. What is being proposed now, if we go with this, will be second largest national marine sanctuary in the world and that counts for something, second only to Hawaii and by the way, right now American Samoa is petitioning to include another national marine monument in their islands. Other islands recognize the value of these sanctuaries.

A member moved to end debate.

Representative Sablan: Okay. So I guess I can end for now, Mr. Speaker, and I would like to hear from other members. Thank you.

Speaker Arnold Palacios: Thank you. I recognize Representative Santos.

Representative Santos: Mr. Speaker, I attended the Pew’s presentation that was held at the Senate and in the beginning I was very impressed. I thought it was a great opportunity for the economy and ecotourism. But the ecotourism system that Hawaii has requires that you pay anywhere from \$5,000 to \$20,000 to be able to go up there. We hardly have enough tourists to fill up Duty Free Shoppers, Saipan, Limited much less these high-end tourists. But on a note, I asked the presenter if the native

Hawaiians were actively involved in the negotiations. He said that the native Hawaiians were recognized and were actively involved and participated. I also asked what was the negotiation period and who were involved? He said that at the end, it was mainly between the Governor of Hawaii and the President because at some point, the President was unhappy with the demands of the native Hawaiians. I went online and I read up on Star Bulletin and found that the international acclaim that PEW has been getting is lopsided. That is what they were advertising. They did not advertise the disappointment of the native Hawaiians. There are a lot of stories out there about how the native Hawaiians have been voicing that they were neglected. My definition of “no taking” is even if Hawaii allows for fishing, the people must consume the fish within the protected area because they are not allowed to take any fish home. That is a “no taking” and I do not care what anybody says, that practice is against traditional fishing for subsistence at home. Hawaiians do not live on the islands that have been designated as a sanctuary. They live in other islands and I think that they should be free to be fish wherever they go and be able to bring home for their family, the same way we do it here. These are our islands and if we do not act now and believe me, the President can act on his own arbitrarily.

Speaker Arnold Palacios: I recognize Representative Yumul.

Representative Yumul: I do not have an issue with creating a monument. We have done that here locally. We did that with the Mañagaha Sanctuary, the Bird Island Sanctuary, Grotto, and Rota. The whole point here is that if we are to do a sanctuary, let us do that locally. Let us do that out of our own initiatives. I do not need the President of the United States telling me how to manage CNMI lands. I do not tell him how to run his office and how we would like to see our CNMI seal up in one of his rooms. We do not do that. I am all for conservation. I am all for protecting wildlife but we need to do that here, starting from within ourselves. If we are going to do that, we do that by CNMI law. We do that by CNMI Constitution but that is as far as we should go. If we need to consult with outside people, we will take that into consideration but we need to do it ourselves. Thank you.

Speaker Arnold Palacios: I recognize Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. I just wonder how much revenue the CNMI government will collect if this organization comes in to build a sanctuary up at the three islands. Does anybody know?

Speaker Arnold Palacios: I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I can answer that briefly but could I also not use that against my time to respond?

Speaker Arnold Palacios: Respond briefly.

Representative Sablan: Okay. What I do know is that in the first full year of operation in Hawaii, the monument received \$18 million for management in the first year. But there were also funds given for the visitor’s center, I believe it was two state-of-the-art visitor’s center that were constructed and then marine resource protection training programs that were funded also by this program in their community college. That was what Hawaii negotiated and that is certainly something that we can negotiate as well.

Speaker Arnold Palacios: I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. Once again for the record, so that everybody is fully aware that this particular concern we have is that the President of the United States does have the authority, as we have seen what happened with the Northern Hawaiian Islands, to exercise this executive order and declare parts of the northern islands as a park or monument with the restrictions being proposed right now. The concern I have, Mr. Speaker, and I can tell you that I was one of the first individuals that met with the first person that came to the island because someone had referred this individual to me to assist. So, I had a chance to meet with this individual. What I have learned is very important in this deliberation. The organization is funded by a very, very large foundation, a very powerful foundation. They have a lot of influences in the White House at this point. That particular relationship tells us that if we do not start acting now there is a very good chance that the President of the United States will go ahead and do this based on that relationship that I am aware of that this foundation has with the White House. My understanding with the situation in the Northern Hawaiian Islands is that it got to the point where the President or the White House had received all of the positive comments and not enough of the negative and the complaints that were being raised locally. And while we have heard from very prominent individuals here in the Commonwealth write letters to the editor in opposition with some strong arguments of this proposal, I believe that this might not be making it to the White House. And this resolution is very critical, very important based on the “Resolve” clauses that would send the message to the President of the United States of the feelings of the leadership of the Commonwealth. We can not sit back and wait anymore. I am worried that this is part of the strategy to let us hold it back and in the meantime, they can continue to move with the efforts and we are not going to have a say so once the President decides to do this. Thank you.

Speaker Arnold Palacios: Thank you. Representative Sablan, do you yield to Representative Hofschneider? I recognize Representative Hofschneider.

Representative Hofschneider: Thank you for recognizing me. Mr. Speaker, I am not taking sides because I have already expressed my conditions and I am for the potential of this development through the initial concept of it. On the surface, it is a sound proposal. Potentially, it can in fact be an economic opportunity for the Commonwealth but let us keep something in mind, in all fairness. The rush to get President Bush the opportunity to declare and not give ourselves the opportunity to really see and bring the transparency of it all so that the people can really have the time to digest it. We argue here incessantly about the appearance of bills and substitutes on the Floor being undemocratic but in the same token, the U.S. presidential election is just around the corner and there is no rush to the gate. This concept, regardless of who is the sitting president of the United States, if it is a good concept, it will be the opportunity of the next U.S. President do an executive order. But I want to see the conditions. I want to see the documents before it is given to the U.S. President and I guess, both sides can say that is the time that we need to debate on whether we do it now and kill the ball from rolling further or sustain this piece of resolution expressing the opposition of the leaders of the commonwealth so that we can see in fact what the real document is before the U.S. President signs it. It is not after he signs that we are accorded a copy of it. We need to be sitting on the table before they gave the U.S. President to sign the executive order. What are the conditions? Did they encompass what we ask? Is it similar to the Hawaiian’s conditions because that is the general rule of opposition? So with that, Mr. Speaker, ready.

(A portion of the session proceedings was not recorded. The recording began as follows where Vice-Speaker Deleon Guerrero was chairing the floor as the Speaker Pro Tem.

Speaker Pro Tem Deleon Guerrero: Representative Sablan, I will recognize you for the last time. You have three minutes.

Representative Sablan: Thank you, Mr. Speaker. Three minutes?

Speaker Pro Tem Deleon Guerrero: I think if we add the minutes, it has accumulated already.

Representative Sablan: But to be fair, Mr. Speaker, we can enforce the five minutes rule and I just ask that I be given the full five minutes.

Representative Benavente: There is no objection.

Representative Sablan: Thank you, Representative Benavente.

Floor Leader Camacho: Mr. Speaker, for the record. No disrespect to Representative Sablan she has actually spoken up to ten minutes, but if you want to defer to another three minutes, that is fine.

Representative Hofschneider: I yield my time.

Floor Leader Camacho: There is no such thing but

Speaker Pro Tem Deleon Guerrero: You are granted, but not to exceed five minutes because we really need to move on.

Representative Sablan: Thank you, Mr. Speaker. I guess I would like to address some points that have been made just to clarify this for the record. There is no executive order on the table right now. There is no rush to make this monument. I understand that the interest is not preempting a potential executive order, right? And I fully understand that and there should not be a rush. That is my position as well. We should allow the dialogue to continue and what I ask this body is at least say that there should be dialogue but let us not say no just yet. Let us at least allow for more discourse to continue. Some things to clarify: The “no take” issue that was raised by Representative Santos, again, that was negotiated in the Memorandum of Agreement. They wanted to be able to fish for subsistence in those islands without having to take them out. That is my understanding. Sanctuaries can be done locally, yes Representative Yumul, but we do not have the resources locally to effectively enforce and what is being offered are resources from the federal level to fully enforce a sanctuary that will be on remote islands that we can not even access now. Pew funding, yes, Representative Benavente, Pew does have, it is a very large foundation with great resources behind it and what they use those resources for in the establishment of the monument was to launch a massive international awareness campaign that resulted in, like I said earlier, tremendous publicity that was great for Hawaii and great for tourism, great for the environment, great for its international reputation. That really is something that we should take into account. So, if there is consensus in this body that we want to act on this now I would like to ask that our focus on this resolution if we are going to pass this be on asking the President not to unilaterally extend this executive order, and I can understand that, but let us just not say no just yet. And if I can offer some amendments, I would like to delete references to us saying that we oppose it just yet but let us go ahead and say that we oppose the unilateral executive order and so the amendment that I would like to offer would be to delete lines 26 through lines 29.

Speaker Arnold Palacios: On what page?

Representative Sablan: On page 2 where we say that we fervently oppose. Maybe we will not if we really gave us and gave this community the time to consider that.

Representative Hofschneider: Point of information, Mr. Speaker.

Speaker Arnold Palacios: State your point.

(End of Tape 2, Side A)

Representative Hofschneider: *(Start of Tape 2 side B)* ... the “Whereas” are not as fundamental as to the Resolving Clauses of a resolution. That concern is answered in page 4.

Representative Sablan: Yes, and I recognize that, Representative Hofschneider, but what I am asking for just so that it is absolutely clearly that all we are saying at this point, is that there should not be this unilateral order.

Representative Yumul: Point of clarification, Mr. Speaker.

Speaker Arnold Palacios: Hold on. Let us have Representative Sablan finish her amendment motion and then we can go into that discussion and then you can get information from her. Please proceed with your amendment, Representative Sablan.

Representative Sablan: Thank you. So to delete lines 26 to 29, which it said, “we fervently opposed.” I would also like to delete line 3 of page 2, “it is the sense of the Senate that the majority of the citizens have not and would not formally endorse the proposal...”, and actually, Mr. Speaker, we could go on to just a short recess and I can work on this for the consideration of the body.

Representative Benavente: Clarification, Mr. Speaker.

Speaker Arnold Palacios: Okay, I will allow for a short recess but go ahead and state your clarification.

Representative Benavente: We may do so, Mr. Speaker. Do we hear a second to that motion? Otherwise --

Speaker Arnold Palacios: Well she is not done yet. She wants to allow counsel to help her craft it and then she will formally offer the amendment. I will allow for a few minutes.

Representative Benavente: Then I object to the request, Mr. Speaker.

Speaker Arnold Palacios: I will allow it, just for fairness. She has asked for a short recess. You have three minutes. Counsel, could you please assist Representative Sablan?

The House recessed at 3:54 p.m.

RECESS

The House reconvened at 4:05 p.m.

Speaker Arnold Palacios: We are back into session. Is there any other thought or statement? I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. I realized that I have had my second time in which is allowed under the Rules to comment on this, but I do want to point out something and especially on record. I had a chance, and I know that Representative Sablan is not sitting in the Chamber at this point, but I did asked her during recess if she was aware of any dialogue now going on with the leadership with the CNMI government and in fact she informed me that there is no dialogue going on with the Administration or any of the agencies. And so she continues to talk about allowing the dialogue to go on and I am now finding out that there is really no dialogue going on, so again, I am just raising my concern that we can not allow this to continue, and so we need to pass this resolution. Thank you.

Speaker Arnold Palacios: Thank you, Representative Benavente. I recognize Representative Babauta.

Representative Babauta: Thank you. I just want to clarify Representative Benavente's comment that although there is no official dialogue transpired between Pew and the Administration, I understand that they came for the purpose of making presentation and not necessarily creating a dialogue in a sense that would have both parties agreeing into some method of establishing such a program. The resolution stated something about the Administration's letter not approving the idea. So Representative Benavente is correct, there is no official dialogue transpired. Thank you.

Speaker Arnold Palacios: I recognize Representative Torres.

Representative Stanley Torres: I think Representative Babauta is a little bit off tracked. There is a dialogue way back in December last year. It says here, December 20th between PEW and the Governor.

Speaker Arnold Palacios: Let me clarify that. The dialogue was a letter I believe from PEW basically asking the Governor to support the idea of establishing the marine sanctuary or monument, whatever they are going to call it. The Governor subsequently wrote back saying, thank you, but no thank you. So that is the extent of that dialogue. If there is no objection, I would like to share my thoughts on this issue.

There being no objection, Speaker Palacios deliberated the issue without having to step down.

Speaker Arnold Palacios: I also was taken aback and when I read about this proposal because if you look at the hand out that was presented to you, if you look at it just visually, that is one-third (1/3) of our Exclusive Economic Zone (EEZ). It is not just around the island of Uracas, Maug, and Asunzion. It extends to the outward boundaries to the east and to the west, as well as to the north of the EEZ of the Commonwealth. The National Marine Fisheries Service under NOAA (National Oceanic and Atmospheric Administration) has done the resource assessment of these areas. Let me state that these areas are one of the most productive areas in the commonwealth' EEZ, in terms of fishery resources. It is ironic that we are going to give a federal agency, under the U.S. Department of Commerce, NOAA, and the National Marine Sanctuary Branch of NOAA, exclusive rights to manage this area. The irony is that this very agency is also charged under the National Marine

Fisheries Service to develop economic potentials of these resources for the benefits of the people of the Commonwealth. I have worked for the Division of Fish & Wildlife, as small as it is, for over fifteen or sixteen years, and I assure you that the National Marine Fisheries Services has not, to my knowledge, extended more than a mere \$200,000 for fisheries development in these areas. The utilization rate of fisheries resources in these areas is practically nonexistent in as far as the participation of the residents of the Commonwealth. National Marine Fisheries Service is also charged on the federal law to enforce illegal fishing activities within the EEZ. If it really wants to enforce the illegal extraction of fisheries, marine resources in these areas, it should, and it can, it does have the resources. It is ironic that unless this becomes a sanctuary is when they are going to pump in resources. They do not have to wait for that. They can do it today, if they really want to do it. It is very, very disturbing that this proposal is being submitted for consideration almost under the radar. And if there is a misconception that there is no urgency on the part of the proponents of these sanctuaries, let me say for the record that there is urgency forthcoming. The timetable is to have this, I believe, declared as a monument by President Bush perhaps before the November election. That is the timetable. And while we may consider more discourse and more discussions for our people, the real danger to this is that it will be signed and declared a monument while we are trying to figure out what these proposals entail. It is my understanding that when a native Hawaiian goes out to the Northwestern Hawaiian Islands, they first have to get a permit from the federal agency. They do not just get into their boats and go into the northwestern Hawaiian Islands. They need to get a permit from NOAA. You do not get a permit to go fishing there. You get a permit to go and visit the monument and fishing is only allowed for sustenance while you are in the monument. So the primary purpose of you going into the monument is not to fish. And while I do not have any problem with Representative Sablan's thoughts on perhaps waiting to see what will be proposed, my problem with that is that this is already being proposed as a monument without really seeing what the rules are going to be in terms of its management. I do not want to see it declared a monument and then we have to fight with the federal government to insert certain provisions and certain allowances for our indigenous population. And not just indigenous population but even residence of the commonwealth to access these waters. These islands belong to the people of the Commonwealth, managed by the commonwealth government. This map that I see handed out includes these islands. There will be a Constitutional conflict and also a Covenant conflict if it is the intent of this proposal to include these three islands onto the management of NOAA. My reservation today in terms of urgency is that even if we pass this today or tomorrow, it will really not shut the door completely, forever on any future lawmakers or body or governor, for that matter, from going back and saying, hey, we are ready now to make this a sanctuary. The danger in doing this today without really knowing the implications, the arrangement that we have to live with, is once it is done, it is perpetuity when this monument is declared, you do not just go back up and hopefully Hilary Clinton or Barack Obama or John McCain later on would reverse that. It does not work that way. How many battles have the Commonwealth fought with the federal government, with different federal agencies to reverse federal policies that have been imposed upon the commonwealth. How many battles have we fought or rather, how many battles have we won? I think we have not won any to try and reverse. There is a sense of urgency not just from this legislature, this body, but there is a sense of urgency also and timetable, in terms of the timetable for the proponents. It is something that we really must make a decision on and if the PEW Foundation really believes wholeheartedly that it will benefit the people, perhaps we can make this statement and it is going to be up to them to convince us to support it at a later time. I will stop there. I think I have over extended my time too. I really do not want to bore you to death but thank you for listening. Representative Sablan, are you ready?

Representative Sablan: Yes, thank you, Mr. Speaker. While this is being passed out, can I be allowed to answer Representative Benavente's question regarding what dialogue has taken place?

As I think I alluded to earlier, the dialogue is really just started and there have been, I believe a number of request fro presentations to this legislature and only one presentation has been given officially as far as I know, anyway, where a handful of senators and I believe three (3) representatives from this House actually attended. And so there have been efforts. There have been presentations given to the Administration, unfortunately I do not think the Governor attended, and presentations to other members of the community as well. And so I think the idea is that if there is interest in the local government, at least considering the proposal that then that will initiate dialogue on a more official level with the federal government. But we first have to say, well at least hear presentation, we first have to at least attend the presentations. I think that if that answers that question. And then as for the question about the timetable and the urgency of passing this resolution, I think that the reason why they are here now is because there is this window of opportunity before the President leaves office. You know, he has made coral reefs, one thing that has set this Administration kind of a part from other Administrations is that coral reefs have been a real priority with the coral reef initiatives and the CNMI has been a beneficiary of millions of dollars for the purpose of coral reef protection and this is just in line with that legacy. So to go back to the amendment I would like to ask that, some of them are just technical so like the, you know, instead of capitalizing P-E-W, it is actually more officially just capital letter “P” and “e-w” in small letters, so I would like to ask the members to consider that as technical amendment.

Speaker Arnold Palacios: Okay.

Representative Sablan: Okay. I would like to ask that we consider the amendments in each “Whereas” sections as a separate amendment for the consideration of the body rather than the whole draft. Can we do that? So the first amendment will be to delete lines 12 through 15.

Speaker Arnold Palacios: Lines 12 through 15? Do we a copy of that amendment?

Representative Sablan: Oh, I am sorry.

Speaker Arnold Palacios: Thank you.

Representative Sablan: Again the idea is not to say that there just should not be a unilateral imposition that there should be this dialogue that everybody has said should happen and I agree should happen. And that there should not be just this executive order unilaterally imposing, is that my understanding of the purpose of this resolution. Is that right?--based on the “Resolved” part.

Representative Benavente: Point of clarification.

Speaker Arnold Palacios: State your clarification.

Representative Benavente: I do not think there is any objection on her request to offer the floor amendments of the “Whereas” clauses. She has not made the amendment motion.

Speaker Arnold Palacios: Can you make the formal motion?

Representative Sablan: Sure. I move to delete on page one lines 12 through 15 of the joint resolution. And again, this is just not to say that we as a government oppose outright but we are asking for more dialogue and opportunity for public comment. So what I am hoping to do with this amendment is to emphasize that.

Speaker Arnold Palacios: Are we clear on the amendment on page 1?

Vice-Speaker Deleon Guerrero: Has the motion been made?

Speaker Arnold Palacios: She is making that motion.

Vice-Speaker Deleon Guerrero: Is it not already in there?

Representative Sablan: Yes.

Vice-Speaker Deleon Guerrero: It is already in there?

Representative Sablan: Yes.

Vice-Speaker Deleon Guerrero: Your amendment already strikes out...

Representative Sablan: Yes, and I am asking that it be considered separate.

Speaker Arnold Palacios: Point of order. Representative Sablan, you are proposing to amend by submitting S. J. R. NO. 16-4, House Draft 1, which includes amendments on page 1, page 2, and page 3?

Representative Sablan: Yes.

Speaker Arnold Palacios: So that is your motion. Representative Sablan is offering an amended version of S. J. R. NO. 16-4. Do I hear a second?

The motion was seconded.

Speaker Arnold Palacios: Is there any discussion?

Representative Benavente: I want to ask a question, Mr. Speaker. On the “Whereas” clause on page 1, lines 12 through 15, is it wrong that the Governor not respond?

Representative Sablan: Well, I guess that is just in line with my request that we not say, “no” outright and perhaps even the Governor will reconsider if he would attend the presentation because he was not even there.

Representative Benavente: Then, Mr. Speaker, if I still have the Floor, I would like to object to this proposed amendment. Those of us who agree and do not support this proposal are pointing out the real facts in what is going on here in our community, especially from our government that the Governor, in fact, has received their proposal and I am pretty sure reviewed that proposal, and has respectfully declined. So I see the need for that “Whereas” clause to be in there. Thank you.

Speaker Arnold Palacios: I recognize Vice Speaker Deleon Guerrero on the amendment.

Vice-Speaker Deleon Guerrero: I totally agree. Removing lines 12 through 15 is similar to the concern that has been raised about the native Hawaiians in that there were concerns and objections,

and there were quietly or never made an issue and that is exactly what is happening again. Secondly, I really object to the amendments because it is basically reversing or changing the intent of the resolution. The intent is very clear. And now the amendment really is saying the opposite and -- I am not finished -- and even though there are statements here that says that we feel we need to discuss prior to the creation, we are basically conceding that it will be created. We are saying that we are concurring with it but we would like to discuss and deliberate first. And I am sorry but that is not the intent of this resolution and if the good Representative Sablan wants to state her intent is, then I ask that she offer a resolution that will do just that.

Speaker Arnold Palacios: Vice Speaker Deleon Guerrero, the amendment has been offered.

Representative Sablan: May I respond?

Speaker Arnold Palacios: Yes.

Representative Sablan: The intent of the joint resolution as stated very clearly that we are simply respectfully requesting that the President of the United States refrain from unilaterally creating a Northern Islands National Monument. The amendments that I am offering are not saying that we concur. We think that we could go with it. All I am asking is that we stick to that intent that is explicitly stated. All we want is that he not unilaterally creates this monument and I am fine with that. But while we say that, given that the discussion has really just begun in the community, let us not say "no" outright. We might be doing a disservice to the people. And who knows, at the end we might say, no we do not want it anyway. I am just asking that we not say that now. On the amendments, if you want to keep lines 12 through 15, that is fine but consider the other amendments as well.

Speaker Arnold Palacios: Is there any further discussion on the motion offered by Representative Sablan? Is there any short comment Representative Hofschneider?

Representative Hofschneider: May I just remind, Mr. Speaker, both the mover of the motion to amend and the rest of us that, honestly what bothers me the most is that when negotiating something that has no power to influence to change the law but to influence the law is scary because even if we affirm the intent of the amendment itself, they do not have the power. They are not members of Congress and to even take our recommendation and count somewhat weary of the fact where would it end. And that is why I keep emphasizing that the transparency has to be foremost and that is, what is the process leading up to the actual document of the executive order? The other that I want to point out is that we refrain from making comments as to actual position of the Governor because we are not privy to that. I think that that is an infringement of the executive power. So I just want to remind that we refrain ourselves from referencing that. Thank you.

Representative Benavente: I would like to point out with the Vice Speaker that the proposed amendment is basically changing the intent of the resolution and I think that any further discussion on this is going back to the same argument in the very beginning as to whether we support or not support the resolution. We are ready to vote.

Speaker Arnold Palacios: Yes, I agree with you, so I think everybody is aware and have read the proposed amendments. So we are ready for the question.

Representative Sablan: Wait, Mr. Speaker. Are we just voting on the first amendment?

Speaker Arnold Palacios: On the whole draft, House Draft 1 because you submit --

Representative Sablan: I would like to offer these as separate amendments. Some of them are not as --

Speaker Arnold Palacios: Representative Sablan, you offered a House Draft One 1.

Representative Sablan: Then I can delete that and just ask that we consider this as separate Floor amendment?

Speaker Arnold Palacios: Okay.

Several members objected.

Representative Sablan: I apologize the format may be incorrect, but what I asked in the beginning was that we consider each “Whereas” clause as a separate amendment.

Vice Speaker Deleon Guerrero: Point of order. There was a motion, Mr. Speaker.

Speaker Arnold Palacios: Yes. Representative Sablan, you made a motion and you offered a House Draft One 1.

Representative Sablan: Mr. Speaker, we can go back, I made a motion to amend and delete lines 12 through 15. That is all I offered.

Representative Benavente: Clarification. I wish to point out correction, Mr. Speaker.

Speaker Arnold Palacios: Okay. Why do you not withdraw your motion then and do a separate motion because the Chair is under the impression that you submitted House Draft 1.

Representative Sablan: I understand that, but my understanding is that --

Speaker Arnold Palacios: Do you want to restate your motion to submit amendments to delete lines 12 through 15 first.

Representative Sablan: Yes, well.....

Several members called for a point of order.

Representative Hofschneider: You need to withdraw this.

Representative Sablan: I never actually submitted this as, I mean, I know it says that but what I stated in my motion was that I would delete lines 12 through 15, and I asked --

Speaker Arnold Palacios: Hold on. I just asked you to restate your motion.

[(End of Tape 2, Side B) A portion of the session proceedings was not recorded. The recording started when Representative Benavente was holding the Floor. (Start of Tape 3 side A)]

Representative Benavente: ...a motion and was seconded and is being discussed. The member can not unilaterally withdraw that motion. It has to be accepted by the members of the House.

Representative Sablan: Point of order, Mr. Speaker.

Speaker Arnold Palacios: Hold on. Representative Sablan was going to make separate motions and was under the impression that she of doing just that, but she submitted a House Draft 1 version as the amendment. I would rule that we allow her to restate her motion on the first amendment, okay. There was a little confusion.

Representative Sablan: Thank you.

Speaker Arnold Palacios: Please offer your amendment, Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I move to delete lines 12 through 15 on page 1.

Speaker Arnold Palacios: A motion to delete Lines twelve (12) through fifteen (15) on page one (1) has been made. Is there a second to that motion?

A member seconded the motion, and there being no further discussion, the motion to amend S. J. R. NO. 16-4 as offered by Representative Sablan was defeated by voice vote.

Speaker Arnold Palacios: The motion fails.

Representative Sablan: Okay, my second motion, Mr. Speaker, is to -- did we say that correcting capital letters "PEW" would be considered technical?

Speaker Arnold Palacios: Yes.

Representative Sablan: Okay. So my second motion, Mr. Speaker, is to insert on line 16 on page one "some of" before "the CNMI Senate" -- actually, I can combine this, there is another very minor amendment that we could add here. So, insert "some of" after "Whereas" on line 16, page 1, and then on page 2, line 12, "Whereas designation of the said CNMI Marine Monument," cross out "would" and put "may" and then on line 19 of the same page, just insert, "unilateral" before "designation." So "Whereas, unilateral designation". These are just minor amendments but I would like to put that all in one motion.

A member seconded the motion.

Speaker Arnold Palacios: Okay, is everybody clear? The motion has been seconded. I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. First of all, the proposed amendment underline 16, I think, is pretty clear that when you refer to the body. We are not referring to certain members or some of the members and so that is very improper to change at this point. The second concern that I have with the proposed amendment is that it will now set a situation where this resolution would have to go back to the Senate not knowing when the Senate will act on this resolution. It is going to

take longer period of time for this message to get to the President and that is an issue that most of us discussed earlier. And our concern --

Speaker Arnold Palacios: Representative Benavente, we are going through that motion right now and we are discussing the amendment.

Representative Benavente: And I am commenting on the arguments against this proposed amendment, Mr. Speaker. For all we know, the Senate is going to end up objecting to the Floor amendments passing a senate resolution which will get there anyway. I offer the opposition to this floor amendment, and I think the feelings of the members of the House in support of this resolution want this to be the same message coming from the House as it is from the Senate.

Speaker Arnold Palacios: I note your opposition.

Representative Benavente: Thank you.

Speaker Arnold Palacios: Are we ready to vote?

Representative Sablan: It would be inaccurate for us to say that the CNMI Senate --

Speaker Arnold Palacios: Representative Sablan, ask the Speaker to be recognized, please. I know it has been a long deliberation. Representative Sablan, you are now recognized.

Representative Sablan: Thank you. Just to respond to Representative Benavente's objection to line 16, it would be inaccurate to say all of the Senate and the House of Representatives were there because the fact, three of us were there and a handful of senators. All I am asking is just to clarify that it was not the entire the body receiving this presentation. That is all.

Speaker Arnold Palacios: Okay, so clarified.

There was no further discussion on the amendment offered by Representative Sablan and the motion to amended S. J. R. NO. 16-4 was defeated by voice vote.

Speaker Arnold Palacios: The motion fails.

Representative Sablan: Mr. Speaker, that did not sound like a definite failure of the motion. Can we at least get a roll call on that? These are --

Speaker Arnold Palacios: Let me go there one more time. Please, if you are going to say, "Yes," say so clearly and if no, say "No" and I will listen very attentively and carefully.

The second call of the vote by voice indicated that only Representative Sablan and one other member supported the motion while several members opposed it. Thus, the motion was defeated by voice vote.

Speaker Arnold Palacios: The "nays" have it. I recognize Representative Sablan on your next amendment.

Floor Leader Camacho: Mr. Speaker, point of order.

Speaker Arnold Palacios: State your point.

Floor Leader Camacho: Respectfully sir, the House Rules gives each member five minutes. Respectfully to Representative Sablan, we have been very courteous and have bent over backwards. We went into recess--

Representative Sablan: Point of order, Mr. Speaker. Do the House Rules say that there is a limitation on amendments that are offered?

Speaker Arnold Palacios: Representative Sablan, let us have some decorum here. Please offer your next amendment.

Representative Sablan: Okay, my next amendment is to delete on page 2, lines 27 to 28 and on page 3, lines 1 and 2. And again, just to not say “no” at this point and to ask for the President not to issue a unilateral resolution which is in line with the stated intent.

The motion was seconded.

Speaker Arnold Palacios: The motion to deleted lines 27 to 28 on page 2 and lines 1 and 2 on page 3 has been made and seconded. Is there any discussion on the motion?

Several members voiced, “ready.”

Speaker Arnold Palacios: Discussion on the motion. Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: (Inaudible)

Speaker Arnold Palacios: Yes.

Vice Speaker Deleon Guerrero: (Inaudible)

Representative Sablan: Because I feel that some of the amendments maybe more minor than others and maybe they are good and they make sense to some members. That is all.

Speaker Arnold Palacios: Is there further substantive discussions? No procedural. Yes, I recognize Representative Benavente.

Representative Benavente: Mr. Speaker, then once again, I offer the same argument. Let us not jeopardize the resolution as intended and as agreed and supported by this body by the members of us majority.

Speaker Arnold Palacios: So noted.

Representative Benavente: Thank you.

Speaker Arnold Palacios: Are you ready for the question?

Several members voiced, “ready.”

Speaker Arnold Palacios: Motion to amend offered by Representative Sablan has been moved and seconded.

The motion to amend S. J. R. NO. 16-4 as offered by Representative Sablan was defeated by voice vote.

Speaker Arnold Palacios: The motion fails. Representative Sablan, I believe this would be your last one.

Representative Sablan: Quite an exercise of futility.

Speaker Arnold Palacios: Representative Sablan, you are recognized.

Representative Sablan: Yes. Final amendment, all remaining proposed amendments that I have not mention yet. And if I may state into the record, Mr. Speaker, I can offer the rest of them all at once and I would really like to ask that you consider that there are in fact minor amendments. So, line 3, on page 2, after “it is the sense of the Senate,” insert, “the House concurring that the majority of the citizens should be afforded meaning opportunities to discuss the proposal comment,” delete the rest of that line and continue with “and influence any regulation...”.

Speaker Arnold Palacios: Is there any second?

Representative Sablan: I can finish the amendment that has not been rejected yet, Mr. Speaker. On page 3, lines 21 through 23, cross out, “does not support the establishment,” and insert, “feel that study, discussion, and deliberations are necessary prior to the”, and it continues with “creation of the marine monument...”

Speaker Arnold Palacios: Is there a second to that motion?

Representative Sablan: Finally, on page 4, insert on line 1, “unilateral” after “to prevent any.” And if you approve no other amendment that I have offered and worked so hard on, I ask that you at least give me that.

Vice Speaker Deleon Guerrero seconded the motion.

Representative Sablan: Thank you.

Representative Benavente: Discussion, Mr. Speaker.

Speaker Arnold Palacios: Discussion.

Representative Benavente: Under discussion, Mr. Speaker, I just offer the statements made by Vice Speaker in which this particular amendment is the most critical of the proposed amendments most especially because it is in the “Resolved” section. And so I ask once again for the members to object to the amendment.

Representative Sablan: But which part of that are you talking about?

Speaker Arnold Palacios: Representative Sablan, you are recognized.

Representative Sablan: I am sorry -- my apology. Which part of the amendment?

Speaker Arnold Palacios: I believe it is on page 3 on line 22.

Representative Sablan: Does not support the establishment. You say in other parts that you fervently opposed it, right?

Representative Benavente: The “Resolving” clause.

Representative Sablan: I am just asking for that.

Speaker Arnold Palacios: Okay, so you made your statement. We are ready for the question?

Several members voiced, “Ready.”

Speaker Arnold Palacios: I recognize Representative Sablan.

Representative Sablan: I just wanted to state, I mean, you say that “Whereas” clause, right? But in the “Be It Further Resolved,” the statement of intent of this resolution does not say that we outright oppose it and we do not support it, but we do say that it should not happen unilaterally. And this is consistent.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: I am just asking for this amendment.

Speaker Arnold Palacios: Okay. The motion has been seconded. Are we ready for the question?

Several members voiced, “ready.”

The motion to amend by Representative Sablan was defeated by voice vote.

Speaker Arnold Palacios: The motion is defeated. Representative Sablan, thank you. Are we ready for the main motion? The main motion is for the adoption of Senate Joint Resolution 16-4. Is there any further discussions?

Representative Sablan: May we do a roll call, please, Mr. Speaker?

Speaker Arnold Palacios: Okay, I will accommodate that request. Representative Sablan asked for a roll call, is there any objection?

Without objection, the Clerk called the roll on the motion to adopt S. J. R. NO. 16-4 First and Final Reading:

Representative Edwin P. Aldan	yes
Representative David M. Apatang	yes
Representative Oscar M. Babauta	yes

Representative Diego T. Benavente	yes
Representative Joseph N. Camacho	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	yes
Representative Heinz S. Hofschneider	no
Representative Raymond D. Palacios	yes
Representative Justo S. Quitugua	yes
Representative Joseph C. Reyes	yes
Representative Christina M. Sablan	no
Representative Edward T. Salas	no
Representative Rosemond B. Santos	yes
Representative Ramon A. Tebuteb	yes
Representative Ralph DLG. Torres	yes
Representative Stanley T. McGinnis Torres	yes
Representative Ray N. Yumul	yes
Speaker Arnold I. Palacios	yes

Speaker Arnold Palacios: By a vote of seventeen “yes,” and three “no,” S. J. R. NO. 16-4 is hereby adopted by the House. I recognize Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. I want my name on the front page tomorrow on the Marianas Variety that I voted for this resolution.

Speaker Arnold Palacios: Before I recognize the Floor Leader, I recognize Representative Torres.

Representative Stanley Torres: Yes, Mr. Speaker. Because of the urgency of this resolution, let us ask the Clerk to expeditiously transmit it back to the Senate for DHL delivery to Washington, D.C.

Speaker Arnold Palacios: I would like to ask if there is no problem and if there is no objection, I would like to submit some names that this resolution should go to. I was so entrenched with the numerous amendments and these are just one of them is to Mr. Bill Robinson, on page four (4), after Pew Charitable Trust Representative, add, three (3) names. One is Dr. Ignacio Dela Cruz, Secretary of Department of Lands & Natural Resources; Mr. Bill Robinson, Administrator National Marine Fisheries Service; and Ms. Kitty Simons, Executive Director, Western Pacific Fisheries Council. Just add those names.

Representative Yumul: Mr. Speaker, are you making an amendment?

Speaker Arnold Palacios: No. Were you not listening, Representative Yumul. I just asked if there was no objection to insert those names. Thank you. What is the indulgence of the House?

Representative Babauta: Let us roll the two important bills, Mr. Speaker, maybe three.

Speaker Arnold Palacios: One minute recess. Please stay in the Chamber.

The House recessed at 4:51 p.m.

RECESS

The House reconvened at 4:54 p.m.

BILL CALENDAR

Speaker Arnold Palacios: I recognize the Floor Leader. We are now under Bill Calendar.

Floor Leader Camacho: Thank you, Mr. Speaker. I make a motion for passage on First and Final Reading, H. B. NO. 16-81, SD1. This is in reference to the disability in regards to those retirees.

Several members seconded the motion.

H. B. NO. 16-81, SD1: A BILL FOR AN ACT TO AMEND 1 CMC §8347, AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: The motion to pass H. B. NO. 16-81, SD1 has been seconded. Is there any discussion?

Several members voiced, "Ready."

Speaker Arnold Palacios: Ready. Clerk, please call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-81, SD1 on First and Final Reading thereby accepting the amendments made by the Senate:

Representative Edwin P. Aldan	yes
Representative David M. Apatang	yes
Representative Oscar M. Babauta	yes
Representative Diego T. Benavente	yes
Representative Joseph N. Camacho	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	yes
Representative Heinz S. Hofschneider	yes
Representative Raymond D. Palacios	yes
Representative Justo S. Quitugua	yes
Representative Joseph C. Reyes	yes
Representative Christina M. Sablan	yes
Representative Edward T. Salas	yes
Representative Rosemond B. Santos	yes
Representative Ramon A. Tebuteb	yes
Representative Ralph DLG. Torres	yes
Representative Stanley T. McGinnis Torres	yes
Representative Ray N. Yumul	yes
Speaker Arnold I. Palacios	yes

Speaker Arnold Palacios: With all members voting "yes," H. B. NO. 16-81, SD1 hereby passes the House on First and Final Reading. I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, a motion for passage of H. B. NO. 16-89 on First and Final Reading.

H. B. NO. 16-89: A BILL FOR AN ACT TO REVISE THE COMMONWEALTH UTILITIES CORPORATION'S (CUC) ELECTRICAL RATE STRUCTURE TO ENSURE CUC'S CONTINUING ABILITY TO DELIVER VITAL UTILITY SERVICES; AND FOR OTHER PURPOSES.

The motion was seconded by several members.

Speaker Arnold Palacios: The motion is for passage of H. B. NO. 16-89 has been seconded. Are you ready?

Several members voiced, “Ready.”

Speaker Arnold Palacios: Clerk, please call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-89 on First and Final Reading:

Representative Edwin P. Aldan	yes
Representative David M. Apatang	yes
Representative Oscar M. Babauta	yes
Representative Diego T. Benavente	yes
Representative Joseph N. Camacho	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	no
Representative Heinz S. Hofschneider	yes
Representative Raymond D. Palacios	yes
Representative Justo S. Quitugua	yes
Representative Joseph C. Reyes	yes
Representative Christina M. Sablan	yes
Representative Edward T. Salas	yes
Representative Rosemond B. Santos	yes
Representative Ramon A. Tebuteb	yes
Representative Ralph DLG. Torres	yes
Representative Stanley T. McGinnis Torres	abstained
Representative Ray N. Yumul	yes
Speaker Arnold I. Palacios	yes

Speaker Arnold Palacios: By a vote of eighteen “yes,” H. B. NO. 16-89 hereby passes the House on First and Final Reading. I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, motion for passage of H. B. NO. 16-82 referencing “Video Gaming and Entertainment Card Games Act of 2008.”

H. B. NO. 16-82: A BILL FOR AN ACT TO AMEND 6 CMC, ARTICLE 2, TO AUTHORIZE THE OPERATION OF VIDEO LOTTERY TERMINAL (VLT’S) DEVICES, VIDEO POKER AND OTHER VIDEO SLOT AND SIMILAR MACHINES; TO AUTHORIZE THE OPERATION OF TEXAS HOLD’EM AND OTHER LIMITED CARD GAMES, WITHIN THE THIRD SENATORIAL DISTRICT; TO AMEND 4 CMC, CHAPTER 5, TO IMPOSE A NEW GAMING TAX; TO REQUIRE THE PAYMENT OF NEW LICENSE FEES FOR THE NEW ENTERTAINMENT ACTIVITIES; TO PROVIDE FOR THE LICENSING OF POKER MACHINES ON A CALENDAR YEAR BASIS; TO REQUIRE THE INSTALLATION OF CENTRAL COMPUTERIZED MONITORING SYSTEM FOR ALL VIDEO AMUSEMENT AND SIMILAR MACHINES; AND FOR OTHER PURPOSES.

Representative Hocog and Representative Babauta seconded the motion.

Representative Sablan: Objection.

Representative Benavente: Representative Sablan.

Speaker Arnold Palacios: The motion to pass H. B. NO. 16-82 on First and Final Reading and the motion has been seconded. Is there any discussion? I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. I am actually glad that we are taking this matter up today. I do not think that we should continue to keep this legislation on our Calendar and continue the threat that our people feel because of this legislation pending on the Calendar. I asked the leadership to act on it and get rid of it so that there is sense of calmness in the community. We all know that this is an issue that needs to be removed because the people have spoken already. I realized that the motion may be to pass on First and Final Reading, which is probably a procedural need but I ask that we vote "no" on this proposal. Thank you.

Representative Babauta: Mr. Speaker, may I be recognized?

Speaker Arnold Palacios: I recognize Representative Babauta.

Representative Babauta: Mr. Speaker, I move to officially offer a substitute for the bill.

Speaker Arnold Palacios: Representative Babauta will offer a substitute.

Representative Babauta: I am offering H. B. NO. 16-82 in the form of House Substitute 1. I so moved.

A member seconded the motion.

The amendment offered follows:

[H. B. NO. 16-82, HS1: To amend 6 CMC, Article 2, to authorize the operation of Video Lottery Terminal (VLT) devices, video poker and other video slot and similar machines; to authorize the operation of Texas Hold'em and other limited card games, within the third senatorial district; to amend 4 CMC, Chapter 5, to impose a new gaming tax; to require the payment of new license fees for the new entertainment activities; to provide for the licensing of poker machines on a calendar year basis; to require the installation of central computerized monitoring system for all video amusement and similar machines; and for other purposes.

BE IT ENACTED BY THE SIXTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Short Title. This Act may be cited as the "Video Gaming and Entertainment Card Games Act of 2008."

Section 2. Purpose and Findings. The CNMI economy has been on the decline for the last couple of years and is not expected to rebound from the current state of depression in the immediate future. As a result, government revenues has correspondingly declined from a high of \$260 million in 2003, to \$240M in 2004, down to \$216 million in 2005, to \$198 million in 2006, and hitting bottom at \$163 million in 2007. Still, 2008 is no improvement over the previous year with government revenues pegged at \$160 million, although preliminary indications from the Administration suggest current revenue collections may potentially fall short of the original estimates.

Furthermore, the anticipated government resources for the ensuing year is again predicted to fall below the current year estimate by at least \$10M, or \$150 million. As government revenues decline, demand for public services increase, not to mention the increase in the prices of goods and services, including cost of utilities for both commercial and residential users. To avoid running afoul against constitutional prohibition regarding deficit spending, and to mitigate the adverse effect of allowing government expenditures to exceed available resources, the CNMI has had to make drastic, unpopular, and unprecedented budget cuts to balance budget outlays. This has been a painful experience as the government had to resort to unpaid austerity holidays, severe hiring restrictions, curtailment of routine but necessary

and ordinary general operating expenses, among others. As the CNMI strives to make ends meet, it has maintained its major responsibility to the citizenry by ensuring the services in the area of public health, public safety, and the protection and maintenance of the basic general welfare, are maintained and provided.

The major factors which influenced the gradual CNMI's economic decline included the 911 attacks in 2001, the Asian economic crisis, the SARS epidemic, and the IRAQ war. These external events were followed by the sudden, unplanned, and accelerated reduction in visitor arrival from Japan (the single major tourist market for the CNMI) as a result of the pullout of Japan Airlines from servicing the CNMI which drastically reduced air seat capacity. While the effects of these events were taking their toll on the fragile CNMI economy, the CNMI's apparel industry, the second major industry once responsible for some \$30 million to \$50 million in annual government revenues a year was also facing its own demise. The removal of quota on garment exports from World Trade Organization (WTO) countries had placed the CNMI in a competitive disadvantage as US retailers have greater access to manufacturing operations in much lower cost producing countries. This reality had caused the closure and exit of close to half of CNMI's apparel production facilities. As the only remaining advantage the CNMI has for retaining this industry is controlled cost and duty free treatment, that advantage has since been eroded by the high cost of utilities in the CNMI, coupled by the mandated minimum wage increase in May of 2007. And now with the next mandated wage increase scheduled to take effect in May of this year, losing most, if not all of the remaining production facilities is no longer a plan - it is real and the collateral damage it will have in the economy could be immeasurable.

The CNMI government, especially the current administration and this legislature and the previous legislature, is very cognizant of the current economic challenges and is making every stride to bring investments into the CNMI to help stabilize the current economic uncertainty. Most notable is the recent investment of Kumho Asiana investment in Lao Lao Development and the introduction on new flights bringing increased air seat capacity to the CNMI. But this and other investments will need time to be built, constructed and in operation in order to realize the full economic benefit of the investment. Until the positive contributions of these types of investments are realized, the CNMI needs to find other types of investments that can bring some immediate relief, especially in the short run.

One possible and very potential means for addressing the current CNMI's economic challenge is to allow the operation of limited gaming activities at the government-leased premises at the La Fiesta facilities in San Roque. While the Sixteenth legislature is very cognizant of the disapproval of casino initiative by the residents in the third senatorial district, it is convinced that the gaming activities proposed under this Act is significantly different in scope, depth and content. The activities proposed under this Act are quite limited in nature; will be authorized only in a controlled and specific location and environment; will allow for the orderly transfer to La Fiesta of all video poker machine installations currently scattered and operating throughout the villages; will provide much needed tourist destination activity, and most significantly, can provide immediate funding relief to our cash-strapped CNMI government. This bill is consistent with the Commonwealth of the Northern Marianas Constitution (N.M.I. Const. Art. XXI, Section 1).

Section 3. Amendment. 6 CMC Section 3154(a), is amended to add a new subsection (4) which reads as follows:

"(4) Video Lottery Terminals (VLTs) and video slot and similar amusement machine which require the element of skill, or chance, and which are monitored and controlled by a centralized computer system which records and maintains records of significant activities and events pertaining to the operation of each and every machine."

Section 4. Amendment. 6 CMC Section 3156(a), is amended by adding new subsections (6), (7) and (8) as follows:

"(6) Texas Hold'em card games. For purposes of this Act, the term "Texas Hold'em card games" refers to community-type entertainment games consisting of a 52-card deck (joker not included) where up to eleven (11) players 6 may use any combination of five community cards and their own two hole cards to make a poker hand.

(7) Black Jack and Baccarat games operated only in conjunction with 9 the operation of Texas Hold'em card games described under subsection (6) above. 10 For purposes of this Act, the term Black Jack refers to the common type of table game played with both elements of skill and chance, where the objective of the

game is to form a hand that totals as close to a 'Natural' (a hand consisting of two jokers) as possible, without exceeding it. The term "Baccarat" refers to the common table game found in almost every gaming operation where the object of the game is to form a hand that equals the number '9' or as close to it as possible.

(8) The operation of Video Lottery Terminals (VLTs), video slot and similar amusement machines. For purposes of this Act, the term Video Lottery Terminals, video slot and similar machines refers to electrical, electronic, or electro-mechanical device, component, or terminal, which may display a game or other graphics through the use of a video display screen, which is available for consumer play upon payment of the necessary or appropriate consideration, with winners determined by the application of the element of skill, or chance, and the possible prizes displayed on the device. It is an amusement game machine that accepts paper or coin currency or vouchers to enable a player to participate in one or more games; dispenses, at the players request, an amount of coins equal to the player's credit balance; dispenses a token, voucher and/or electronically imprinted upon it the game identifier and the player's credit

balance; shows on a video screen, reels or other electronic display the results of each game played; houses a game platform that is connected to a central monitoring system ."

Section 5. Amendment. 6 CMC Section 3156 is amended by adding new paragraphs (b) and (c) as follows:

"(b) The gaming activities described under subsections 6, 7, and 8 above are authorized to be operated only within the premises in San Roque, commonly know as the "La Fiesta Shopping Mall" for a period of Fifteen (15) years or until the current land lease terminates, whichever is later. Provided, however, the operation of any or all of the activities described above, (1) shall be awarded or granted to the applicant(s) or proposer(s) that offers the most economic benefit to the CNMI, both short-term and long-term; (2), that the applicant or proposer has demonstrated favorable and adequate relevant experience and ethical standards; (3), that the applicant or proposer has adequate capital to conduct comprehensive renovation of the La Fiesta facility suitable for the type of activity referred to herein; and, (4) the applicant or proposer offers other tourist related entertainment activities to enhance Saipan's appeal as a favorable tourist destination.

(c) Notwithstanding any other provision of law, the CNMI government may nationalize the operation of the gaming activities authorized in this Act and may directly operate such activities, if doing so is the most practical and most feasible means in furthering the intent of this Act."

Section 6. Amendment. 4 CMC Section 1503(a) is amended by adding a new subsection (6), (7), (8), (9), and (10) as follows:

"(6) Video Lottery Terminals. For Video Lottery Terminals (VLTs), video slot and other amusement machines to be operated at the La Fiesta facility, the annual license fee is Four Thousand Dollars (\$4,000) per machine.

(7). Texas Hold'em. The annual license fee for Texas Hold'em card games is One Million Five Hundred Thousand (\$1,500,000) on the first thirty (30) Texas Hold'em Poker tables per approved location. An additional annual license fee of Fifty Thousand Dollars (\$50,000) is imposed for each additional table, provided, the total number of tables that may be licensed shall not exceed forty (40). The fee imposed under this section shall be non-refundable and non-transferrable, and shall be paid upon approval of the license but prior to commencement of operation.

(8). Black Jack and Baccarat. There is imposed an annual license fee of Fifty Thousand (\$50,000) for each Black Jack and/or Baccarat table licensed for operation with the approved Texas Hold'em games; provided, however, the total number of Black Jack and/or Baccarat tables that may be licensed under this chapter shall not exceed the total number of Texas Hold'em poker tables licensed under paragraph (a) above. The fee imposed herein shall be non-refundable and non-transferrable, and shall be paid upon approval of the license but prior to commencement of operation.

(9) Additional Fees. The Third Senatorial Legislative Delegation by local law may impose additional fees up to 50% of the fees imposed under 4 CMC 1503(a)(6), (7), and (8). The fees shall be deposited into a special account to be established by the Secretary of Finance and shall be available for appropriation from time to time by the Third Senatorial Legislative Delegation.

(10) Special Gaming Tax. There is imposed a special gaming tax of Twenty percent (20%) on the net gaming proceeds of any activity authorized and licensed pursuant to Section 4 of this Act. The tax imposed under this section shall be reported and paid monthly on or before the 15th day following the close of each month. The Secretary may require advance payment of the special gaming tax which advance shall be liquidated against future gaming tax liability of the licensee. The term 'net gaming proceeds' as used in this Act, means:

(a) In the case of Texas Hold'em card games, the total amount received by the operator or licensee from the operation of the games; and

(b) In the case of Baccarat or Black Jack, the total amount received by the operator or licensee from the operation of the games minus capital issued; and,

(c) In the case of VLT, the total amount of all credits or cash played, less the total amount of credits or cash won by the patron."

Section 7. Amendment. 4 CMC Section 1503(f) is repealed and reenacted to read as follows:

"(f) The revenues collected pursuant to 4 CMC 8 1503(a)(6), (7), and (8) shall be reserved for the following:

(1) CUC subsidy and rebate of CUC fuel surcharge;

(2) Medical Referral;

(3) CNMI Scholarship;

(4) Youth Services and Programs;

(5) Public School System needs to include funding of a Junior High School at As Matuis;

(6) Northern Marianas College

(7) Land Compensation; and

(8) Deficit reduction."

Section 8. Amendment. 4 CMC § 1503(a)(2) is repealed and reenacted to read as follows:

"(2)(A). For amusement machines whose major element is chance which provides a reward or prize of value, or for poker machines or similar amusement machines, the annual fee shall be six thousand dollars (\$6,000) per machine,

slot machine, or other similar amusement machine. Those machines situated in a casino licensed by the Tinian Casino Gaming Control Commission (TCGCC) or similarly established gaming commission on the islands of Saipan and Rota shall be exempt from the six thousand dollar (\$6,000) annual machine fee imposed by this section.

(B). No poker, pachinko slot, or similar amusement machine shall be licensed on any location unless designated pursuant to local law enacted by the respective legislative delegations. Provided, however, that the following locations within the Third Senatorial District are hereby designated as poker, pachinko slot and similar amusement machine zones:

(i) Locations fronting Chalan Pale Arnold (Middle Road) from the extreme south end where it intersects with Monsignor Guerrero Road extending North to the La Fiesta Building across from Nikko Hotel;

(ii) West at the Navy Hill intersection and turning south on Beach Road starting where it meets American Memorial Park and extending south on Beach Road pass PIC Hotel, continuing on the main road in Koblerville pass the fire station, pass Hannam Market, over to the As Lito Road intersection; and

(iii) Turning north on As Lito Road to the Shell Station at the intersection of Monsignor Guerrero Road; and turning west to Beach Road intersection at Micro1 Corporation.

(iv) All other interior roads and highways within the Third Senatorial District shall be deemed unauthorized areas except those located in the Garapan District."

Section 9. Scholarship Reserve Account. The Secretary of Finance shall establish a special account within the General Fund to be called the "Scholarship Reserve Account" into which shall be deposited the sum of Two Hundred Fifty Thousand Dollars (\$250,000) of the fees collected pursuant to 4 CMC § 1503(a)(6), (7), (8), (9), and (10). The funds in the Scholarship Reserve Account shall only be available for appropriation for scholarship grants as provided under Public Law 15-109.

Section 10. Regulations. The Secretary of Finance, in consultation with the Attorney General and the Secretary of Commerce, shall promulgate rules and regulations for the proper and timely implementation of this Act, including establishing criteria for the approval and granting of licenses authorized under this Act. Furthermore, the Secretary shall promulgate rules and regulations to establish necessary controls for the operation of gaming activities, including regulations to minimize or curtail the availability and accessibility of these games and related activities to local residents.

Section 11. Severability. If any provision of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 12. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of this Act shall not have the effect of terminating, or in any way modifying, any liability civil or criminal, which shall already be in existence at the date this Act becomes effective.

Section 13. Effective Date. This Act shall take effect, upon approval by the Governor or upon its becoming law without such approval.]

Speaker Arnold Palacios: Representative Babauta is offering substitute legislation and has been seconded. Do we have copies on that?

Representative Salas: Can we go into a short recess?

Speaker Arnold Palacios: Short recess.

The House recessed at 5:00 p.m.

RECESS

The House reconvened at 5:09 p.m.

Speaker Arnold Palacios: Representative Babauta, you are offering a house substitute.

Representative Babauta: I will give time to the other members, while I comment a little bit on the bill, Mr. Speaker.

Speaker Arnold Palacios: Yes.

Representative Babauta: Thank you, Mr. Speaker, for the opportunity and at the same time I will give time to my distinguished colleague from Tinian to review the bill. Mr. Speaker, there is no substantial changes other than accommodating several members potential amendments that they have prepared already. One is incorporating the amendment that would allow for funding for NMC as proposed by Representative Apatang. The other one is an amendment that was inserted on page 8, Section 9, as proposed by Representative Quitugua pursuant to Public Law 15-109. And the rest, Mr. Speaker, is addressed on page 7, from line 1 to line 8. Mr. Speaker, when I introduced the bill earlier, I offered a potential revenue source that maybe some of us might have reservation whether or not this would materialize. But after discussing with some key individuals in the community that has knowledgeable information about the context of H. B. NO. 16-82, roughly from low figure of \$8.1 million to a high figure of \$19 million may be realized for the first year. Mr. Speaker, this is excluding the refund to the government on what the government has agreed when they took over La Fiesta facility and including the leasehold. So, I am offering a financial and potential revenue source, Mr. Speaker, to try to address some of our pressing financial needs of our Commonwealth government. If there is any comment or any concern that I can probably address to the extent the Floor has, I am amendable to any discussion, Mr. Speaker.

Speaker Arnold Palacios: Is there any statements, comments, or discussions? I recognize Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. I admire the author of the bill for coming out with revenue enhancement legislation. However, Mr. Speaker, we have the poker machines here for the longest time and I do not know what the statistics are. We do not even have the manpower for enforcement. We do not really know how much money really is being generated from these poker machines. We do not know if the government has been cheated in so many ways because we have no measures to really know how much income is coming in or what not. Do we have any statistics based on any fact or data that we know of?

Speaker Arnold Palacios: Representative Babauta, do you want to answer his question?

Representative Babauta: I am glad that Representative Reyes brought that up, Mr. Speaker. The recent transmitted budget to the Legislature, the poker fees revenue that is generated from those activities is incorporated in the budget as separate line item as a resource for appropriation. I forgot to mention, Mr. Speaker, that one of the impressing provisions in the substitute is removing all these poker machines out of the villages into a main thoroughfare that is very simple to enforce and monitor. Let me remind the members, Mr. Speaker, that the latest statistics of criminal activities involving machines are within the district of Election District 2 from child neglect to robbery potential murder, and manslaughter. So, all of these are elements of those machines that are well established and well connected with retail stores, laundry mats, and this is one of the major amendments that we inserted by one of the members. Thank you.

Speaker Arnold Palacios: I recognize Representative Hofschneider.

Representative Hofschneider: Thank you, Mr. Speaker. What I am going to say is nothing personal to the author but just a real life observation, In my 16th years here in the legislature, and knowing first hand of what this entails. First, let us take a look at the most recent action by the people in the

last election. The people of Rota have spoken. They want casino. That is over and done with. They are now beginning to get themselves together so they can in fact move on with their initiative, and that is the desire of that community in that senatorial district to start casino. Tinian has first spoken. So, in history of Tinian, one of the things that Tinian can not honestly move on and attract better operators than what they have is due to the repeated attempts by Saipan to try and get casino here. It is a matter of fear for real investors to go into Tinian because every time they want to look at Tinian favorably, someone in Saipan instigates casino here. And that sort of puts everybody in Tinian and in Rota now at bay. Do we drop fifty million dollars or wait because Saipan is talking about it again. And that in itself is very, very bad practice and precedence. But let us bring it down to the most common people problem. No one, and I qualify that, Mr. Speaker, no one in the Commonwealth knows for sure how much impact poker machines have done to the lives of the very people that lives here and to the economy whenever a person, and by the way, gambling is also now included in the definition of a disease as an addiction. It is considered the same as alcohol and drugs. No one is qualified to talk about the social negative aspect of gambling here in Saipan. Every two weeks, whenever a family.... (*End of Tape 3 side A – Start of Tape 3 side B*) ...instead of first fulfilling the obligation to the banks for their car or other loans, they take a chance of doubling that income only to find out that in twenty-four hours, they have lost their payment for two weeks of hard work. When you subject a family to that, their kids get deprived. They can not really fulfill the parental obligations to realize the dreams of those kids. The dream of having Nike shoes like all their classmates and the dream of having a pocket Game Boy, or the dream of taking the family to one of the local restaurants to enjoy the fruits of their labor for the last two weeks is gone because they wasted it. They have lost the ability to have a roof over their head. *Man sensasaga*, after they have lost everything. They have to live with Mom and Dad or some friends. These are real cases that I know of personally. And no one in this room honestly can say I am wrong or have never experienced someone visiting your office in your time here as a legislator with tears in their eyes. Mothers and their kids in toll to your office or at the door step of your house in tears because they can not pay CUC, or because they do not have food for that day and they are crying their hearts out at your doorsteps or in front of you in your office for fifty dollars. These are the real impacts. You know, in spite of what happened last election, in spite of our economic situation, and in spite of the importance of the people being asked to listen to the campaigns and the advertisements at the last election, all of us have been given the chance to come into this room to do something about the economy, CUC, the high cost of fuel, the high cost electricity, and to enhance their opportunity to find a job. In spite of it all, the people went to the polling places and cast their votes and said, “No” to casino. Each one of us must search their hearts and consider whether our time here is to fulfill that one chance in your life to do something good for yourself, for your family, and for the people who needs to be protected from this illness and disease. Now, some of us are privileged. We have the money to throw away. But when people do not know how to distinguish and control themselves from gambling, and we add this to the current problem of poker machines, ask yourselves, do we go to church just to be counted because everybody sees that you are a church-goer? Or do you honestly take a moment for the good Lord to guide you in the best principal that you can find in your heart? Some of us are advancing in age and we could care less what the consequences are. *Esta nai sinkuenta años, ta’lo kinsi osino benti años, pues ullela, matai hao. Parake hao nai ni mantatati. Muñga mana’ sen aplacha Marianas. Esta ombre, man tacho’ taotao Tinian. Estague na man tacho’ taotao Luta. Kuminidat-niha man malago’ nui este i casino. Yanggen para enteramenti kada senatorial district, pues esta mismu guine Saipan tita ayuyuda los probes Tinian yan Luta. Ta kokontra pues ta bira hit magi ya ta fa’chalik siha man a’apu gi general fund. Basta enao siha. Yanggen ta ayuda propio Tinian yan Luta, ti nisisario na u guaha casino Saipan. Ta na’fañagu ya ta ayuda sa’ eyu na salape humano magi ta’lo guine gi general fund. Ta satba prublema-ta. Ta fan a’rispeta, Mr. Speaker. Katda’ uno yan pusision-ña, lao hu gagagao hamyo fabot. Baihu gagao i*

amigo-hu dispensasion sa' enague checho'-ña guine para hu intrudusi este. Lao pot gi pot utimo, Mr. Speaker, yanggen esta bihu i taotao, cha'mu lai totogi yan carrots ya sigi ha' para un kadidi i taotao. Dumimu gi dos adengña, dos temmo-ña sa' esta taisisiña. Matto hao yan iyomu carrot ya sigi ha di un na'famokat gi temmo-ña. Munga lai enao. Na' para pot fabot. Go'ti i kanai-ña, pipit ya un na togi hu'lo. Na echo taotao. Mr. Speaker, sigi ha' di ha señas yo' i Floor Leader, ahe agon, this is one time that dispense with the rule's limitation. Each one of us has to say their peace about this. I have been fighting against this thing for fifteen years. Not in Saipan. For the longest time, MVA has done a survey. For ten years, incoming passengers were asked a questionnaire. From Japan tourists, ten percent ha' man malago' para hu ma li'e casino Saipan. Ninety percent, for ten years, consistently said "no to casino on Saipan." What more para un sañgan pa'go -- na pot i college gai problema, pot i CUC gai problema. Este i met, honey, gi primet kuchala mamis. Segundo, tretseru kuchala, Mr. Speaker, malala'et esta ni minames-ña. Ya etyo ha' para un pinino' i honey. Thank you.

Speaker Arnold Palacios: Thank you. Representative Dela Cruz, were you raising your hand?

Representative Dela Cruz: *Ahe' Mr. Speaker, lao esta un atendi yo'. Guahu lakkue yahu ha' sumañgan dididi. Hunggan gi Mina' Kinse na Lehislatura, ma proposito este lakkue na lehislasion. Magahet na ti ma fabot ya sen matai ha'. Yanggen ti lachi yo' ti un biahe ha' este ni ma introdusi ya fana'an un hasso ha'. Anai esta mina' tetseru, mafaisen yo' ni media hafa hinasso-ku? Ilek-hu dispensa pa'go na biahi sa' kulan chatsaga este. Esta un biahe, dos biahe i taotao ta ekungok. Hafa man masasangan gi huyong debi esta na ta komprende. With all due respect to my Minority Leader, baihu sangan ha' pa'go antes di ta fan man bota na ilek-hu na taya chansanña este. Ta pega ha' taiguenao. Hunggan man malago' hit para ta fan na'halom fengkas guine gi tano'ta. Hayi ti malago' ni enao. Lao matto i tiempo lakkue ni nisisita ta atan i publiku gi huyong ya ta komprende hafa malago' niha, ya ti manmalago ni este. Ta tattiyi sa etyogue ginagagao. Enao ha', Mr. Speaker. Si Yu'us ma'ase.*

Speaker Arnold Palacios: Before I recognize anybody I would like to recognize the presence of the honorable senators in the gallery: Senator Manglona, Senator Mendiola, and Senator San Nicolas. Welcome to the House Chamber. I now recognize the Vice Speaker.

Vice-Speaker Deleon Guerrero: Thank you, Mr. Speaker. My comments will be very short. My speech will be similar to Representative Dela Cruz. I just wanted to state that I did vote for this measure in the Fifteenth Legislature. And the reason that I supported that measure is that it did contain anti-gambling measures in its provision. It proposed to take it all out of the villages and centralize it in one location and monitor it. I felt that that was a good measure. I am looking at this substitute now and still allows for poker machines in the villages even though it is mostly in the main thorough fares, it does allow it in some areas in Precinct 1, primarily Koblerville and some of the outlined residential areas. So I just want to state that for the record, Mr. Speaker. Thank you.

Speaker Arnold Palacios: Thank you. This is on the substitute offered by Representative Babauta. With that, I recognize Representative Benavente.

Representative Benavente: I hope that we do not continue with the debate because I really believe that we have heard the debate on the positive and negative impacts of casino on Saipan and in the Commonwealth. We have heard it. I heard it fifteen, sixteen, seventeen years ago throughout my career as an elected official. It went through a series of hearings in the different communities and people spoke. If it is about debating the good and the bad about casino, I am sure that we can

continue to debate it for many more years. But the legislation in front of us and the concern that I have with this legislation, Mr. Speaker, is that we represent the people of the Commonwealth and for myself and most of us here, we represent the people of Saipan. It was the people of Saipan that voted for us and has asked us to represent their interests in this body, in the House of Representatives. And with that, we also have the responsibility of representing the entire people of the Commonwealth. This matter, casino, the people of Saipan, the people that I represent has spoken. And do not tell me that they do not know what they are talking about. They feel the same suffering and pain that we think is out there and they know. The people are fully aware of the financial situation that we are experiencing in the Commonwealth when they made the decision against casino on Saipan. As representatives of the people, I do not know about the rest of you, but I feel like that is how I should be voting then because that is just the process. That is your obligation as a representative of the people to represent the wishes of the community. So, as representatives of Saipan, I ask all of you, please, support the wishes of the people of Saipan, and then as a representative of the Commonwealth. I think it is real clear. It is undebatable. As suggested by Representative Hofschneider, if we now support the casino industry in Tinian and go on to support the casino on Rota, it will be better for the entire Commonwealth. And this is also our responsibility as representatives of the Commonwealth Legislature. I hope that we do not debate anymore because it is 5:30 p.m. We should be home by now. So I ask that we end discussion and vote against it because the people have spoken.

Speaker Arnold Palacios: Are we ready to discuss the substitute bill? Representative Aldan, you have been very quiet today, I am going to give you five minutes.

Representative Aldan: Thank you, Mr. Speaker. Please allow me to speak in vernacular. *Fine' nena, Mr. Speaker yan members, gi paiñge matto dos na engineer para i kompanian i Bic Investment. They are going to break ground next week. Next week ha' para hu fan matto i containers ni para hu matutuhon i ground breaking. Sigi ha' hit. Anai malagños fine'nina, anai ma introdusi este na bill, man worry ta'lo i kompania sa hafa na sigi hit ha' ni man pinkako ni este i casino. Hu faisen ha' si Minority Leader ni enao. Hu ekspresa giya guiya na when the day anai ha introdusi este na aktu, gaige i representantin i Bic China na para hu ma konne' i empleao ni para hu fan halom fine'nina na batch man gaige pa'go gi Labor and Immigration na man ma proproses. They are supposed to give us those permits today. Taigueni ta'lo, just one phone call este, ma shut down este na investment. So, Tinian yan Luta iyon ñia wish, I believe, para hu ma check hafa na industria ni para hu fan survive ya basta siha man dependent gi central government, tai manu hafa ilek-ña si Representative Hofschneider. Kada budget, hinasson miyo na ti puputi yo' na i central government ileklek-ña na para hu fan ma fai'a one hundred twenty-six (126) na toaotao mami? Puti yo' lao yanging en sedi ham ni Luta yan Tinian ya bai en na fruitful este na industria, bai hu sañgani hamyo na enlugat di bai en gagao hamyo, bai en nana'i hamyo tatte ya bai en fan man ayuda gi central government. Uno na punto malago yo' bai hu sangan, ya todos ha' tumuño guine este, i poker ni ma establesi para tourist, mangge pa'go enao na industria? Hafa bidada-ña? Halom i guma' taotao-ta ni gaige este ti gi tourist. Taigue i tourist. Gaige i tourist gi kantun tasi. Taigue gi halom poker. Ta kontinua, ta sigi ha'. No matter how i poker gi halom i village para ta cho'gue, it is going to continue unless we completely remove them at certain areas with provisions that will restricted from our locals. Pumulisia yo' seventeen years. Hu li'e i famagu'on man ma sosota gi me'nan poker alas dosi, alas tres gi chatamak sa gaige i nana gi sanhalom na ha chachagi iyon-ña luck. Ti guarantee iyon-ña luck. Man makonne nai halom i famagu'on lao ti yata nai enao. Ti yata para ta cho'gue sa' ta pega mas i famagu'on in a big spot. Man gaige gi DYS, i nana gaige gi presu. Mas ta jeopardize i familia. Enao ha', Mr. Speaker, hu gagagao i supotasion miyo na ta vote down este na bill. I move to end debate and entertain iyon-ña amendment si Minority Leader, and move on.*

Speaker Arnold Palacios: We really got to move on this. Representative Babauta, kao guaha para un sangan?

Representative Babauta: Actually just to make a positive comment to my good minority member's statement. My distinguished colleague, etyo i ha sasangan pot i one hundred twenty-six employees, estague, Mr. Speaker, para u inayuda iyoku colleague. Sumassaonao ha'. Enao ha', Mr. Speaker.

Speaker Arnold Palacios: So are we ready for the substitute bill?

Several members voiced, "Ready."

Representative Salas: Wait, can I just say something?

Speaker Arnold Palacios: I recognize Representative Salas.

Representative Salas: I just want to say Biba Tinian and Luta. That is it.

Speaker Arnold Palacios: Okay.

Representative Hofschneider: Point of clarification, Mr. Speaker. He is completely substituting the bill, right?

Speaker Arnold Palacios: Yes.

Representative Babauta: Correct.

Speaker Arnold Palacios: So are we ready for the question on House Bill 16-82, HS1.

Representative Benavente: Clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Benavente: The substitute is in a form of an amendment and the counsel may correct us if we are wrong, but I do believe that we will be voting on the substitute as an amendment and then go through a roll call on the final version. Is that correct?

Representative Babauta: No, the final version is the substitute.

Speaker Arnold Palacios: Yes, this is it, as offered. House Bill 16-82, HS1. If we pass the substitute, the bill will pass. Counsel, do you want to clarify further?

Representative Sablan: I am sorry, I am still a little bit confused. We are voting on whether or not to accept this as a substitute and then on whether or not to pass the bill?

Speaker Arnold Palacios: No, this is the bill.

Representative Sablan: So this is already the substitute that we are going to be voting on now?

Representative Babauta: That is the final bill.

Speaker Arnold Palacios: Clerk, please call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-82, HS1 on First and Final Reading:

Representative Edwin P. Aldan	no
Representative David M. Apatang	no
Representative Oscar M. Babauta	yes
Representative Diego T. Benavente	no
Representative Joseph N. Camacho	no
Representative Francisco S. Dela Cruz	no
Representative Joseph P. Deleon Guerrero	no
Representative Victor B. Hocog	no
Representative Heinz S. Hofschneider	no
Representative Raymond D. Palacios	abstained
Representative Justo S. Quitugua	abstained
Representative Joseph C. Reyes	no
Representative Christina M. Sablan	no
Representative Edward T. Salas	no
Representative Rosemond B. Santos	no
Representative Ramon A. Tebuteb	no
Representative Ralph DLG. Torres	no
Representative Stanley T. McGinnis Torres	yes
Representative Ray N. Yumul	no
Speaker Arnold I. Palacios	no

Speaker Palacios: By a vote of two yes and sixteen no, H. B. NO. 16-82, HS1, hereby fails to pass the House on First and Final Reading.

Representative Hofschneider: Privilege.

Speaker Arnold Palacios: State your privilege, please.

Representative Hofschneider: As a result of the defeat, Mr. Speaker, I move to sanction any casino bill, heretofore.

Representative Aldan seconded the motion.

ANNOUNCEMENT

NONE

ADJOURNMENT

Speaker Arnold Palacios: With the indulgence, we really need to either go on recess or adjourn our session. I really have to be at some place officially.

Representative Babauta: Fafata uno.

Representative Hocog: Basta ya este agupa, Mr. Speaker.

Speaker Arnold Palacios: What is the consensus of the members, do we recess until tomorrow at 10:00 a.m.? Oh, we have a conflict. We have the Buck Consultant and the military presentation.

Floor Leader Camacho: Why do we not just recess subject to the call of the Chair?

Speaker Arnold Palacios: Let me ask you all. Without a lot of debates, there are issues, I believe from the members on House Bill 16-90. Can we have a session tomorrow afternoon? Are you amendable? Alright. Floor Leader, I will entertain a motion to recess until tomorrow at 2:00 p.m.

Floor Leader Joseph N. Camacho moved to adjourn and reconvene on Friday at 2:00 p.m., was seconded and carried by voice vote.

The House adjourned at 5:45 p.m.

Respectfully submitted,

Evelyn C. Fleming, House Clerk

APPEARANCE OF LOCAL BILLS

FIRST APPEARANCE: 1st Legislative appearance of a local bill is on the day it is introduced.

SECOND APPEARANCE:

H. L. B. NO. 16-9: A Local Appropriation Bill for an Act for the Third Senatorial District to reappropriate \$500,000.00 from the \$1,780,425.00 under Saipan Local Law 15-5 SHEFA for the payment of salaries of certain government employees and for other purposes.

THIRD APPEARANCE: NONE