



House Journal

SIXTH SPECIAL SESSION, 2008

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Third Day

Monday, June 23, 2008

The House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature convened in its Third Day, Sixth Special Session on Monday, June 23, 2008, at 9:45 a.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 sixteen members were present. Representatives David M. Apatang, Justo S. Quitugua, Ralph DLG. Torres were absent and excused; Representative Stanley T. Torres came in late.

ADOPTION OF JOURNALS

NONE

INTRODUCTION OF BILLS

H. B. NO. 16-123: A Bill for an Act to exempt large hotels, hotel resorts, and golf resorts from the prohibition of alcoholic beverage sales on Election Day; and for other purposes.

Offered by: Representative Rosemond B. Santos

Referred to: Committee on Commerce and Tourism

INTRODUCTION OF RESOLUTIONS

H. R. NO. 16-37: A House Resolution recognizing and commending the United Micronesia Development Association for its contributions, commitment, and investments in the island nations and Communities of Micronesia especially the Commonwealth of the Northern Mariana Islands.

Offered by: Rep. Arnold I. Palacios

Speaker Arnold Palacios: I would like to ask the members to co-sponsor the Resolution. If there is no objection, I found out that the Board of Directors of UMDA are presently meeting and if we can adopt this and expedite the engrossment, I would like to invite them up this afternoon to present this Resolution.

There was no objection from the Floor.

H. J. R. NO. 16-7: A House Joint Resolution to request that the U.S. Department of Justice appoint a U.S. Attorney, U.S. Marshal, and Probation Officer to the Commonwealth of the Northern Mariana Islands (“CNMI”) and to request construction of a new federal courthouse in the CNMI.

Offered by: Rep. Joseph N. Camacho

MESSAGES FROM THE GOVERNOR

GOV. COMM. 16-131: (6/12/08) Certification of vacant positions at the Department of Community and Cultural Affairs.

GOV. COMM. 16-132: (6/12/08) Certification of vacant positions at the Department of Public Lands.

GOV. COMM. 16-133: (6/17/08) Certification of an annual salary in excess of \$50,000 for Dr. Priyantha Wijayagunatne and Dr. Nedka Mandoff.

GOV. COMM. 16-134: (6/17/08) Certification of vacant position at the Department of Public Health.

GOV. COMM. 16-135: (6/17/08) Certification of Vacant Position at the Community Guidance Center, Department of Public Health.

GOV. COMM. 16-136: (6/18/08) Certification of vacant position at the Office of the Governor.

GOV. COMM. 16-137: (6/18/08) Certification of vacant position at the Department of Labor.

GOV. COMM. 16-138: (6/18/08) Certification of vacant position at the Office of the Governor.

Speaker Arnold Palacios: Under Messages from the Governor, is there any comment, observation?

Representative Yumul: Mr. Speaker, at this time I have prepared a communication to you and to be provided to the members regarding certifications for vacant positions and over the salary cap. Copies are being printed at this time, so if we can come back at a later time.

Speaker Arnold Palacios: For the information of the members, I have asked the Chairman Yumul, Committee on Ways and Means, to verify these certifications that we keep getting from the Administration to ensure that these positions are indeed listed in the approved FTEs under the continuing resolution. As the Chairman has stated, he will providing that report.

SENATE COMMUNICATIONS

NONE

HOUSE COMMUNICATIONS

HSE. COMM. 16-54: (6/17/08) From Representative Stanley Torres requesting for an executive session to call for an oversight hearing of the Attorney General.

Representative Hofschneider: Mr. Speaker, I heard over the weekend that the Governor has in fact executed a contract for emergency power. Do we have any other information as to the details of that?

Speaker Arnold Palacios: We are going to get to that under House Communications. The Governor requested the Presiding Officers of the Legislature to have a meeting with him at 1:30 on Friday regarding the power situation. I invited the Chairman of the Committee on PUTC and the Vice Speaker to this meeting. It was also attended by the President of the Senate and Senator Frica Pangelinan. Also present in that meeting were two of the PUC members, Mr. Antonio Muna, Executive Director of CUC, and a senior staff of CUC as well as the Governor. The main issue of that meeting was to talk about the bridge power generation. I will now defer and have the Chairman of PUTC elaborate more on the meeting. Representative Hocog, recognized.

Representative Hocog: Thank you, Mr. Speaker. For the information of the members and as the Speaker provided the names of who were present, I would also recognize the presence of Representative Santos. She was with us at that time. The Governor responded to two emergency RFP in providing emergency power generation for the island of Saipan in which Aggreko International Ltd., was selected to provide the emergency needs on the power generation. When the Governor and CUC elected to get one fifteen-megawatt generator to assist in providing the entire island from experiencing brownouts. In this selection, I would like to further inform the members that Aggreko was selected as the company because of the lowest offer that it will charge CUC in getting this power source to provide the community at the rate of five cents per kilowatt hour. Aggreko will provide the necessary manpower, lube oil, and maintenance of this generation throughout the one year contract period at the rate of five hundred four thousand dollars in monthly payments. Aggreko is requesting to get a \$1.5 million as a form of advance for the year and will translate the total lease amount to six million forty-eight thousand dollars in one year. Also in the contract, Mr. Speaker, the company will ship the generators. It will take them twenty-six days to ship the generators to Saipan and an additional ten days for installation that will be on line or on the grid within a total of thirty-six days. So if and should the contract be -- as a matter of fact, the Governor has elected to sign the contract with Aggreko. The Governor is asking the legislature to look into a source to get that advance and get the contract moving address our power problem. So that is the meat of the meeting on Thursday. I would like to ask the Vice Speaker to add on if I missed any of the presentation.

Speaker Arnold Palacios: Thank you, Representative Hocog. Let me add on to that. I have a copy of the summary of the presentation and I believe is public document and I will avail the members a copy before the end of today's session. Basically, it is a contract to provide temporary power while the main power plants are undergoing repairs. That is the whole gist. The details are in the contract. The main point that was brought up by one of the PUC board members is there is a provision in P.L. 15-35 which basically instructs CUC that the contract executed by CUC which may have the final effect of increasing the rate needs to be approved by Public Utilities Commission. So it was assured by Mr. Muna that the execution and implementation of this project will not translate into a rate increase to the consumers. He still needs to prove that to the Commission.

Representative Reyes: Mr. Speaker, has money been identified for the payment of this contract? Number two, are we looking at a possible reduction in rate versus what we pay now if and when the system is up and running?

Vice Speaker Deleon Guerrero: I think the Governor's were the Secretary of Finance is currently looking for the funds for this. I think one of the reasons the Speaker and the Senate President were asked to be briefed was to assist in the identification and perhaps appropriation of funding. What was the second question?

Representative Reyes: Are we going to be realizing a reduction in the rates versus what we pay now or would it be pretty much the same.

Vice Speaker Deleon Guerrero: As the Speaker mentioned, the executive director did point out that the effect of this to the rate payers is that it is rate neutral, meaning the rates will not be raised nor will it go down. The efficiency of the engines that are going to be used is comparable to one of our more efficient engines. There are really two purposes for this temporary power. The first purpose is to provide the needed demand. Right now we have load shedding because we cannot meet the demand. So the first purpose is to provide that demands so that there will be no more load shedding. The second reason is the contract is for one year with the option to extend for another six months, and that is to allow the contracts currently going on for rehabilitation and overhauls to take place to allow these engines to go offline to do the preventive maintenance that is really needed. And as the Speaker said, it is rate neutral. The rates will not increase or decrease. We are being charged \$.05 cents per kilowatt hour. There is a contract for ten megawatts with a possibility for up to fifteen megawatts depending on what we would need.

Representative Reyes: I just need to know -- the rate we will be getting for five cents per kilowatt hour and will not increase or decrease -- what I am concern of is would we still be charged fuel surcharge even though we have an efficient engine. Probably that is one avenue of recovering costs or getting the money, because if we are going to continue paying thirty-eight cents per kilowatt hour and the power generation is going to cost us less because the engine is much more efficient, what will happen to the fuel surcharge. I stand to be corrected the fuel surcharge right now is we are paying an exorbitant for fuel.

Speaker Arnold Palacios: The contract calls for five cents per kilowatt hour to be sold to the government at a base of five hundred and four thousand dollars a month, inclusive of the operations, maintenance, and lube. On top of that we will also be paying or be providing the fuel for those engines.

Representative Hofschneider: How was the RFP conducted? Was it through emergency procurement, or was it a regular RFP?

Speaker Arnold Palacios: I believe it was a regular RFP that the previous executive director had let out earlier this year to provide for a bridge power generation while CUC undergoes the rehabilitation. But, they did not award the RFP. Apparently there were three firms that responded to that RFP then. It is my understanding in asking the present executive director was that they went back, took a look at that RFP and asked the proposers of the original RFP to update their proposals.

Representative Hofschneider: Mr. Speaker, it is either yes or no. We need to clarify that. Signing a contract without identification of funding is illegal. Two, if the RFP was procured through a declaration of emergency, then it supersedes the procurement regulations. But, if not then it is an illegal contract that we have signed. Be it as it may, I think we need to have that answered clearly -- whether the RFP was conducted under the umbrella of a declaration of emergency or in the normal

process of CUC procurement. It makes a huge difference when signing a contract, particularly when sole sourcing.

Speaker Arnold Palacios: You are correct.

Vice Speaker Deleon Guerrero: I just wanted to clarify, Mr. Speaker. I believe it was in 2006 that a regular RFP was issued. There were three bidders and that was never acted on. Recently, they decided to act on that. As the Speaker mentioned, they did go back and checked the three bidders to see if their proposal were still the same or valid or should be changed. Two out of the three did respond. There was another company that did not get the bid that was offering it at eight cents per kilowatt hour, and Aggreko was selected. If the question is, did they do it this time through an emergency declaration, I do not think we asked that question and I do not think they informed us. From what we heard, it sounded as if the RFP that had gone through the process but now it is updated and a selection was made.

Representative Hofschneider: It makes it even more complicated, Mr. Speaker, because all contracts have a clause where responsiveness is an issue to both parties the bidder and the government. Responsiveness is what dictates the timetable. So if it is true that the RFP went out in 2006, then that should have been scrapped because it is non-responsive. You cannot **kite** a selection process for two years. That is in the regulations. The other I would like to point out is, are we getting medium speed or high speed engines that Aggreko because I want to add on to Representative Reyes' comments in seeing an increase or decrease. It makes a big difference if the temporary power we procured is a high speed engine and therefore, we will not anticipate any savings because the rate of consumption on high speed engines will almost be equal to Power Plant 4. If it is a medium speed, then we will see reflective cost savings. That would reflect in fact on the thirty percent inefficiency that we have in Power Plant 4. If you are procuring efficient engines running at ninety-two percent efficiency, it is in fact a real cost savings to a tune of roughly thirty percent in terms of fuel consumption and that should be reflective in the consumers' reduction in kilowatt hour by either ten percent or twenty percent. But you cannot save and keep when you have procured through this emergency power provider an efficient engine and you have a savings on the consumers end because you are not burning the same of fuel because of inefficient engines in Power Plant 4 for example. Then it should reflect that in the consumer's price on kilowatt hour but then that may be all thrown out in terms of argument if we procured high speed engines versus medium speed.

Speaker Arnold Palacios: I am having the contract copied so those details should be in those contracts.

Representative Benavente: Mr. Speaker, if I may ask -- how many megawatts is the Aggreko company going to be providing?

Speaker Arnold Palacios: Approximately fifteen. They actually have ten with an option for fifteen, but it is my understanding that they are going to opt for fifteen megawatts.

Representative Benavente: Our current demands are about forty megawatts or let us say, forty-five. That is one third of the total what the total demand is, so I am not sure how much change that will have as far as rate is concern. When you talk about the five hundred and four thousand dollars a month base, is a minimum purchase or is that on top of the five cents per kilowatt hour?

Speaker Arnold Palacios: That is the minimum purchase.

Representative Benavente: So the minimum monthly is five hundred and four thousands and if we get more then we pay more?

Vice Speaker Deleon Guerrero: It is really based on a calculation of fifteen megawatts of power that we buy. If they provide fifteen megawatts to us, we buy it, the calculation for a 28 day period will equal the amount that the Speaker said. It is really five cents per kilowatt hours times whatever we use up to fifteen. So it is not necessarily that full amount. Representative Hofschneider pointed out an issue about efficiency. As I understand it, the most inefficient engines currently generating power for the Commonwealth are at Power Plant 2, not Power Plant 4. Power Plant 2 is producing approximately 12 kilowatt hours per gallon. That is the briefing we were given. The most efficient engines that we have in Power Plant 1 are producing 14.5 kilowatt hours per gallon. This temporary power will produce 13.5. So it is not as efficient as our most efficient engine, but it is more efficient than our most inefficient engine.

Representative Benavente: Did you mention that it would be one 15 megawatt generation or --?

Speaker Arnold Palacios: Fifteen units of one megawatt. So these are temporary generators that they are going to put on in a series.

Representative Benavente: That explains then the differences between efficiency of one 15 versus 15 one. Thank you.

Vice Speaker Deleon Guerrero: And for the members' information and you will read it, they do not provide permanent power. They only provide strictly for temporary power. There engines come in twenty-foot container modules, and depending on how many. That is why they can have it mobilized and have it operational within such a short period. I believe after an NTP is issued, they can have their units there in 26 days. They can have it hooked up and operational ten days after that. So in roughly 36 days after an NTP we can have fifteen more megawatts.

Speaker Arnold Palacios: Representative Hofschneider, on the question of certification of funds, I think you have the contract in front of you. Apparently financial officers have made those certifications in that contract.

Representative Hofschneider: I beg to differ, Mr. Speaker. These officers may have signed contract in the absence of identified funding for it.

Speaker Arnold Palacios: Of course, but that is at their own risk. Let us take a short recess.

The House recessed at 10:33 a.m.

RECESS

The House reconvened at 10:40 a.m.

Speaker Arnold Palacios: We are back in session and I recognize Representative Reyes.

Representative Reyes: I just want know, Mr. Speaker, are these engines run by diesel or what not? I see under item 7 that CUC would provide both diesel and water. I am just curious whether it would

jeopardize in any way the fuel contract with Mobil but I guess not because CUC will still be providing the diesel and the water. I was just concern about the contract with Mobil and the supply of diesel. So I guess it will not be affected at all. Thank you.

Speaker Arnold Palacios: Let me ask Representative Hocog to provide additional clarification or answer some of the questions.

Representative Hocog: Thank you, Mr. Speaker. For the information of the members, the savings from Aggreko providing the lube oil, CUC will stand to realize about seven hundred some thousand dollars on the annual duration of the contract. So CUC will provide the diesel and water, but again CUC will realize about seven hundred seventy-eight thousand a year. So there is the savings. CUC must provide the site before the engines are shipped, which is also a condition that will put this power source on the grid almost immediately upon the arrival for installation. Thank you.

Speaker Arnold Palacios: I recognize Representative Salas.

Representative Salas: Thank you, Mr. Speaker. During your meeting with the Governor was there any mention of the rehabilitation of the engines whether it is on track? I ask this question because if I am not mistaken I understand that two engines were supposed to be online at the end of the month. And I believe at the Governor's State of the Commonwealth Address, he indicated that by November we are not going to be having this problem. So, is there a problem with that?

Speaker Arnold Palacios: Even as far back as 2006, for some reason I do not know why CUC decided to hold off on executing this purchase for temporary power generation. As it is now, with the Power Plant 1 engines breaking down one by one and then the contractor and the power plant employees try to play catch up in providing power to our island. The actual maintenance and overhauling of some of these engines was not possible without the standby power generation that they have now executed. In fact it is my belief that they should have done this before they sign a contract to go into preventive maintenance and overhaul of our existing engines at the power plant. But, we are halfway into the game and we are going back step one.

Representative Salas: So their comment about having two generators going online at the end of the month then is not going to be realized?

Speaker Arnold Palacios: It is a fact and we asked this of the executive director and there are only three generators running at Power Plant 1. Two weeks ago there were four, maybe five, engine #8 is down. So, to answer your question, no, we have gone backwards. That is a fact and you can verify that. We are down to three engines at Power Plant 1.

Vice Speaker Deleon Guerrero: The Speaker is totally correct. The right way to do the rehabilitation contract would be to have this contract as well to provide the demand so that engines can be taken offline one by one. The contractor DCM, first of all, has a parts and labor contract. And what has been happening is as they have working with one engine doing the rehabilitation another engine would fall offline. They would be asked by CUC to stop, go over and correct and fix the other engines, sometimes using parts that were designated for what they were working on. So it has been hampering the rehabilitation of these engines. Something else has come out of this that I would like to point out, Mr. Speaker. Because sometimes they work halfway through the rehabilitation and then asked to work on something else, DCM wanted to charge for their halfway work in a way saying that they completed half of their responsibility. CUC, primarily Tony Muna the executive director now

has revisited the contract with DCM saying now we are going to have the bridge power to provide the necessary demand, we want you to go back and complete everything from start to finish. So the request by the contractor DCM to get paid to what they have done so far has, to my understanding, not been approved. We want each engine to be worked on and not be stopped halfway and then re-worked on to complete the other half. Do you get where I am coming from?

Representative Hofschneider: Point of clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Hofschneider: Is this documented?

Vice Speaker Deleon Guerrero: I am sorry --?

Representative Hofschneider: Are the things you are saying about the contract and what is happening documented?

Vice Speaker Deleon Guerrero: I believe that the contractor DCM has submitted request for payments.

Representative Hofschneider: No, has CUC documented what you just said?

Speaker Arnold Palacios: That is exactly what the CUC Executive Director stated to us, inclusive of the PUC Chair being present. That is exactly what he said. That is what is happening.

Vice Speaker Deleon Guerrero: Just so the members know, CUC has issued a notice of default also to DCM because I believe they came in with the labor but without all of the parts. So there is a notice of default that has been issued by DCM.

Speaker Arnold Palacios: I provided a copy of the contract and some of the specifications. If there are additional questions you are certainly welcome to perhaps bring it to the attention of the Chair. It is kind of perplexed. Even the Senate President and Senator Pangelinan were kind of perplexed about this issue because the contract was already executed. Our question was -- so, where can we help? It was not really clarified to be quite honest with you in where the legislature can step in and assist.

Representative Benavente: Mr. Speaker, I just wish to reiterate Representative Hofschneider's concern and that is how this contract was executed whether the old RFP was still alive and they issued it through that or through a declaration of emergency and sole sourcing, and that is just to make sure that the laws are followed in procuring this contract. I am in not way trying to find ways to object to this because as you pointed out -- your first statement was -- how can we help, because our community does need the help. There are some questions and concerns that I have and I just hope that the laws are followed in procuring this contract. Thank you.

Representative Hocog: Mr. Speaker, I was about to mention that I understand the concern of the other members as well as the team that met with the Governor to discuss this emergency power generation contract. We were also surprised to find out that the contract has already been signed. However, I would like to ask the members to seriously consider the urgency of this both to our constituent that are not only experiencing high cost of electrical charges, but also have been

experiencing a lot of brownouts during the week. I urge members that if there is anything that we can assist whatever mistakes that the Administration incurred as a result of this emergency that we jointly sit down and fork out a decision that will memorialize such action if there is any. I believe the Governor has asked the Secretary of Finance to work on a funding source within the Administration. But if the need arise that the Legislature needs to correct a mistake, I urge the members to extend their support for the sake of our constituents and agencies requiring 24/7 power services. Thank you.

Speaker Arnold Palacios: Those are very legitimate concerns raised. There is no question about it. We want to make sure that the contracts are done legally. I specifically mentioned to the Governor that in no way will the Legislature hamper this effort, but I just hope that when the contracted was executed that it was executed with in the confines of the necessary statutes. I will instruct the legal counsel and the Chairman of the Committee on Public Utilities, Transportation and Communications to look into the timeline of the RPF versus the execution, and if there is any anomaly to report to the chair.

Representative Hofschneider: May I also include in the request to also look at page 9 of the contract. As the Chairman of PUTC and the Vice Speaker pointed out, everyone made clear that 26 days is the selling time for shipping and getting it on island, and an addition of 10 days to get it on line. If you look at section 9.2.2 “that Aggreko is incapable of delivering 10MW of power, for reason directly attributable to Aggreko, for a period of 60 days.” That is too long. When you are procuring power, you should have excess on hand.

Vice Speaker Deleon Guerrero: I am sorry, I think I misunderstood that point that he was trying to make. Your concern is 60 days is too long of a period.

Representative Hofschneider: Under that clause, it means that Aggreko for any reason for termination of a contract is incapable of producing 10 megawatts that they have 60 days to consider them terminating. Sixty days, in the middle of a total refurbishment or overhauling of the main power plant, to go on without power is unreasonable.

Speaker Arnold Palacios: Legal counsel, please take a look at those considerations.

Vice Speaker Deleon Guerrero: Clarification, Mr. Speaker, if I understand his concern correctly I believe that this means that they are required to provide no less than ten megawatts of power and if they cannot provide ten megawatts of power over a sixty-day period, CUC can ten terminate the contract if it is not corrected within sixty days.

Representative Hofschneider: My point, Mr. Speaker, in the legal sense is that clause, if what has been said that it takes a total of 36 six days to get everything online, why does it take 60 days (Recording interrupted)

(A portion of the session proceeding was not recorded. The recording began when the Speaker called the House to reconvened from a brief recess)

The House recessed at 11:04 a.m.

RECESS

The House reconvened at 11:12 a.m.

Speaker Arnold Palacios: We are back to our session. With all these discussion, I forgot to recognize the presence of Representative Stanley Torres. I now recognize him.

Representative Stanley Torres: Thank you, Mr. Speaker. Just to go back to the recommendation of this contract to be reviewed by the legal counsel, I am fully supportive of it because if you look at page 14 of the contract, the signatories of the contract, it tells you that the Attorney General did not really review this seriously. If you look at that page, on the top of the name of the Assistant Attorney General -- first the date is above his name and he signed his name on the date line, then turned around and scratched the date. So it tells you the product of this contract. It says: This contract has been reviewed and is approved for routing. Mr. Welch was probably still in a haze status that morning. I am more confident with our House legal counsel at the present time.

Speaker Arnold Palacios: Legal Counsel, in the process of your review, can you just take a look at that anomaly. I think we have discussed and members have raised concerns about this particular contract, notwithstanding any of the concerns that we have of providing at least temporary power generation while we undergo the overhaul of the main power plant, some of those concerns are very legitimate and needs to be looked at. So I have instructed the legal counsel and the Chair of PUTC to the maximum extent possible provide answers and legal opinions of those questions that were raised. We need to move on beyond our House communications this morning. I recognize Representative Babauta.

Representative Babauta: Thank you, Mr. Speaker. You have just answered my concern. I expect the Chair to work with the counsel and hopefully give the members a chance to reassess the provisions of this contract. I have some concerns in some parts of this contract.

Speaker Arnold Palacios: And in your review, if there are concerns that you have, please raise them up with the legal counsel or with the PUTC Chairman so that we can go on.

Representative Babauta: Thank you, Mr. Speaker.

Speaker Arnold Palacios: I now recognize Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. Just in browsing through this contract, I personally feel that this contract is one-sided. There are really not much safeguard for CUC. I ask that the legal counsel thoroughly review it. In addition to that, I encourage CUC to look into it because we might have an efficient engine that is going to be in place but at the same time we are going to have a lot of line losses from the grid. Perhaps, CUC can address that and wash them down so that we do not have that much loss from the lines. Last but not least, I like the intent. I am for this. We need something because we have nothing right not, but I would like to remind everybody that we are lawmakers. We are not law breakers. I think that is important for us to understand. Thank you.

Speaker Arnold Palacios: Thank you. Let me put this to rest. The Chairman of PUTC and the legal counsel are asked to look into this particular contract and be open to some of the questions by the members. I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. At just a quick glance at this contract, I am noting quite a few expenses that will be assumed by CUC including duties, taxes, levies, licenses, used oil disposal, fuel, fuel storage, potable water, and if I heard you correctly, you said that the executive

director of CUC will be reporting to the PUC and that this contract will not result in an increase in electric utility rates. I am wondering if he indicated when that report will be available.

Speaker Arnold Palacios: Before this contract could actually take effect, they would first have to pay for the \$1.5 million. That is the trigger. Then it is the obligation and responsibility to CUC in justifying to PUC -- because if there is an increase in the rates because of this contract or any other contract, PUC has to approved that contract. PUC has not approved this contract. As what the Vice Speaker said, it is rate neutral. That means the rate will not go up as a result of this contract and that has to be justified to PUC. They are going to crunch the numbers because the members of the PUC Board were there and they specifically asked for the numerical justifications. I really want to wrap this up. I recognize the Chairman of PUTC.

Representative Hocog: Well, Mr. Speaker, you just answer the concern that I was about to explain regarding Representative Sablan's concern. This is only for one year and the contract payment has not been made. So the concern the members as you have assigned PUTC and the legal counsel, I will ascertain that they will get what they are looking for. I will sit down with the legal counsel and perhaps the Attorney General but I am going to air that the House members have certain concerns regarding the drafting of this contract. The important concern of whether payment has been made, or not, is yet to be known. So I will come back with a report to the members.

Vice Speaker Deleon Guerrero: Mr. Speaker, going back to Representative Hofschneider's concern about the 60 days if they are not able to provide 10 megawatts, there is a penalty provision in section 4.2 that says that if they do not provide the guaranteed weekly output that they be penalized the five cents per kilowatt house times 1.5. So there is a price penalty that they will be assessed if they do not meet the demand. I just wanted to share that.

Representative Hofschneider: Just to clarify, I think that the contract will deal with whatever inability under the terms. My reservation as the contract is written is the hardship. Let us say that for the next three months that they are in operation and Power Plant 1 is shutdown for continued rehabilitation. And for some odd reason, they cannot produce ten megawatts. We are left we no backup, only Power Plant 4 and whatever is being pumped out of Power Plant 1. My point is that there has to be a safeguard in the event that they also have backup on their own, and it is not written in the contract. It is when you shutdown Power Plant 4 because you have this back emergency power purchase and they cannot perform under that terms. What is good is going after them monetarily if the hardship is to shutdown the entire island. That is my point. Sixty days is too long.

Speaker Arnold Palacios: That is a very valid concern. If you look at some of the specs on the attachments, under a ten megawatt contract, they are required to have up to three additional capacities. Under a fifteen megawatt, they have to have eighteen. They have that leeway, but that is a concern that really needs to be looked at by the PUTC Chair and the legal counsel.

Vice Speaker Deleon Guerrero: Again, to address Representative Hofschneider's concern when CUC looked at what would be needed in terms of temporary power and they computed with the demand, they only went with a ten megawatt contract. That was really all the additional supply that they decided was needed. However, as the Speaker had mentioned, we are going with fifteen, so they added on an additional five megawatts. So we are getting fifteen. The calculation was ten, was for what would be needed, and so a contract was signed for ten megawatts, but we are going with fifteen. So there is the additional capacity, plus what the Speaker had mentioned.

Speaker Arnold Palacios: We will move on and allow for the Chairman of PUTC and the legal counsel to further look into the concerns raised. We move on to the next item.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

NONE

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT./AGCY. COMM. 16-31: (6/13/08) From CPA Acting Executive Director Lee Cabrera submitting the second Interim Bond Indenture Compliance Report.

There was no discussion under this item.

OTHER COMMUNICATIONS

NONE

REPORTS OF STANDING COMMITTEES

S. C. R. NO. 16-26: Reporting on **H. B. NO. 16-19**, entitled, "To Amend 8 CMC § 1402, and for other purposes." *Your Committee on Judiciary and Governmental Operations recommends passage of the bill with amendments.*

S. C. R. NO. 16-27: Reporting on **S. B. NO. 16-13, SD3**, entitled, "To forbear, in certain instances, the collection of the educational financial assistance liability of returning college students who cannot find employment with the Commonwealth due to budgetary limitations or because a position is filled by a foreign national worker; and for other purposes." *Your Committee on Health, Education, and Welfare recommends passage of the bill as substituted by the Committee.*

S. C. R. NO. 16-28: Reporting on **H. J. R. NO. 16-3**, entitled, "To put the question of calling a Constitutional Convention before the voters of the Commonwealth of the Northern Mariana Islands." *Your Committee on Judiciary and Governmental Operations recommends adoption of the joint resolution in its present form.*

Speaker Arnold Palacios: I would like to skip this item for now and go on to Resolution Calendar, if there is no objection. As I stated earlier, I would like to adopt the resolution for UMDA because we would like to present it this afternoon.

There was no objection from the Floor.

Representative Stanley Torres: Mr. Speaker, with the indulgence of the members, can we go back to Introduction of bills.

Speaker Arnold Palacios: We go back to Introduction of Bills.

INTRODUCTION OF BILLS

H. B. NO. 16-124: A Bill for an Act to create the Second Marianas Political Status Commission; to reexamine whether the people desire continuing in a "commonwealth" relationship with the United States pursuant to the terms of the Covenant is in their best interest, or whether some other political status will better enable them to fulfill their aspirations of full and meaningful self-government; and for other purposes.

Offered by: Rep. Stanley T. McGinnis Torres

Referred to: Committee on Judiciary and Governmental Operations

Speaker Arnold Palacios: We will not proceed to the Resolution Calendar.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

NONE

UNFINISHED BUSINESS

NONE

RESOLUTION CALENDAR

Speaker Arnold Palacios: I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion for the adoption of H. R. NO. 16-37 reference to UMDA.

The motion was seconded.

H. R. NO. 16-37: A HOUSE RESOLUTION RECOGNIZING AND COMMENDING THE UNITED MICRONESIA DEVELOPMENT ASSOCIATION FOR ITS CONTRIBUTIONS, COMMITMENT, AND INVESTMENTS IN THE ISLAND NATIONS AND COMMUNITIES OF MICRONESIA ESPECIALLY THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

There was no discussion, the motion to adopt H. R. NO. 16-37 was carried by voice vote.

Speaker Arnold Palacios: The motion carries. I recognize the Floor Leader.

Floor Leader Camacho: Thank you again, Mr. Speaker. A motion for the adoption of H. J. R. NO. 16-7 reference to building a federal court house.

The motion was seconded.

H. J. R. NO. 16-7: A House Joint Resolution to request that the U.S. Department of Justice appoint a U.S. Attorney, U.S. Marshal, and Probation Officer to the Commonwealth of the Northern Mariana Islands ("CNMI") and to request construction of a new federal courthouse in the CNMI.

Speaker Arnold Palacios: Under discussion, I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. Briefly, could I request that the author of the resolution give us some background as to why we are taking this step to request a US Attorney, a US Marshal and a US probation officer.

Floor Leader Camacho: Thank you, Mr. Speaker. For a long time, we have had offices out of Guam in regards to the US Attorney, US Marshal and US Probation Officer. They have a main office in Guam and they detail perhaps one or two persons to handle the caseloads here in the CNMI. For every other jurisdiction, for example, you would never have a US Attorney's Office out of California and detail people to Arizona or Nevada for that matter. We are the only jurisdiction that does not have our own US Attorney, US Marshal and US Probation Officer. To add to that, Judge Munson and his staff have long worked on building a federal courthouse here in the CNMI. If you go to Guam and drive around Marine Drive there is a big federal building, it is called the U.S. District of the Territory of Guam. We do not have one here. Our federal courthouse is basically a tenant out of Horiguchi Building. The resolution is basically asking the US Department of Justice to assign officers here who can pursue cases, handle cases that are germane here in the CNMI. Studies have been done into building of the courthouse, and it would inject about \$20 to \$30 million of money into the CNMI economy. Thank you, Mr. Speaker.

Representative Sablan: I thought that we have a US Attorney's Officer here already? But there is just no US Attorney stationed here, is that --?

Floor Leader Camacho: That is correct, Representative Sablan. They have people assigned to Guam that are detailed here to handle cases here in the CNMI, and that we do not have our own office of the US Attorney assigned to the jurisdiction of the CNMI.

Representative Sablan: It is just interesting that this joint resolution would follow the introduction of a bill to create a new political status commission reconsidering our relationship with the United States. I just wanted to say that.

Speaker Arnold Palacios: Interesting how each member's prerogative is exercised, right? Thank you. Are you ready for the question?

There was no further discussion and the motion to adopt H. J. R. NO. 16-7 was carried by voice vote.

Speaker Arnold Palacios: The motion carries and H. J. R. NO. 16-7 is hereby adopted by the House.

Floor Leader Camacho: Mr. Speaker, a motion to adopt H. COMM. RES. NO. 16-3.

The motion was seconded.

H. COMM. RES. NO. 16-3: A HOUSE COMMEMORATIVE RESOLUTION HONORING AND COMMENDING MS. CHRISTINE DELA CRUZ TORRES FOR HER EXEMPLARY PERFORMANCE AND GRADUATING FROM THE UNITED STATES COAST GUARD ACADEMY AND FOR RECEIVING HER COMMISSION AS AN ENSIGN IN THE UNITED STATES COAST GUARD.

There was no discussion and the motion to adopt H. COMM. RES. NO. 16-3 was carried by voice vote.

Speaker Arnold Palacios: H. COMM. RES. NO. 16-3 is hereby adopted by the House. I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to adopt H. R. NO. 16-36 reference to alien pests and insects into the Commonwealth.

The motion was seconded.

H. R. NO. 16-36: A HOUSE RESOLUTION RESPECTFULLY REQUESTING THE DIRECTOR OF QUARANTINE TO LOOK INTO THE MATTER OF ALIEN PESTS AND INSECTS INVADING THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS THROUGH OUR PORTS OF ENTRY.

Speaker Arnold Palacios: I recognize Representative Sablan under discussion of the motion.

Representative Sablan: Thank you, Mr. Speaker. I am concern about certain things. One is the necessity of passing this particular expression of the House. It is not clear to me that the Division of Quarantine is not in fact doing their job and inspecting containers as they come in. I am also concern about the language of the resolution. Some seems rather inappropriate. I am particularly referencing lines -- well, beginning from the top, but particularly from lines 9 through 17. I do not know that that particular container was permitted by coercion. I am not familiar with I suppose the background of this particular case. That particular whereas clause on line 14 is in the first person and I do not know whether that would be appropriate an expression of the House. Those are my concerns for now and I am just wondering if the Committee on Natural Resources has had a chance to review this and if the chairman would have any comment about that.

Speaker Arnold Palacios: Before I recognize the chairman, I recognize Representative Santos.

Representative Santos: Mr. Speaker, on the same note as Representative Sablan, you know, these are pure accusations, and they are unsubstantiated. There are not supporting documents. This is a sentiment of the House of Representatives and I am begging this body -- let us bring back the integrity of a lawmaking body.

Speaker Arnold Palacios: Do you want to make recommendations in terms of amendments?

Representative Santos: In terms of getting rid of this resolution from the calendar. It is unnecessary. It is unfair. It is unjustifiable. It is targeting a specific person. It is targeting a specific country. It is not supported. This is ridiculous, you know. I am sick of this. This is not the job of a legislator. You are mocking -- this is a mockery of legislative function.

Speaker Arnold Palacios: Representative Santos, I get your point. Let me ask the author to provide some justification.

Representative Stanley Torres: I do not see the need that I say something. I think everybody is intellect enough to read and understand the simple English that the Attorney General at one time in 2006 went down to the Customs Office at the Seaport and demanded that his wife's or girlfriend's container that arrived from Thailand be unloaded, that his girlfriend or wife be helped go through the container, demanding that he is the Attorney General of the CNMI. Baloney. He should or his wife or girlfriend should hire hired hand to come down and dismantle the container and let the inspecting officials go through the process. But he changed his mind and managed to get this container to his

premises and had the container opened there later to be found that it contained cockroaches and spiders from Thailand. And you say that this is a direct attack to the person. I can do that, anybody can do that, but since he is the most powerful person in the CNMI -- I tell you, the Attorney General could be more powerful than the Governor himself. If you do not know that, then maybe you can start --

Speaker Arnold Palacios: Hold on. I believe there are very strong sentiments about this resolution, but let us try to express ourselves in decorum and level-headedness. I ask that you consider that and deliberate on that note. Representative Santos, you still have the floor.

Representative Santos: Mr. Speaker, it is very interesting that you say, you mention decorum and all that when I speak. You have other members here who speak for twenty minutes and you do not say a word!

Speaker Arnold Palacios: Representative Santos, you are out of order. You certainly have the chance to rebut the author about the resolution --

Representative Santos: And then you cut me off.

Speaker Arnold Palacios: ...but, Representative Santos -- short recess.

The House recessed at 11:35 a.m.

RECESS

The House reconvened at 11:36 a.m.

Speaker Arnold Palacios: We are back to our session. I recognize Representative Santos.

Representative Santos: Mr. Speaker, I want to take this time to apologize to everyone for the outburst. I have been very patient and unfortunately I cracked today in the Chamber and I apologize to every one and the House for that.

Speaker Arnold Palacios: Thank you, your apology is accepted. We now move on. Floor Leader, the Chair is going to ask that this resolution be withdrawn from adoption and come back another day to discuss this. Perhaps I asked that it also be looked at by the Committee on Natural Resources. This is a quarantine issues and we should bring in our quarantine officers as well as the Secretary of the Department of Lands and Natural Resources. I recognize Representative Hocog.

Representative Hocog: In furtherance, Mr. Speaker, I believe the resolution contains merits and I would ask the author of the resolution to work accordingly with the chairman of the committee to provide a more democratic choice of words being expressed in this resolution. I guess the resolution has do with concerns other than the choice of word that is expressed in this resolution. I ask that the author be amenable to work with the chairman to change those words.

Speaker Arnold Palacios: I recognize Representative Tebuteb, Chairman of the Committee on Natural Resources.

Representative Tebuteb: Thank you, Mr. Speaker. Yes, we will approach this democratically, maybe not only democratically, it will be given the full attention that the committee so desires to.

Speaker Arnold Palacios: I now recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, from the input of the members, I withdraw the motion for adoption at this time if there is no objection.

Several members voiced "no objection."

Speaker Arnold Palacios: There being no objection, the motion to adopt is hereby withdrawn and H. R. NO. 16-36 is hereby referred to the Committee on Natural Resources. I recognize the Floor Leader.

Floor Leader Camacho: Mr. Speaker, a motion for the adoption of H. R. NO. 16-27 reference to the stimulus package.

The motion was seconded.

H. R. NO. 16-27: A HOUSE RESOLUTION TO EXPRESS SINCERE APPRECIATION TO THE US PRESIDENT GEORGE W. BUSH FOR EXPEDITIOUSLY SIGNING H.R. 5140, THE ECONOMIC STIMULUS ACT OF 2008.

Speaker Arnold Palacios: I recognize Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker, before we adopt this we need to get a hard number on the \$16.1 million. I know it was cited a couple of times, but I have received some information that it may actually be slightly different. Since this resolution will be going to the desk of the President of the United States, I think it behooves this body to make sure that everything in here is accurate to the best of our knowledge and that we send it out.

Representative Hocog: Mr. Speaker, if the good Chairman of Ways and Means has the traditional information to provide flowery expression through this resolution, I ask for his indulgence to provide the House of what he has that is absent in this resolution. Thank you.

Speaker Arnold Palacios: Any further discussion? Representative Sablan, recognized.

Representative Sablan: I would agree with Representative Yumul's concerns. We should make sure that the information is accurate and if the information is not presently available, then perhaps we could wait before we vote so that we can include that information at another time when it is confirmed.

Speaker Arnold Palacios: Is the author here? I recognize Representative Babauta.

Representative Babauta: If I recall the Administration, primarily the Department of Finance came out with this figure of \$16.1 million. Whether there are cents added to it, that we do not know. I join the other members and hoping that the chairman of the Committee on Ways and Means is well-versed of how much we were allotted for that matter.

Speaker Arnold Palacios: Representative Babauta was referring to the chairman of Ways and Means in terms of the information on the resolution, perhaps, Representative Yumul, as Chairman can enlighten and clarify.

Representative Yumul: Mr. Speaker, I can do that but I would also like to ask if I can add the number of recipients. It really adds to the impact. I think it is really clear what the author of the resolution is trying to do which is to relay our gratitude because this is a huge positive impact to our economy and to the morale of the taxpayers that I think this document really needs to be enforced and that our sentiment is positive in that respect. So if there is no objection I can verify this information. Otherwise if the author is sure about this information, we can move forward.

Speaker Arnold Palacios: I recognize Representative Torres.

Representative Stanley Torres: Mr. Speaker, I think that the number is accurate. Even if it is less, the message is to express our appreciation to the President for that distinguished check. Although I know that not all of the taxpayers get \$600 each, I understand that the maximum is not to exceed six hundred dollars. I understand that many of our taxpayers did not get the \$600 from what the published figure was, but I think we should adopt this resolution today and send the message out to the President that we are happy. If the money is not disbursed in its entirety, maybe our very able Secretary of Finance has that money in an interest bearing account for the benefit of future projects. So, let us adopt the resolution.

Representative Babauta: Mr. Speaker, I do not think that the resolution would cause a lot of controversy. As Representative Stanley Torres alluded to, he is merely expressing our sincere appreciation on behalf of our people of the Commonwealth. The issue at hand of whether how many taxpayers will avail themselves, that changes on a daily basis, Mr. Speaker, because the fact that a certain number of batches are sent the IRS and the U.S. Treasury, those information are verified through their respective social security number. So in many cases, figures change and the number of recipients also change. I also understand that the Division of Revenue and Taxation through that specific law that grants the Commonwealth part of that stimulus aid are implementing the garnishment provision of that law. Meaning that if you are to receive six hundred dollars and you are a burn-out dad or mom for several months, the government will issue a separate check through the superior court for recipients of child support. So it changes, and it is very hard to get the exact number of how many are qualified and how many are indeed paid already.

Speaker Arnold Palacios: The author is here. Representative Palacios, some of the member raise concern that perhaps we need to take at the number, while others believe that we can go ahead and adopt this resolution as it is. What are your thoughts?

Representative Raymond Palacios: Actually, prior to introducing this resolution I did ask our legal counsel, Mr. Joe Bermudes, to look into that, and he come up with this number. Even as I speak, we debate, we argue in terms of where do we find the funds, this is free money from the President, I do not see any obstacle or any concern that we should be debating. The point is to recognize and give special thanks because the stimulus package really helped out the CNMI especially with our ailing economy. Yes, the number did come from our legal counsel, Mr. Joe Bermudes.

Representative Salas: I would like to add that there is reference to the word “approximately.” So it is an approximate, we are not really sure. It was mentioned three times in the resolution.

Speaker Arnold Palacios: Okay, we will now vote on the motion.

The motion to adopt H. R. NO. 16-27 was carried by voice vote.

Speaker Arnold Palacios: The motion is carried. H. R. NO. 16-27 is hereby adopted by the House. I recognize the Floor Leader for one more resolution.

Floor Leader Camacho: Mr. Speaker, a motion for adoption of H. J. R. NO. 16-6 reference to a special election on November 2008.

The motion was seconded.

H. J. R. NO. 16-6: A HOUSE JOINT RESOLUTION TO CALL A SPECIAL ELECTION ON NOVEMBER 4, 2008, TO RATIFY PROPOSED LEGISLATIVE AND POPULAR INITIATIVES PURSUANT TO 1 CMC § 6505 AND TO REQUEST THAT THE COMMONWEALTH ELECTION COMMISSION EXPEDITE THE SPECIAL ELECTION PROCESS.

Speaker Arnold Palacios: There is a motion on the Floor for the adoption of H. J. R. NO. 16-6. I recognize Representative Santos.

Representative Santos: Mr. Speaker, can we hold off on acting on this House Joint Resolution? A lot of the legislative initiatives are still in committees. Several committees have held public hearing and we have not had the opportunity to come back as a committee to discuss the comments and testimonies that have been submitted. It sort of preempts the committees' work on that note.

Speaker Arnold Palacios: There are indeed a lot of legislative initiatives on the table. I recognize Representative Hofschneider.

Representative Hofschneider: Thank you, Mr. Speaker. I completely understand the chairwoman's request, but there are also legislative initiatives out there that have nothing to do with the House's functions and those are by way of popular initiative. This resolution will allow them to be placed at the will of the people.

Representative Benavente: Mr. Speaker, I also understand the issue raised by Representative Santos, but this date, November 4, 2008, is actually an important date. We just passed a House Bill that will enable the election of our non-voting delegate member to the U.S. Congress on this date. So, passing a resolution and knowing that there are proposed popular initiatives being circulated at this time, will not necessarily make a problem for this date because it will be held anyways as a regular election for the purpose of electing our delegate to the U.S. Congress.

The Chair recognized Rep. Sablan.

Representative Sablan: Thank you, Mr. Speaker. I actually have no problem to declaring this upcoming election as a special election concurrent with the regular general election. For that reason, I am concerned about the "Whereas" clause on line 16 to line 18. I am worried that it may create some confusion if the legislature passes a law that declares this upcoming election as a regular general election and then we also adopt a House Joint Resolution saying that it is not. I do not see any conflict though if we go ahead and declare a special election that will occur at the same time as the regular general election, if that makes any sense, and perhaps our legal counsel could clarify that.

Speaker Arnold Palacios: I will allow the legal counsel to clarify that.

Legal Counsel Ian Catlett: Thank you, Mr. Speaker. The delegate bill that you just passed recently does define the delegate election as a regular general election. So this clause is in direct conflict with that, but the delegate bill would be superior to this anyway because this is just a resolution. The problem is that popular initiatives will still not be able to be voted on as a result of this joint resolution. Those are only at general elections. So, you need to either rely on the delegate bill language or do another bill to define that as a general election. This resolution will not allow for popular initiatives to be placed on the ballot.

Speaker Arnold Palacios: Is that clarified? Let me also add that for every initiative, at least the last initiatives that were passed by the 15th Legislature that were acted on the 2007 General Election. We had to scrape for funds to fund for the public education as required by law. I believe it cost close to \$50,000 for two legislative initiatives to be put on the ballot. So be mindful that when we do approve of initiatives to be put on the general election ballot, the House has to identify funding for this democratic exercise. Representative Benavente, recognized.

Representative Benavente: I thought that the counsel had expressed the fact that this resolution will actually not allow for a special election for those initiatives because this resolution talks about a special election. I do not see any reason the Senate will not pass and the Governor will not sign into law the enabling legislation to have this special election for our delegate. But if that should not happen, I think this resolution does come into play with regards to passing to popular initiatives or even the legislative initiatives that are being reviewed by the committees. So I wonder if the author is going to change this to say regular general election.

Speaker Arnold Palacios: I recognize Representative Hofschneider.

Representative Hofschneider: Mr. Speaker, that is why when we were acting on the delegate bill, I asked if we were going to pass this so that I do not have to amend and mess the delegate bill. Now, we are going back. But, for all intents and purposes, Mr. Speaker, and as Representative Benavente suggested and shared with us that he has no reasons currently that the Senate will not pass the delegate bill. So I am in agreement, and then I go back to what our legal counsel said that the bill will prevent this resolution from actually making the force and effect of law. But if not, then this would reign. So, I am open. We can hold off or file this resolution if we are willing to ask the Senate to include for this election only that we can be able to place popular initiatives at a minimum. Then I am okay.

Representative Benavente: Clarification, Mr. Speaker, and maybe the legal counsel can answer -- the law says that we can vote on this initiative on regular elections. So even if there is no language in the bill that we just passed, and it does create a regular election on November 4, 2008, then those initiatives can actually relate to the November 4th election as the Election Day, since it is a regular election and that those initiatives can in fact be voted on that date. Is that correct?

Speaker Arnold Palacios: Legal counsel, please respond.

Legal Counsel Ian Catlett: Thank you, Mr. Speaker. That is correct. By the bill that you passed that is now in the Senate will define November 4, 2008 as a regular general election. So therefore, automatically all popular and legislative initiatives will be considered. Whereas this resolution is actually a legal non-secutor because it says that you can consider popular initiatives on a special

election which by the Constitution you cannot. So all this resolution would have the effect of is allowing legislative initiatives to be considered at a special election to coincide with the delegate election.

Representative Benavente: Does the Constitution allow us through this resolution to declare a regular election for November 4th?

Legal Counsel Ian Catlett: No, you have to do that through law like in the delegate bill.

Speaker Arnold Palacios: Short recess.

The House recessed at

RECESS

The House reconvened at

Speaker Arnold Palacios: We are back to our session. I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. Pursuant to the discussion and debate, if there is no objection from the members, I withdraw my motion for adoption on H. J. R. NO. 16-6 and you can refer it to the respective committee.

There was no objection from the Floor.

Speaker Arnold Palacios: There being no objection, H. J. R. NO. 16-6 will be referred to the Committee on JGO. Thank you. I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. Since we have a presentation and the resolution needs to be enrolled, I move to recess till 1:30 p.m.

Speaker Arnold Palacios: Before I entertain that motion, the resolution has been enrolled. Would you like to entertain one or two more bills? What is the pleasure of the members? I recognize the Vice Speaker.

Vice Speaker Deleon Guerrero: (Statement inaudible - microphone off)

Speaker Arnold Palacios: The Governor is actually asking to meet with the presiding officers again today at 2:30 p.m. So we can come back at 1:00 p.m. at present the resolution to UMDA. So what is the sentiment -- should we recess and come back at 1:30 this afternoon? Floor Leader, recognized.

Floor Leader Camacho: Mr. Speaker, a motion to recess until 1:30 this afternoon.

The motion was seconded and carried by voice vote.

The House recessed at 11:38 a.m.

RECESS

The House reconvened at 1:31 p.m.

Speaker Arnold Palacios: We are back in session. Representative Tebuteb has some announcements to make about the Oceania Games. I recognize Representative Tebuteb.

Representative Tebuteb: Thank you, Mr. Speaker. Last night the Senate President hosted the athletes to a dinner and Saturday night was hosted by the House through the Office of the Speaker. So the schedule in front of you, this is to officially invite all the House members and I will also be extending this to the Senate members to join us for the opening ceremony that will be on this coming Wednesday. The parade of athletes will start at 5:30 p.m. which will begin at Carolinian Affairs Office. I would like to ask that you can either join the athletes or you can be at the American Memorial Park Amphitheater and we will just follow the motion as specified in the handout that I just distributed. Activities held on Saturday and ongoing today are what is called the grand prix one and two which are preludes to actual championships. The championship games begin on Thursday through Saturday. The games start at about one o'clock and the latest at about 8:00 p.m. So I would like to ask that you join us for the opening ceremony. There will be some entertainment after the remarks at the Hyatt Regency. That is where all the athletes, technical officials and the invited guests will be having dinner and as well as having other presentations.

Speaker Arnold Palacios: Are all the members of the House invited to these functions?

Representative Tebuteb: Yes, that is why I requested to do this now as an official invitation on behalf of the organizing committee and the Oceania Athletics Association.

Speaker Arnold Palacios: Representative Babauta.

Representative Babauta: I would like to congratulate the organizing committee chair, Representative Tebuteb. I have seen the development of the track and field for this event. However, I just notice some of the spotlights at my basketball courts in my villages are missing. I was just told that the chairman borrowed them, so I ask that the chair please return them.

Speaker Arnold Palacios: Do you remember back in the 15th Legislature when the then Minority Leader lent you lights from Precinct 3?

Representative Babauta: We repaid those two weeks ago to the Office of Representative Dela Cruz.

Speaker Arnold Palacios: All is well that ends well.

BILL CALENDAR

Speaker Arnold Palacios: Floor Leader, I just got word that the members of the UMDA Board of Directors are on their way, so maybe we can take up on one non-controversial bill.

Floor Leader Camacho: I am looking at the Calendar and hopefully this bill is not too controversial. I offer a motion to pass on First and Final Reading H. B. NO. 16-71, HS1.

The motion was seconded.

H. B. NO. 16-71, HS1: A BILL FOR AN ACT TO PROHIBIT THE SOLICITATION OF DONATIONS ALONG AND IN PUBLIC WAYS AND INTERSECTIONS; AND FOR OTHER PURPOSES. (SEE S. C. R. NO. 16-22)

Speaker Arnold Palacios: There is a motion on the Floor to pass H. B. NO. 16-71, House Substitute 1 and it has been seconded. I recognize Representative Hofschneider for discussion on the motion.

Representative Hofschneider: Thank you, Mr. Speaker. I think it is important to tell the public that this body is not in opposition to the intent and the practice of soliciting donations, but we are in fact very concern about the uncontrolled activity that goes on at intersections and main thoroughfares where heavy traffic happens to be uncoordinated and unsupervised. Kids often times, even though they are supervised, tend not to listen to adult's supervision. So this is the purpose of this bill -- to ensure that public safety of both pedestrians and those individuals soliciting donations and to safeguard the main thoroughfares from potentially catastrophic incidents from happening. Thank you.

The Chair recognized Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. I would also like to commend the author, Floor Leader Joe Camacho for introducing this legislation. Many times over in the last several years I would be so scared about somebody getting hurt at these intersections where young kids were allowed to solicit money. As Representative Hofschneider pointed out, we are not trying to stop the opportunity for people to solicit. There are hundreds of different ways to raise money. But, we really do need to support his legislation to stop the solicitation at those major intersections. Thank you.

Representative Babauta: Mr. Speaker, just to clarify from the author or the committee on Section 2. Does Section 2 cover the entire roads or public highways in the CNMI?

Floor Leader Camacho: (Inaudible - microphone off).

Representative Babauta: Primary and secondary? So that we are clear, this includes village roads?

Floor Leader Camacho: (Inaudible - microphone off).

Representative Babauta: Okay.

Floor Leader Camacho: Mr. Speaker, when I first draft the bill, the language that is used is "highway" which is clearly defined in the traffic code and is very different from roadways which can be referred to secondary roads, gravel roads, and things of that nature. So, highways tend to be what we consider to be the main roads here, such as Beach Road, Isa Drive, 16 Highway, 2-W Highway. So we can elaborate further if we can pull out the traffic code.

Representative Babauta: It is just that we want to be consistent.

Speaker Arnold Palacios: Let me recognize the Vice Speaker.

Vice Speaker Deleon Guerrero: Mr. Speaker, I believe we did touch of this bill briefly last session before you called for a recess. There was a question raised whether the Anti-loitering Act covered this activity and I just want to clarify that the specific law prohibits solicitation for commercial gain

and it will not apply in this case. I believe Representative Sablan was the one who raised that issue. So, this is in fact warranted to cover solicitation for non-commercial gain. Thank you.

Speaker Arnold Palacios: Representative Sablan, recognized.

Representative Sablan: Thank you, Mr. Speaker. Like the members who have already spoken, I do share the same concern for the safety of people who have been soliciting along public highways, but I do want to express my disagreement with one sentiment that has not been expressed and that is that we do not wish to discourage people from soliciting. I have notice that if our kids who are able bodied and healthy and are perfectly capable of having carwashes and bake sales, so I worry about the message that we are sending when we do allow them to basically beg for money along streets. So, I would like to thank the author of the bill for taking this step not just to protect our kids, but also to teach them the value of working for the money that they raised. One question that I do have is about the prohibition of soliciting within twenty-five feet of the centerline. I just want to ask -- I do not know what is the standard width is for streets, but for two lane public highways, is that an adequate number to project these kids.

Speaker Arnold Palacios: I think that is adequate.

Representative Sablan: But from within the shoulder, does that come out to five feet?

Representative Salas: It is only fifteen.

Representative Hofschneider: I think Federal Highway Regulations and standard is a hundred feet in width, and that is the main thoroughfare or primary road as defined. If we are talking about Beach Road, twenty-five feet therein would put you inside a pavilion. So if a car happens to meander inside the pavilion, then you have a case.

Speaker Arnold Palacios: Are you ready for the question? Clerk, please call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-71, HS1 on First and Final Reading:

Representative Edwin P. Aldan	yes
Representative David M. Apatang	absent (excused)
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	absent (during voting)
Representative Justo S. Quitugua	absent (excused)
Representative Joseph C. Reyes	absent (during voting)
Representative Christina M. Sablan	yes
Representative Edward T. Salas	yes
Representative Rosemond B. Santos	yes
Representative Ramon A. Tebuteb	yes
Representative Ralph DLG. Torres	absent (excused)
Representative Stanley T. McGinnis Torres	absent (during voting)
Representative Ray N. Yumul	yes

Speaker Arnold I. Palacios

yes

Speaker Palacios: By a vote of fourteen “yes,” H. B. NO. 16-71, House Substitute 1 hereby passes the House on First and Final Reading.

Representative Hofschneider: Privilege.

Speaker Arnold Palacios: State your privilege.

Representative Hofschneider: Mr. Speaker, it just dawned on me -- (Recording cut off)

[NOTE: Recording was cut-off at this point and started when the House dissolved the Committee of the Whole and went back to plenary session.]

The House resolved into the Committee of the Whole at 1:46 p.m.

COMMITTEE OF THE WHOLE

The Committee of the Whole was dissolved at 1:58 p.m.

Speaker Arnold Palacios: We are back to our session. I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 16-56, House Draft 1 reference to the LIHEAP.

The motion was seconded.

H. B. NO. 16-56, HD1: A BILL FOR AN ACT TO AMEND SECTION 2 OF PUBLIC LAW 15-122, TO EXEMPT RECIPIENTS OF THE LOW INCOME HOME ENERGY ASSISTANCE PROGRAM (LIHEAP) FROM PAYING UTILITY SERVICE RECONNECTION FEES; AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: The motion for the passage of H. B. NO. 16-56, HD1 has been made and seconded. The floor is open for discussion on the motion. I recognize Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. Mr. Speaker, I want to offer an oral floor amendment.

Speaker Arnold Palacios: Please proceed.

Vice Speaker Deleon Guerrero: On page 2 starting on line 9 after the word “(LIHEAP)”, strikeout the next sentence.

The amendment is to delete the following sentence:

~~“In addition the corporation shall not charge reconnection fees to families who have a household member with a heart illness or to an invalid, to have utility services~~

restored.”

The motion to amend offered by Vice Speaker Deleon Guerrero was seconded; there was no discussion and the motion was carried by voice vote.

Speaker Arnold Palacios: The motion carries. We are back to the main motion and I recognize Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. This question is for the author of the bill. I have a question about the intent of the bill that the corporation shall not charge a reconnection fee to a residential consumer who qualifies for the LIHEAP. I want to know what the real intent is. What would have triggered the residential consumer to be disconnected? Is it because of a failure to pay or is it because of delay from the Department of Community and Cultural Affairs (DCCA) from paying their portion. I want to understand what the reason is behind not charging a reconnection fee and is it problematic.

Speaker Arnold Palacios: Does any member of the committee want to respond to that? I recognize Representative Hofschneider to answer that question.

Representative Hofschneider: Typically, Mr. Speaker, LIHEAP has an amount already fixed based on income ability and that is in whole used on whatever the charges are built by CUC. So in most cases after a disconnection and a reconnection, there are multiple charges that are included. So this adds on to the burden of an indigent whereby to begin with they do not have the money to pay for the reconnection or let alone the entire bill. So they try to conform to whatever the amount that they are qualified under LIHEAP but we have to be practical also in approach the price of kilowatt hour being billed to all consumers. It has increased significantly over time. So the total award has not increased to commensurate with the kilowatt hour charged by CUC today. For that the policy is intending to exempt them at all cost on the reconnection fee that is being charged to all consumers. The amount varies. I think we have an existing law enacted by the 15th Legislature that pegs it at no more than \$60. But I just found out that they superseded the sixty dollars reconnection by promulgating regulation that stipulates that in spite of the sixty dollars, they are also requiring a deposit to a tune doubling the previous month's consumption. So if your consumption is averaging three hundred dollars, then you are being asked to pay sixty dollars and six hundred dollars as a deposit.

Representative Benavente: Clarification, if I may, Mr. Speaker.

Speaker Arnold Palacios: State your point of clarification.

Representative Benavente: For those that are being required to pay the deposit, those are customers that had never paid a deposit. As a requirement for hooking up power to your residence, you are required to make a deposit, and if you get disconnected with your deposit still in place, you do not get that extra charge. But, for those customers who, for some reason, did not put a deposit, they are required to make a deposit before they get reconnected like everybody else.

Representative Hofschneider: And if I may, Mr. Speaker, having heard that, that is not the case that CUC is pursuing. I can give you a few names that I have received at my office. They have a deposit but in spite the reconnection fee of \$60 paid, they were also asked to make a deposit because they were disconnected. A long standing customer with record with CUC that they had made a deposit

many years back was asked to put in a two-month deposit. That is very typical of the complaints that my office has received this past months. The point is that it is complicating the lives of those truly indigent that are qualified under LIHEAP and we need to find a balance somewhere in this legislation. And because of that, I would like to offer an oral floor amendment on page 2, line 11 to add a new subsection (d) to read: “CUC shall account for all fees waived by operation of subsection (c), and shall transmit the total balance to the Legislature for annual reimbursement through appropriation.”

The motion to amend as offered by Representative Hofschneider to H. B. NO. 16-56, HD2 was carried.

Representative Hocog: Mr. Speaker, can the author provide that in writing so that we can debate on it.

Speaker Arnold Palacios: Short recess.

The House recessed at 2:07 p.m.

RECESS

The House reconvened at 2:13 p.m.

Speaker Arnold Palacios: We are back in session and we left off with Representative Hocog’s request for a written amendment. We have since been provided with a written floor amendment. For further discussion on the amendment I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. I know that Representative Hofschneider brought up the issue of the deposit and I do believe that the deposit requirement does not really have an impact on CUC because it is not a cost, it is not an expense. The only expense is the sixty dollars reconnection fee in which somebody has to pay for if we are going to be exempting the indigent customers of CUC or those who qualify under the LIHEAP. Sixty dollars is a very minimal amount that I would think CUC can overcome through some kind of a rate adjustment rather than getting a report of this payables and then submitting it to the legislature for appropriation to cover which I would think would be a minimal amount. You are talking about several families having to pay the sixty dollars for reconnection, which I think is minimal. Thank you.

Speaker Arnold Palacios: Representative Hofschneider, you are recognized.

Representative Hofschneider: Mr. Speaker, I know it is a little bit of bookkeeping request or intent that the amendment is asking for, but we have never been able to really account for all these costs in the past and the pass through cost by increasing rates or just trying to offset it within CUC’s ability. P.L. 4-47 is a full cost recovery mandate of CUC. And to insist upon a program and CUC is being asked to conform to a mandate of cost recovery, this language will still be consistent with P.L. 4-47, but it goes beyond that. For the first time, we are trying to account for all these entitlement programs that by way of federal programs or local funded programs we need to start accounting for the cost for every specific entitlement program that we venture in to developing through legislation. Just so with this amendment, all we are asking is for them not to collect from the reconnection fee through residential consumers under subsection (c), but account for them and send it to the legislature for consideration in the budget process. Likewise today, maybe the population may not be cost

beneficial but if the population begins to grow in terms of true indigents that are entitled under the LIHEAP, then we have a problem of accounting for those costs attributed to CUC being mandated to forego or pass through to its customers. I think that a better policy is to ensure that we account for them somehow. Thank you.

Speaker Arnold Palacios: Any more statements or questions? Representative Sablan, recognized.

Representative Sablan: Thank you, Mr. Speaker. The last time we discussed this bill I think was when we adopted the committee report, we did say that we were interested in attaining a better accounting, I guess, of how this bill if passed would affect CUC. We know that CUC has a cash flow problem. So, I would be concern. Representative Hofschneider's amendment has to do with accounting and allowing CUC to do full cost recover and be reimbursed for all fees that are waived. But, if there is a cash flow problem at CUC, I would worry about the immediate impact of waiving any fee at all. We do not know what that impact will be because we have not really done that cost analysis yet. I would be interested in knowing how many families exactly are currently receiving LIHEAP assistance. This bill will actually affect a greater number of families beyond just the LIHEAP customers, but also people who would qualify even if they were not receiving assistance. So, until we know what the cost impact would actually be on our utilities agency, I think it might be premature to just pass this on First and Final Reading.

Representative Hofschneider: Mr. Speaker, with all due respect, this bill was introduced on March 12th. It is now June 23rd. We have the Ways and Means Chairman and we have the PUTC Chairman from the House and we have a PUTC Chairperson from the Saipan Delegation. We have an HEW Chairman. This bill was introduced on March 12th, and honestly, I would like to keep it on the Calendar again so we can do cost recovery analysis. Honestly, because this is not the best thing to do because there are costs attributed to it. And if there is no rush to do this, with the indulgence of the members can just hold it on the Bill Calendar so that we can ask the chairs of the four different committees to really get on the ball.

Representative Yumul: Mr. Speaker, if I may.

Representative Benavente: Point of order.

Speaker Arnold Palacios: State your point.

Representative Benavente: Mr. Speaker, we are discussing the amendment. We would have to dispose of that amendment before we hold further action.

Representative Hofschneider: I stand corrected.

Speaker Arnold Palacios: That is correct. Let me ask the Chairman of Ways and Means, Representative Yumul to get some clarifications.

Representative Yumul: Yes, Mr. Speaker. I will do the analysis on Representative Hofschneider's amendment. That is a very a very interesting that really needs to be analyzed. So if there is no objection --

Speaker Arnold Palacios: Let us dispose of the amendment.

Several members voiced “ready” and the amendment was carried by voice vote.

Speaker Arnold Palacios: The motion carries. We are back to the main motion; however, the last recommendation that was made to suspend action and keep it on the Bill Calendar.

Floor Leader Camacho: Mr. Speaker, it seems that there is a lot more discussion on this bill. I will make a motion to lay on the table so that we can take this up at a later time.

The motion was seconded.

Speaker Arnold Palacios: Discussion on the motion. Representative Sablan.

Representative Sablan: I wanted to also ask the Ways and Means Chairman as he is running the numbers on what the cost impact would be since the language of the bill says that CUC shall not charge people who receive or are qualified to receive this assistance, there are other utility assistance programs beside LIHEAP that I think should be considered in the cost analysis. My understanding is that HUD provides utility service assistance to people who receive housing vouchers and also I think it was noted by one of the members that the Saipan Mayor’s Office provides the same assistance.

Representative Hocog: Point of information, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Hocog: I guess the Chairman of Ways and Means have noted those responsibilities and we are not under disposal of the motion.

Speaker Arnold Palacios: Okay, Representative Sablan, I believe the Chairman noted those and he will look into that. Representative Babauta.

Representative Babauta: Just one additional note to the Chairman of Ways and Means to also include the habitual incidents.

There being no further discussion, the motion to lay H. B. NO. 16-56, HD3 on the table was carried by voice vote.

Speaker Arnold Palacios: The motion is carried. In the 15th Legislature we passed a legislation appropriating the amount of \$300,000.00 actually augmenting the program being administered by DCCA. So on top of the assistance from the Saipan Mayor’s Office, on top of HUD, we also have a LIHEAP out of DCCA. We can take a certain amount of the \$300,000.00 and in fact dedicate it for reconnection fees. Representative Hofschneider.

Representative Hofschneider: Motion to recess subject to the call of the Chair.

Speaker Arnold Palacios: Before I recognize that, we will take up one more bill before the power goes out. We need to get rid of one more because we have three in committees.

Representative Hocog: Mr. Speaker, the power will go off the grid at 4:00 p.m., please continue.

Speaker Arnold Palacios: Thank you. I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion for passage for First Reading H. B. NO. 16-12 reference to the Silver Market Club.

The motion was seconded.

H. B. NO. 16-12: A BILL FOR AN ACT TO BOOST THE ECONOMY OF THE CNMI BY ESTABLISHING A SPECIFIC NONIMMIGRANT ENTRY PERMIT CATEGORY IN THE IMMIGRATION CODE TO ATTRACT THE “SILVER CLUB” MARKET IN JAPAN AND RETIREES FROM OTHER ASIAN COUNTRIES AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: The motion has been seconded. Discussion on the motion. Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I believe this bill is actually still being reviewed the Committee on Commerce and Tourism. I know that Chair is not here, but the Vice Chair is and as I recall we were still coming out with a report on this bill.

Speaker Arnold Palacios: That is why it is only going to be on First Reading.

There being no further discussion, the motion to pass H. B. NO. 16-12 on First Reading was carried by voice vote.

Speaker Arnold Palacios: The motion carries, H. B. NO. 16-12 hereby passes the House on First Reading. Representative Benavente, recognized.

Representative Benavente: (Inaudible -- microphone off)

Speaker Arnold Palacios: Are you forgetting procedures already? I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 16-25 on First and Final Reading reference to the Medical Professional Licensing Board.

The motion was seconded.

H. B. NO. 16-25: A BILL FOR AN ACT TO REQUIRE THE ADVICE AND CONSENT OF THE SENATE FOR APPOINTEES TO THE MEDICAL PROFESSIONAL LICENSING BOARD; AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: The motion is to pass H. B. NO. 16-25 on First and Final Reading and it has been seconded. I recognize Representative Sablan under discussion on the motion.

Representative Sablan: Thank you, Mr. Speaker. This is the bill that would require advice and consent of appointees to the Medical Professional Licensing Board. Am I looking at the right bill?

Speaker Arnold Palacios: Yes.

Representative Sablan: Again, as I recall this bill was being considered in another committee, the JGO Committee, and if I remember correctly and my Chairwoman can correct me, I think it had

been the recommendation of the Committee to file the bill. I am not sure if the report came out yet, but I do not recall seeing it.

Speaker Arnold Palacios: Representative Santos.

Representative Santos: Mr. Speaker, this bill is still within the JGO Committee's jurisdiction, if I may put it nicely, and we are working in the Committee to come up with a report.

Representative Babauta: Point of clarification, Mr. Speaker.

Representative Santos: It has not been report out, Mr. Speaker.

Speaker Arnold Palacios: Okay. I recognize Representative Babauta.

Representative Babauta: Mr. Speaker, both distinguished women echoed the same concern about the legislation being in the committee. How in the world did H. B. NO. 16-25 end up on the Bill Calendar?

Speaker Arnold Palacios: That is a very good question.

Representative Babauta: Are we saying --

Speaker Arnold Palacios: I think the Floor Leader made a motion earlier this month to recall this, if I am not mistaken.

Representative Babauta: And without objection from the House, I believe?

Speaker Arnold Palacios: That is why it is on the Bill Calendar.

Representative Babauta: So I assume it is now the property of the House?

Representative Hofschneider: Mr. Speaker, if we are going to respect the standing committees, I therefore move to refer H. B. NO. 16-25 to the appropriate committee.

Seconded by Representative Sablan.

Representative Babauta: I yielded for a few seconds to allow Representative Hofschneider to address the House, Mr. Speaker, but if I may continue?

Speaker Arnold Palacios: Yes, you may.

Representative Babauta: Thank you. With all due respect to the motion being offered by Representative Hofschneider, Mr. Speaker, whether or not the committee continue to work on refining the bill, I still believe that once the bill is withdrawn from the committee and is placed on the House Floor, unless the House changes its mind with the consensus of the members to refer it to the committee then we will go that route, but there is a standing motion on the floor and we need to address it.

Speaker Arnold Palacios: That is correct.

Representative Hofschneider: Mr. Speaker, the main motion is for passage; the subsidiary motion is to refer it back to the committee. Let the committee do its job. That is why we have standing committees of the House. If it can stand on its own merit, I am supporting it. The amendment is to allow the advice and consent of the Senate and the other amendment is that the board shall include one member from each senatorial district. Mr. Speaker, it is not really a complicated bill, but since the committee has already deliberated, obviously there must be a failure to communicate between your office, the Floor Leader, and the committee that you assigned it to.

Floor Leader Camacho: Privilege.

Speaker Arnold Palacios: State your privilege.

Floor Leader Camacho: I object to that insinuation by Representative Hofschneider that there is a miscommunication between the Speaker and the Officers of the House.

Representative Hofschneider: Point of clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Hofschneider: Mr. Speaker, I listen attentively. The two members of the Committee on Judiciary and Governmental Operations said that they are deliberating on this bill. How in the world did you office assign it to JGO and then the Floor Leader pulls it out.

Speaker Arnold Palacios: I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. And to clarify, as you said, Mr. Speaker, several weeks ago, the Floor Leader through the agreement of this House offered to recall from the committee this legislation and that why it is in the Bill Calendar at this point. It is actually, with all due respect to the chairs of the committee, their failure to mark that in their calendar that bills are no longer in their property and should have ceased any further deliberation of those legislations. So, I believe that it is proper. If in fact, because I do not quite remembers, but that is the only way that this House would be here other than being in --

Speaker Arnold Palacios: I recall that the Floor Leader did recall this. Perhaps the motion was not recognized by some of the committee members. I recognize Representative Santos.

Representative Santos: Mr. Speaker, if this happened a few weeks ago, I probably was not in session that day and I would have advised the body that it is still within the committee and to not support the recall.

Representative Hofschneider: Mr. Speaker, I would like to clarify my statement earlier. I know what the Floor Leader is referring to.

Speaker Arnold Palacios: Okay.

Representative Hofschneider: I did not insinuate that the Floor Leader's motion to place on the floor was outside of his domain. It is clear in the House Rules. The point on the floor is the failure to communicate with the assigned committee to look into this and we just pulled it out with the

consensus of the majority in that session. So, there is no finger-pointing. The logic here is we are going to do appropriate committee work and report it out, then we need to consider the standing committees. They are saying that they are deliberating on it and will report it out. I am going to support the bill.

Speaker Arnold Palacios: Okay. Let me put finality to this issue. Perhaps it should be my responsibility to advise the chair that the bill is taken out of committee, and I will take the blame for that.

Floor Leader Camacho: I object, Mr. Speaker.

Speaker Arnold Palacios: I failed to advise the Chair--

Floor Leader Camacho: Mr. Speaker, I rise and I defend the authority given to me under the House Rules. And I will point it out to the members. It says, the Floor Leader shall have the sole authority to recall a bill, report, resolution, and other legislative documents, and that is to answer Representative Hofschneider.

Speaker Arnold Palacios: Floor Leader, -- yes. Can we maintain decorum? I know that you have that authority. What I am alluding to is perhaps my failure to alert the chair of the committee that such legislation is no longer in her domain. I think we are all clear on this. So if there is miscommunication, I will take the heat for it. So are we ready for the question? I recognize Representative Santos.

Representative Santos: Mr. Speaker, it is really unfortunate that we were overlooked as a committee and before I get into that like Representative Sablan said, we were going to recommend to file this bill. If you would like to go into that, I could do it now, or we could go into recess. Let me just put into record the reasons why.

Speaker Arnold Palacios: Yes, we are actually under discussion of the legislation.

Representative Santos: We met with the Medical Professional Licensing Board and other professionals within the field. We have received written comments. And the comments basically stated that having a member from each senatorial district let's say, one from Rota and one from Tinian, usually there is only one. Correct? And if the board needs to meet on Saipan, which normally will happen, then these sole physicians from the islands of Rota and Tinian will have to leave the island to meet as a Board. Then you leave the island without a physician. And the last time I check, emergencies are not predicted. That is the major concern that the committee had, and we also thought that it was unnecessary. Because it is such a specialized and regulated field, you really do not need one from each island. It is such a universal issue that everybody will be taken into consideration in the CNMI whatever the issues may be for each island. It is not that different. You talk about a lot of issues such as, medical referral and this is just another added expense to the CNMI to have them travel out here, give them stipend and all that. It is unnecessary, it is non-economical and really is not a priority for the CNMI right now. The Medical Professional Licensing Board is functioning as is appropriately.

Representative Hocog: I differ to the logic that the Chair of JGO mentioned about not requiring professional medical people to be scrutinized by the Senate. I feel, Mr. Speaker, that if that is correct, why would we require board confirmation in the other professional fields. Where

technicality is involved, Mr. Speaker, it evolves also the safety of the occupants of buildings, the safety of the construction of any building, and in the absence of non-scrutiny of these professionals, it can or it will bring collusions of people that are involved. We have seen a lot of medical professionals being hired that are from off-island and these are the areas that we need to include in this scrutiny of their confirmation as they get appointed. It is the same logic. If we do not need to confirm technical professional people, then we are endangering the occupancy of building or any professional engineer that will be licensed by the board. So these are the things that perhaps we can get away with what is said to be incurring unnecessary expenditure, but it is called for. You know, Mr. Speaker, let us not joke ourselves, we spend money to make money. So I do not quite agree with the committee's intention to file this bill. If that is their recommendation, then this is probably a timely issue. Rather than filing the bill, let us dispose of the bill. Thank you.

Speaker Arnold Palacios: Any further discussion? I recognize Representative Hofschneider.

Representative Hofschneider: Mr. Speaker, in the history of the Medical Professional Licensing Board, it is a peer group and likewise with the Bar Association. They govern themselves based on ethics. And when we insert advice and consent to a body that is peer group driven, they have ethics, they have an oath to uphold. And for that reason that we hold them at a higher pedestal in the community and in society, when we start inserting "with the advise and consent of the Senate" then it becomes somehow political in nature and it may in fact take away some ethical obligation to it because they are beholding to some political aura or element. For that same reason and logic, the Bar Association is not under the same structure of advice and consent of the Senate or the legislature. We are getting into a territory of questioning the integrity of peer group and peer review. I think the compromise is to strike out the "the board shall include at least one member from each senatorial district" because I sincerely subscribe to the argument presented by the Chairwoman of JGO and that is to leave the advice and consent of the Senate for further scrutiny as the original purpose and intent of the bill is calling for. But to branch it out, makes is impractical as the Chairperson of JGO has already articulated. And for that, I move that we strike out line 19 on page 1 to page 2, line 1 ending with "district."

The motion was seconded.

The amendment is to delete: "The Board shall include at least one member from each senatorial district.," under § 2641(a).

Speaker Arnold Palacios: Discussion on the amendment? I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. I would think that this particular amendment is one of two key amendments that the author has put into this legislation. So, I want to bring to the attention of the members the fact that we have an almost equal body in the Board of Professional Licensing in which Frank Guerrero is a member of with the same requirements that this bill is asking for. The Board of Professional Licensing is a five-member board, one from Rota, one from Tinian, and with certain requirements for qualification and the advice and consent of the Senate. Although it is a different organization, I feel it is an almost equal body and why is it okay in this body and not okay with the Medical Professional Licensing Board. One thing that I would worry about is the qualifications for the membership and that is that at least two practicing physicians, one dentist, and two shall be health care professionals. I do not quite know the meaning of health care professionals and I wonder that if there is any risk that we may not be able to fill this board should Rota or Tinian

not have qualified people. But, I do not see the reason why we allow it under the Board of Professional Licensing and not allow it under this proposal. Thank you.

Speaker Arnold Palacios: Any further comments? I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker, if you would allow for a short recess we can go obtain the comments from the Medical Professional Licensing Board. In my estimate they were perfectly reasonable in their comments and perhaps it will be helpful for the purposes of our debate today to see what they have to say themselves.

Speaker Arnold Palacios: I think the Chair of JGO kind of reiterated the content and the position of the members of the Medical Professional Licensing Board fairly clearly. So we know of its content and that it is coming from the Medical Licensing Board members. So I do not think that we need to do that. I do not see that it will make it any clearer. But what I would like to do is dispense of the amendment offered by Representative Hofschneider. I recognize Representative Santos on the amendment motion.

Representative Santos: I was just going to say one thing from the comments from the medical physicians. They are already as busy as they are, they will not have time to function as a board.

Speaker Arnold Palacios: Okay. I recognize Representative Hofschneider.

Representative Hofschneider: Mr. Speaker, nothing preempts the Governor or whoever is mandated to appoint members to the board from actually appointing one from Rota and Tinian even in spite of the absence of the language.

There being no further discussion, the motion to amend offered by Representative Hofschneider to H. B. NO. 16-25 was carried by voice vote.

Speaker Arnold Palacios: The motion carries. We are back to the main motion. Are you ready for the question? I recognize Representative Dela Cruz.

Representative Dela Cruz: Thank you, Mr. Speaker. I believe there are two other areas that we need to amend in order to get Representative Hofschneider's amendment on track. On line 6 on page 1, after the words, "be thoroughly scrutinized" we insert a period and the rest of the sentence is deleted. We do that because senatorial districts are included along those lines. I so move.

The motion to amend was seconded by Representative Benavente.

Speaker Arnold Palacios: Also on line 10?

Representative Dela Cruz: Yes, also on line 10 after "Medical Licensing Board" we insert a period and delete the rest of the sentence.

The motion was seconded by several others.

Speaker Arnold Palacios: The motion has been made and seconded. Discussion.

Representative Hofschneider: Mr. Speaker, like I said, nothing is preempting the appointing entity to appoint from Rota and Tinian so that sentence may be rephrased to provide an additional encouragement that the board should reflect in consideration of Rota and Tinian.

Speaker Arnold Palacios: We will allow the governor. Any further discussion? I recognize the Vice Speaker.

Vice Speaker Deleon Guerrero: Mr. Speaker, I think the other purpose has been stricken out so just strikeout “and for other purposes” on the title just to make it consistent with the mover’s amendment.

Speaker Arnold Palacios: I do not think we need to do that, just leave the title.

There was no further discussion and the motion to amend H. B. NO. 16-25, HD1 as offered by Representative Dela Cruz was carried by voice vote.

Speaker Arnold Palacios: The motion is carried. We are now on the main motion. We will be voting on the motion to pass H. B. NO. 16-25, House Draft 2. Ready?

Several members voiced “ready.”

Speaker Arnold Palacios: Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-25 on First and Final Reading:

Representative Edwin P. Aldan	yes
Representative David M. Apatang	absent (excused)
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	absent (during voting)
Representative Justo S. Quitugua	absent (excused)
Representative Joseph C. Reyes	yes
Representative Christina M. Sablan	no
Representative Edward T. Salas	no
Representative Rosemond B. Santos	no
Representative Ramon A. Tebuteb	yes
Representative Ralph DLG. Torres	absent (excused)
Representative Stanley T. McGinnis Torres	yes
Representative Ray N. Yumul	yes
Speaker Arnold I. Palacios	yes

Speaker Palacios: By a vote of thirteen “yes,” H. B. NO. 16-25, House Draft 2 hereby passes the House on First and Final Reading. Floor Leader, recognized.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion for the passage on First and Final Reading H. B. NO. 16-37, House Substitute 1 reference to recycling.

The motion was seconded.

H. B. NO. 16-37, HS1: A BILL FOR AN ACT TO REPEAL AND REENACT CHAPTER 16 OF DIVISION 5 OF TITLE 4 OF THE COMMONWEALTH CODE AS ESTABLISHED BY PUBLIC LAW 15-36 TO REGULATE RECYCLING BUSINESSES OPERATING IN THE COMMONWEALTH; TO REPEAL PUBLIC LAW 15-55 IN ITS ENTIRETY; TO ESTABLISH THE OFFENSE OF THEFT OF COPPER; AND FOR OTHER PURPOSES. (SEE S. C. R. NO. 16-18)

Speaker Arnold Palacios: There is a motion on the floor to pass on First and Final Reading H. B. NO. 16-37 House Substitute 1. Discussion on the motion.

Several members voiced “ready.”

Speaker Arnold Palacios: Short recess.

The House recessed at 2:54 p.m.

RECESS

The House reconvened at 3:08 p.m.

Speaker Arnold Palacios: We are back in session. The motion on the floor is for the passage of H. B. NO. 16-37, HS1. I recognize the Vice Speaker under discussion.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. I just wanted to state for the record that this substitute version is a result of the committee’s extensive review which included Representative Sablan and significant amendments were made. So, I move to end debate, Mr. Speaker.

Speaker Arnold Palacios: Representative Sablan, do you an objection to the motion to end debate or would you like to just commend the committee?

Representative Sablan: I think debate is always healthy and of course I would commend the committee. The Vice Speaker is absolutely right we did work very hard on this. But just looking at this again, just a minor comment and perhaps we could amend it to clarify it just a little bit more. On pages 2 and 3 one of the issues that came up during the committee meeting was differentiating between the recycler license and the business license. We agreed that the two would be separate and of course there would be an additional license fee for recyclers. I am looking at page 3 and it is not absolutely clear to me which licenses we are referring to. Like on subsections (f) and (g) so “The license application and any application for renewal shall be accompanied by the annual license fee and a financial statement...” and again on subsection (b) we say “upon the filing of a business license application and the payment of the annual license fee the secretary shall issue a recycler license...” Perhaps we could tighten those subsections a little bit more so there is no confusion about the types of licenses and annual license fees that we are referencing.

Speaker Arnold Palacios: Do you want to take the honor of tightening it up?

Representative Sablan: I just noticed it now so if other members have suggestions, I could think about it a little bit more and offer an amendment. But maybe the author could offer clarification.

Speaker Arnold Palacios: Representative Yumul, do you want to shed some light on this before the power goes off.

Representative Yumul: Thank you, Mr. Speaker. On page 2 line 13, subsection (f), the definition of secretary is clear that it is the Department of Commerce. Going to page 3, line 6 on subsection (g) where it says “Upon the filing of a copy of a current business license and the payment of the annual recycler license fee, the secretary shall issue a recycler license to the applicant...” So where it says business license, it is pretty clear, it is a business license. Everything else is recycler’s license, unless it is defined differently. The way this is worded is if we mean to say business license, it will say business license. It will not say license by itself.

Representative Sablan: Maybe we could just insert “recycler” then so “the recycler license application and any application for renewal shall be accompanied by the annual recycler license fee.” I think subsection (g) is referring to the annual business license fee. I do not think we corrected that.

Representative Yumul: Mr. Speaker, if anything rules will be promulgated and if there is concern from the Department of Commerce they will bring that up at that time, but they have reviewed this and they have not indicated to me or to anybody in the committee that there are ambiguities. So at this point, we have to be cognizant that this law will not end here. The Department of Commerce still has to promulgate rules.

Speaker Arnold Palacios: I am reading it and to me it is clear. There is basically a prerequisite step before you get a recycler’s license and that is you have to have a business license. Correct? And if you are going to go into the recycling business, you are going to have to present with your application an approved copy of a business license issued by the Department of Commerce. And that is the prerequisite of supporting document before you are issued a recyclers license. So it is fairly clear to me and I think that is where you are saying there is a little bit of vagueness. I think the requirement is fairly clear. One, you have to have a business license before you get a recyclers license. I guess it is the same as saying that if you have a bar, you have to have a business license before you have an alcoholic beverage license. So you have to have one before the other and that is the requirement.

Representative Hocog: Mr. Speaker, if you are going to go into business, you have to get a general business license first. And that is the business license that Representative Sablan is alluding that we need to have another license for recycling which is state on the foregoing paragraph. So in order to get a recyclers license, you have to first have a general business license.

Representative Sablan: Mr. Speaker, that is not what this --

Speaker Arnold Palacios: Representative Sablan, you are recognized.

Representative Sablan: My apologies. But it is not what this language says. It says the person must file the business license application, which does not mean that they have the license. That means that they have applied for it and that they have paid the annual license fee. That does not mean again that they already have that business license in their hands. The way that language is worded, and I think we should be very careful about this and it is not that difficult to correct. It says that the secretary shall issue a recycler license, which makes it seem as though they will get the recycler license before

they receive their business license. We have already established that the two licenses are separate and you have to have one before the other.

Speaker Arnold Palacios: Which line are you referring to?

Representative Sablan: I am looking at page 3 subsection (g) that says “Upon the filing of a business license application and the payment of the annual license fee...” so that sounds to be as if this person does not have a business license yet, but still “the secretary shall issue a recycler license.” I am just asking that we correct that.

Speaker Arnold Palacios: Okay, let me make a recommendation, “Upon filing of a business license and the payment of the annual recycler’s license fee, the secretary shall issue a recycler’s license.” The present language is unclear to you, so I am suggesting. Let me suggest that you make this amendment. “Upon filing of business license” cross out “application,” “and the payment of an annual recycler’s license fee the secretary shall issue a recycler’s license.” No? Short recess.

The House recessed at 3:17 p.m.

RECESS

The House reconvened at 3:19 p.m.

Speaker Arnold Palacios: We are back to our session and I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I move to amend this bill on page 3 line 6, subsection (g) “Upon the filing of a copy of a current business license” strikeout “application” and continues with “and the payment of the annual recycler license fee.”

The motion to amend was seconded.

Speaker Arnold Palacios: Discussion on the amendment.

Floor Leader Camacho: Mr. Speaker, I have no objection to Representative Sablan’s amendment if the intention is to wait to get that piece of paper. Be very careful. From people that have been in the private sector, when you go to the Department of Commerce and you submit your payment and you make an application for a business license, it takes a good long while -- not a few weeks -- sometimes it takes a few months for that license to be issued. So you can have person who is willing to open up a recycling business wait many months, sometimes half a year before you physically get the license. So if that is the policy call for this body to say that we want the person to possess a license before they even apply for the license then fine. If you want people to apply and in the process as their providing certain deficiencies especially you will get a letter that says I am sorry you have to checkmark here or provide some other supporting documents. So if you do not mind the delay, more power to you. Thank you, Mr. Speaker.

Speaker Arnold Palacios: Are you ready for the question? We will now vote on the amendment.

The motion to amend H. B. NO. 16-37, HS1 as offered by Representative Sablan was carried by voice vote.

Speaker Arnold Palacios: The motion is carried. Are you ready for the main motion? We will now be voting on H. B. NO. 16-37, HS1, HD1. Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-37, HS1 on First and Final Reading:

Representative Edwin P. Aldan	yes
Representative David M. Apatang	absent (excused)
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	absent (excused)
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	absent (excused)
Representative Stanley T. McGinnis Torres	yes
Representative Ray N. Yumul	yes
Speaker Arnold I. Palacios	yes

Speaker Palacios: By a vote of seventeen “yes,” H. B. NO. 16-37, HS1, HD1 hereby passes the House on First and Final Reading. Floor Leader, recognized.

Floor Leader Camacho: Mr. Speaker, if there is no objection because we cleared up a good part of the Bill Calendar, can we move to Item 12, Reports of Standing Committees?

There was no objection and the House went back to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Speaker Arnold Palacios: Proceed, Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. I move for the adoption of S. C. R. NO. 16-26 reporting on H. B. NO. 16-19.

The motion was seconded.

S. C. R. NO. 16-26: REPORTING ON H. B. NO. 16-19, ENTITLED, “TO AMEND 8 CMC § 1402, AND FOR OTHER PURPOSES.” *Your Committee on Judiciary and Governmental Operations recommends passage of the bill with amendments.*

Speaker Arnold Palacios: The motion to adopt S. C. R. NO. 16-26 has been seconded. The Floor is open for discussion on the motion.

Several members voiced “ready.”

There was no discussion and the motion to adopt S. C. R. NO. 16-26 was carried by voice vote.

Speaker Arnold Palacios: S. C. R. NO. 16-26 is hereby adopted. I recognize the Floor Leader.

Floor Leader Camacho: Thank you, again, Mr. Speaker. A motion to adopt S. C. R. NO. 16-27 reporting on S. B. NO. 16-13, SD3.

The motion was seconded.

S. C. R. NO. 16-27: REPORTING ON S. B. NO. 16-13, SD3, ENTITLED, “TO FORBEAR, IN CERTAIN INSTANCES, THE COLLECTION OF THE EDUCATIONAL FINANCIAL ASSISTANCE LIABILITY OF RETURNING COLLEGE STUDENTS WHO CANNOT FIND EMPLOYMENT WITH THE COMMONWEALTH DUE TO BUDGETARY LIMITATIONS OR BECAUSE A POSITION IS FILLED BY A FOREIGN NATIONAL WORKER; AND FOR OTHER PURPOSES.” *Your Committee on Health, Education, and Welfare recommends passage of the bill as substituted by the Committee.*

Speaker Arnold Palacios: The motion to adopt S. C. R. NO. 16-27 has been made and seconded. The Floor is open for discussion and I recognize Representative Yumul.

Representative Yumul: Mr. Speaker, I would like to state for the record if it is not in the committee report, there is an article that came out in the papers today coming from the Scholarship Board and it is not included in the committee report. So, just be cognizant of that. Thank you.

Speaker Arnold Palacios: Thank you. Are you ready for the question?

Several members voiced “ready.”

There was no further discussion and the motion to adopt S. C. R. NO. 16-27 was carried by voice vote.

Speaker Arnold Palacios: The motion carries, and S. C. R. NO. 16-27 reporting on S. B. NO. 16-13, SD3 is hereby adopted by the House. Floor Leader, recognized.

Floor Leader Camacho: Mr. Speaker, a motion to adopt S. C. R. NO. 16-28, reporting on H. J. R. NO. 16-3.

The motion was seconded.

S. C. R. NO. 16-28: REPORTING ON H. J. R. NO. 16-3, ENTITLED, “TO PUT THE QUESTION OF CALLING A CONSTITUTIONAL CONVENTION BEFORE THE VOTERS OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.” *Your Committee on Judiciary and Governmental Operations recommends adoption of the joint resolution in its present form.*

Speaker Arnold Palacios: A motion for the adoption of S. C. R. NO. 16-28 has been made and seconded. Are you ready for the question?

The was no discussion and the motion to adopt S. C. R. NO. 16-27 was carried by voice vote.

Speaker Arnold Palacios: The motion is carried. S. C. R. NO. 16-28 is hereby adopted by the House. We move on to Announcement on our agenda.

ANNOUNCEMENT

The Chair recognized Representative Hofschneider.

Representative Hofschneider: My committee and member of one, Mr. Speaker, suggest that we take a one week break.

Speaker Arnold Palacios: Floor Leader, I will now recognize a motion subject to the call of the Chair. Before you do that, I recognize Representative Torres.

Representative Stanley Torres: Thank you, Mr. Speaker. Going back to the statement that Representative Sablan in reference to my House Bill for the Second Political Status Commission, I do not know whether she is against it or for it. But, I would like to point out that creating such a commission would probably be better for us, for the betterment of the Commonwealth. Who knows? That may be the catalyst to statehood, the 51 state of the United States. I see in that direction. So if you want to work on that route, let us unite and pass the bill.

Speaker Arnold Palacios: Thank you. That is a very interesting piece of legislation that, of course, you certainly have the right to introduce. Any further announcement? I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I just wanted to announce for the record that the Saipan Delegation Public Utilities and Infrastructure Committee did vote last week to begin a preliminary oversight investigation on CUC. So in the next few weeks we will be gathering documents and defining the scope of the investigation. Thank you.

Speaker Arnold Palacios: Thank you for that information. I now recognize Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. Because I do not know whether we are going to have a session between tomorrow and July 4th considering, for the benefit of the member I would like to inform everybody that on July 5th at 10:00 a.m. the Veterans of Foreign Wars, Saipan Post 3457 is co-hosting an Army Committee Covenant Signing Ceremony at the American Memorial Park Amphitheater. This is to show community support for our men and women who are serving the U.S. Armed Forces and support for their families in anticipation for the redeployment of the troops from the 100th Battalion 442nd Infantry Echo Company, which would be sometime next month. So this is information for everybody and is to have support. Please try to attend. I am sure that each of you received a letter. Thank you.

Speaker Arnold Palacios: Thank you. Representative Santos, recognized.

Representative Santos: Mr. Speaker, the Committee on Judiciary and Governmental Operations is supposed to meet today at 1:30 p.m., I would like the members to know that we will have the meeting tomorrow at 9:00 a.m.

Speaker Arnold Palacios: Representative Yumul, recognized.

Representative Yumul: Thank you, Mr. Speaker. If there is no conflict in the schedule of the members of the Committee on Ways and Means, I would like to call a Ways and Means Committee meeting tomorrow afternoon to dispose of all remaining bills in the Committee.

Speaker Arnold Palacios: Representative Hocog, recognized.

Representative Hocog: Mr. Speaker, I understand one of our colleagues will soon be deployed to Iraq and we thank you very much for your invitation to host a farewell party to one of our colleagues before he departs. Thank you.

Speaker Arnold Palacios: You will take the lead in arranging for everything, and the leadership account will --

Representative Hocog: Over at Naked Fish.

Speaker Arnold Palacios: Thank you. I think we ought to consider that. Representative Hofschneider, recognized.

Representative Hofschneider: Maybe this is not an announcement, Mr. Speaker, but I was told that the CNMI Government has not made any remittance to the Retirement Fund System since October 1st. Is that accurate?

Floor Leader Camacho: I think two years.

Representative Hofschneider: With the exception of the exemption from the two-year contribution by law. They were supposed to start remitting since October 1st, and they have not remitted a penny. The reason for airing this concern, Mr. Speaker, is that a lot of people who want to avail themselves of retirement and they are told that they cannot because the government has not paid anything.

Floor Leader Camacho: Clarification, Mr. Speaker.

Speaker Arnold Palacios: Floor Leader, you may clarify that.

Floor Leader Camacho: There is a large portion of the central government that has not paid. Certain independent agencies have been paid up. PSS for one, CPA and I think the Retirement Fund themselves also. My understanding is that the NMI Retirement Board adopted a resolution and on a case-by-case basis if you work for PSS, for example, and the employer contribution is current and paid up, the Retirement Fund will process your application for retirement. For people employed at the Department of Public Works or other places that are not current in their contribution, the Fund is asking that those individual employees look to their supervisors or department secretaries and see if they can find the money to get their contribution paid up and then the Retirement Fund can process their application.

Speaker Arnold Palacios: We will get that information. I recognize Representative Babauta.

Representative Babauta: Mr. Speaker, this is for information because as you recall towards the end of the 15th Legislature we adopted a resolution engaging the legal counsel to file a grievance and clarify the issues as raised by Representative Hofschneider. I wonder whether or not Mr. Catlett has any update information from the Attorney General with respect to those pending legal issues.

Speaker Arnold Palacios: I remember that from former Representative Manuel Tenorio and we did adopt that resolution. The legal counsel issued a legal opinion to me during the first week that we came into 16th Legislature basically saying that the Legislature does not have any standing to file a lawsuit against the NMI Retirement System. That being the case, I will assure that the legal memo is issued. The issue of the central government not remitting any of the employer's retirement contribution is an issue that needs to be clarified whether indeed that is the case and I will ask the Chairman of Ways and Means, in the next few days to please call up the Retirement Fund and find out, and we will issue a memorandum to all the members appraising them.

Representative Hofschneider: Mr. Speaker, P.L. 16-2 for all intents and purposes pegged it at 11% and that is because of the understanding with the Administration that they can live with 11% and remitting it to the Retirement Fund System.

Speaker Arnold Palacios: That is correct. So maybe the legal counsel can help draft the letter to the Retirement Fund. Floor Leader, recognized.

Floor Leader Camacho: Mr. Speaker, actually, Representative Joe Reyes and I are signatories to the lawsuit to the central government on behalf of the Retirement Fund System. The case is actually on the side of the Retirement Fund. We do not have to go far. Guam, only a hundred miles away, their retirement system is pretty much in a worst situation than the CNMI Retirement Fund. The case law has given the NMI Retirement Fund the ability not just to suspend retirement benefits but actually go into the respective agencies and departments and start confiscating moneys and assets in order to meet those because the retirement pension does not belong to the legislature or the central government. It belongs to the respective members. The obligation to pay for that is the central government. The Retirement Fund is just the administrative body, but the property owners belongs to the members.

Speaker Arnold Palacios: Okay, so I will ask the Committee on Ways and Means Chairman to please pursue that this week to see if we can get a memorandum out to all the members appraising them of this issue. Representative Salas, recognized.

Representative Salas: Mr. Speaker, to the Chair of JGO, I am not too sure if you know but the Committee on Health, Education, and Welfare is calling for a meeting tomorrow also at 9:30 a.m. and a couple of your members are members of HEW.

Representative Santos: We will move it to the afternoon.

Speaker Arnold Palacios: Okay, thank you. I recognize Representative Reyes.

Representative Reyes: I do not know if we have received any communication from the Workers' Compensation Commission, but there is a liability for one of the people who died in Kagman. So I believe it requires an appropriation from this body to compensate for the loss under the Workers' Compensation Law. That is at a minimum \$40,000 plus medical expenses. Thank you.

ADJOURNMENT

Speaker Arnold Palacios: Floor Leader, I will recognize a motion to adjourn.

Floor Leader Camacho: Mr. Speaker, no disrespect to some members' comments, I move to adjourn subject to your call.

The motion was seconded by several others and was carried by voice vote.

The House adjourned at 3:38 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: NONE

THIRD APPEARANCE: NONE