



HOUSE JOURNAL

SEVENTH SPECIAL SESSION, 2008

First Day

Wednesday, July 9, 2008

The House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature convened its First Day, Seventh Special Session on July 9, 2008, at 1:30 p.m. in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Marianas Islands.

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

A moment of silence was observed

The Clerk called the roll and seventeen members are present. Representative Ralph DLG. Torres and Representative Justo S. Quitugua were absent and excused for the session; Representative Edwin P. Aldan came in late.

Speaker Palacios: Clerk, please take note that all members absent are excused.

ADOPTION OF JOURNALS

NONE

INTRODUCTION OF BILLS

H. B. NO. 16-125: A Bill for an Act to amend Public Law 15-46; and for other purposes.

Offered by: Representative Rosemond B. Santos

Referred to: Committee on Judiciary and Governmental Operations

Speaker Arnold Palacios: Representative Apatang, recognized.

Representative Apatang: Thank you, Mr. Speaker. Since Chairman Ralph Torres is off-island, I would like to introduce his bill, H. B. No. 16-126.

H. B. NO. 16-126: A Bill for an Act to establish a population-based cancer registry in the Commonwealth of the Northern Mariana Islands; and for other purposes.

Offered by: Representative Ralph DLG. Torres

Referred to: Committee on Health, Education, and Welfare

H. B. NO. 16-127: A Bill for an Act to amend 2 CMC § 4324(c); and for other purposes.

Offered by: Representative Oscar M. Babauta

Referred to: Committee on Natural Resources

H. B. NO. 16-128: A Bill for an Act to amend 1 CMC § 2153 to add new subsections (i), (j), and (k) to mandate that the CNMI Attorney General act as a fiduciary in the executive of his or her duties and responsibilities including enforcement of all Commonwealth laws and protection of the interests of the people of the CNMI; to determine matters and issues according to the best interests of the people; and for other purposes.

Offered by: Representative Joseph N. Camacho

Referred to: Committee on Judiciary and Governmental Operations

H. B. NO. 16-129: A Bill for an Act to appropriate all monies deposited in the Tobacco Control Fund in Fiscal Year 2009 pursuant to P.L. 13-38; and for other purposes.

Offered by: Representative Joseph P. Deleon Guerrero

Referred to: Committee on Ways and Means

Speaker Palacios: Would there be any more House Bills or House Local Bills to be introduced? If none, let us move to Item 4, Introduction of Resolutions.

INTRODUCTION OF RESOLUTIONS

H. R. NO. 16-38: A House Resolution respectfully requesting the Secretary of Public Works to include Kannat Tabla road under the Territorial Transportation Improvement Plan (TTIP) and for other purposes.

Offered by: Representative David M. Apatang

H. R. NO. 16-39: A House Resolution respectfully requesting the Honorable Benigno R. Fitial, Governor of the Commonwealth of the Northern Mariana Islands, and Mr. Diego B. Songsong, Secretary of the Department of Public Works to reserve at least \$650,000.00 (PE) from the Federal Highway Funds for Fiscal Year 2009, \$2,975,000.00 for Fiscal Year 2010, and \$2,975,000.00 for Fiscal Year 2011 for the A & E design and construction of roads and drainage from Capitol Hill to Mt. Tapochau and Chalan Galaide to Navy Hill and lateral roads, including right of way acquisition and for other purposes.

Offered by: Representative Stanley T. McGinnis Torres and one other

H. R. NO. 16-40: A House Resolution respectfully requesting the Secretary of the Department of Public Works to authorize the reprogramming and change order of Precinct III various road paving projects to include the unpaved road at the Coastal Drive in Sadog Tasi and other secondary roads affected by the redistricting and for other purposes.

Offered by: Representative Stanley T. McGinnis Torres and one other

Representative Stanley Torres: Mr. Speaker, I would like to request the indulgence of the members to place this resolution on the calendar.

Speaker Arnold Palacios: I will allow it. The Chair recognized Representative Babauta.

Representative Babauta: Thank you, Mr. Speaker. Mr. Speaker, I just got a verbal request from Representative Aldan who is on the way, and if there is no objection from the members, Mr. Speaker, I wish to introduce his prefiled resolution on his behalf, H. R. NO. 16-41, and to also to request to be included in today's calendar. Thank you.

H. R. No. 16-41: A House Resolution to recognize the contributions made by Mrs. Terri Clawson and to commend her generosity and unselfishness to the community of Tinian and the entire Commonwealth.

Offered by: Representative Edwin P. Aldan and nineteen others

H. R. No. 16-42: A House Resolution to acknowledge the enactment of the Northern Mariana Island Immigration Security and Labor Act in P.L. No. 11-229 on May 08, 2008, to express concern about the economy impact on this act on the CNMI economy to recognize the Governor's segment on June 24, 2008, regarding the act and to support the Governor's action in seeking for the legal advice before initiating any litigation challenging the act in Federal Court.

Offered by Representative Stanley T. McGinnis Torres and four others

H. J. R. No. 16-8: A House Joint Resolution to authorize the Commonwealth of the Northern Mariana Islands, through its Governor, to submit to the U. S. Department of Housing and Urban Development, the Action Plan for the Community Development Block Grant Application No. B-08-ST69-0001; the HOME Investment Partnership Grant Application No. M-08-ST69-0203; and, the Emergency Shelter Grant Application No. S-08-DC69-0001; to receive the funds requested therein, and to assume all responsibilities that may be imposed by the U. S. Department of Housing and Urban Community Development Block Grant, HOME Investment Partnership Program, and the Emergency Shelter Grant Programs.

Offered by: Representative Arnold I. Palacios and nineteen others

Speaker Arnold Palacios: I welcome all the members to co-sponsor H. J. R. No. 16-8. If there is no further introduction of resolution, I order that all resolutions are placed on today's calendar for disposition.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 16-139: (6/22/08) Informing the House that he signed into law S. L. B. NO. 16-2, D1 (To name the baseball field in Sinapalo, Rota as the "Joaquin Mesngon Ogo Baseball Field"). *Became Rota Local Law 16-2.*

There was no discussion under this item.

SENATE COMMUNICATIONS

SEN. COMM. 16-40: (6/30/08) Returning H. B. NO. 16-30, HD1 (To provide flexibility, parity and accountability in the compensation paid to licensed professionals), which was passed by the Senate without amendment on June 27, 2008. [Before the Governor]

SEN. COMM. 16-41: (6/30/08) Informing the House that the Senate accepted the House amendments to S. B. NO. 16-16, HD1 (re DPL department heads in the First and Second Senatorial Districts) on June 27, 2008. [For info]

SEN. COMM. 16-42: (6/30/08) Transmitting S. B. NO. 16-36, SD2, entitled: "To amend Public Law 16-51 to allow the Northern Mariana Islands Retirement Fund to pay pension

proportionate to employer contribution; and for other purposes,” which was passed by the Senate on June 27, 2008. [For action]

SEN. COMM. 16-43: (6/30/08) Transmitting S. J. R. NO. 16-5, entitled: “To support and encourage efforts by the Executive Branch, through the Office of the Attorney General, to investigate whether given the allegations of a federal criminal indictment and civil forfeiture complaint brought by the United States Attorney for the Southern District of New York against Robert Pfaff, civil or criminal action should be brought against Mr. Pfaff in the Commonwealth to recover taxes owed to the Commonwealth, and otherwise to take any other appropriate actions to recover any taxes owed to the Commonwealth by Mr. Pfaff or others who may have assisted Mr. Pfaff,” which was passed by the Senate on June 27, 2008. [For action]

SEN. COMM. 16-44: (7/7/08) Transmitting a certified copy of S. R. NO. 16-16, entitled: “A Senate Resolution to commend the Federal Government for its continuing condemnation of the persecution of members of the Bahá’í faith by the Government of Iraq,” which was adopted by the Senate. [For info]

SEN. COMM. 16-45: (7/7/08) Transmitting a certified copy of S. R. NO. 16-17, entitled: “A Senate Resolution commending Christine Ana Dela Cruz Torres for her accomplishments, outstanding citizenship and for her many admirable contributions to her country, and serving as a true citizen to the people of the Marianas,” which was adopted by the Senate.” [For info]

SEN. COMM. 16-46: (7/7/08) Transmitting a certified copy of S. R. NO. 16-18, entitled: “A Senate Resolution respectfully requesting that the House of Representatives do the Senate of the Sixteenth Northern Marianas Commonwealth Legislature courtesy of acting on Bills originating from the Senate,” which was adopted by the Senate.

SEN. COMM. 16-47: (7/7/08) Transmitting a certified copy of S. R. NO. 16-19, entitled, “A Senate Resolution expressing the Senate’s heartfelt gratitude to Mr. Michael S. Sablan for his exemplary public service as public auditor of the Commonwealth of the Northern Mariana Islands from December 2000 to July 2008, and best wishes on his future endeavors,” which was adopted by the Senate. [For info]

Speaker Palacios: On SEN. COMM. 16-43, this is a transmittal of S. J. R. NO. 16-5, and I would like to order that this Senate Joint Resolution be placed on the Resolution Calendar for disposal. Would anyone like to comment on SEN. COMM. 16-46? It is basically asking us to pass some of the Senate legislations. I believe that we are moving along and I tagged some of the committee chairs in making sure that some of these Senate Bills are reported out by respective committee, particularly the Committee on Judiciary and Governmental Operations and the Committee on Health, Education, and Welfare. I recognize Representative Joseph P. Deleon Guerrero.

Vice Speaker Deleon Guerrero: Mr. Speaker, just for my own understanding, how many Senate bills does the House now have in its possession?

Speaker Palacios: I believe we have six legislations in the House. We have disposed two and we have one on the Bill Calendar. One legislation regarding after school work program was on the

on the Bill Calendar also, but Senator Jude U. Hofschneider, who is the author of the legislation, asked to have it withdrawn from the Calendar for work with Public School System.

Vice Speaker Deleon Guerrero: So, in essence, there are three that have not been acted on?

Speaker Palacios: Two Senate bills and one Senate legislative initiative. Correct.

Representative Deleon Guerrero: So we are at 50% -- for the record.

Speaker Palacios: Somewhere along there. But in any event, I think we should have our committee chairs make sure that we take timely actions these legislations. I recognize Representative Victor B. Hocog.

Representative Hocog: Thank you, Mr. Speaker, relative to SEN. COMM. 16-46, I would like to congratulate the authors for initiating, for first time in history, a Senate Resolution requesting the House to act on all the Senate bills that have been referred here. I guess that is a message that has been sent to work together. So, I commend the Senate for the historical Resolution. Thank you.

Speaker Palacios: Thank you. Any more comments on the Senate Communications?

HOUSE COMMUNICATIONS

HSE. COMM. 16-55: (6/23/08) From Representative Yumul to the Speaker with regards to certifications of vacant positions and on those that exceed the salary cap.

Speaker Palacios: I recognize Representative Oscar M. Babauta.

Representative Babauta: Just to check with the Chair, Mr. Speaker, because this morning I came to the office and went downtown at ten o'clock, came rushing back up before 11:30 a. m. only to find out that our farewell lunch has been cancelled. I would like to find out what happened. I guess, for those who have not eaten, if the Chair has something in the conference room that we may share.

Speaker Palacios: We had some glitch with the caterer this morning. Let me have Representative Yumul announce when the next event will be.

Representative Yumul: Mr. Speaker, if I may.

Speaker Palacios: Recognized.

Representative Yumul: I was hoping to distribute this during Miscellaneous Business, but since Representative Babauta is kind of hungry, I ask the Sergeant-at-Arms to go ahead and distribute what I have planned to put out later. A little momentum, if you will. If you need a quick burst of high calorie protein diet, I have some M.R.E.'s to give to the members. So you all may think of me as you enjoy it.

Speaker Palacios: Thank you, and thank you for bringing that up, Representative Babauta. For everyone's information, the luncheon in honor of Representative Yumul has been rescheduled for tomorrow. Please make sure that you make it up.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

Speaker Palacios: Under Communications from the Judicial Branch, I would like to remind you that we will be having the State of Judiciary Address this coming Friday, July 11, 2008, at 10:00 a.m.

Vice Speaker Deleon Guerrero: What will be the attire, Mr. Speaker?

Speaker Palacios: Regular session attire.

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

NONE

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

Dept./Agcy. Comm. 16-32: From Director Ross Manglona, NMC-CREES, inviting the Speaker to a two-day workshop "Opportunities in Aquaculture" on July 10 & 11, 2008, hosted by NMC-CREES.

There was no discussion under this Item.

OTHER COMMUNICATIONS

NONE

REPORTS OF STANDING COMMITTEES

Speaker Palacios: I recognize Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. I have a Standing Committee Report from HEW Committee that is being copied right now. I would like to include that in Item No. 12, once it is finished.

Speaker Palacios: We will come back to that when the copies are distributed. I recognize the Floor Leader Camacho.

Floor Leader Camacho: Thank you, Mr. Speaker. I move to adopt S. C. R. NO. 16-29 reporting on H. L. I. NO. 16-11.

The motion was seconded.

S. C. R. NO. 16-29: REPORTING ON **H. L. I. No. 16-11**, ENTITLED: TO AMEND ARTICLE III, SECTION 9(A), OF THE CONSTITUTION OF THE NORTHERN MARIANA ISLANDS TO PROHIBIT THE WITHDRAWAL OF ANY FUNDS FROM THE GENERAL FUND EXCEPT BY APPROPRIATIONS MADE BY

LAW.” *Your Committee on Judiciary and Governmental Operations recommends passage without amendment.*

Speaker Palacios: The motion on the floor is to adopt Standing Committee Report 16-29 and it has been seconded. Discussion on the motion.

Members voiced “ready.”

There was no discussion; S. C. R. No. 16-29 was adopted by voice vote.

Speaker Palacios: S. C. R. No. 16-29 reporting on H. L. I. No. 16-11 is hereby adopted. Representative Apatang, we will come back to Item No. 12.

Representative Apatang: Thank you, Mr. Speaker.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

NONE

UNFINISHED BUSINESS

NONE

RESOLUTION CALENDAR

Speaker Arnold Palacios: Under Resolution Calendar, I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. I move for the adoption of H. J. R. No. 16-8 reference to HUD and the block grants.

The motion was seconded.

H. J. R. No. 16-8: A HOUSE JOINT RESOLUTION TO AUTHORIZE THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, THROUGH ITS GOVERNOR, TO SUBMIT TO THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT, THE ACTION PLAN FOR THE COMMUNITY DEVELOPMENT BLOCK GRANT APPLICATION NO. B-08-ST69-0001; THE HOME INVESTMENT PARTNERSHIP GRANT APPLICATION NO. M-08-ST69-0203; AND, THE EMERGENCY SHELTER GRANT APPLICATION NO. S-08-DC69-0001; TO RECEIVE THE FUNDS REQUESTED THEREIN, AND TO ASSUME ALL RESPONSIBILITIES THAT MAY BE IMPOSED BY THE U. S. DEPARTMENT OF HOUSING AND URBAN COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP PROGRAM, AND THE EMERGENCY SHELTER GRANT PROGRAMS.

Speaker Arnold Palacios: The motion is to adopt H. J. R. No. 16-8 and it has been seconded. The floor is open for discussion. I recognize Representative Hofschneider.

Representative Hofschneider: I know this is just approving the grant itself but since we have good people from the Northern Marianas Housing Corporation (NMHC), may I just ask that they consider saving a portion of that Community Development Block Grant (CDBG) if the entire amount is not already committed for the Children’s Park here in Capitol Hill, the amenities that

they require because at the last session, the Floor Leader tried to appropriate money that was already committed in the Local Delegation. We thought it was appropriate under CDBG to work with NMHC and set aside a good portion of the money for the Children's Park and the Baseball Park here for the little leagues. If I may suggest, Mr. Speaker, that the Floor Leader and people from Northern Marianas Housing Corporation get together and discuss the appropriate amount and the purposes. It is a good project. Thank you.

Speaker Palacios: Thank you, that is a very good recommendation. Any more discussion? I recognize Representative Aldan.

Representative Aldan: Mr. Speaker, just to let you know that I am present.

Speaker Palacios: Let the record reflect that Representative Aldan is now present in session.

Speaker Palacios: Any further discussion on this matter? Ready?

There was no further discussion, and the motion to adopt H. J. R. NO.16-8 was carried by voice vote.

Speaker Arnold Palacios: H. J. R. NO. 16-8 is hereby adopted by the House. I recognize the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. If there is no objection from the members, since it is referring to the Department of Public Works and various roads projects, a motion to adopt H. R. NO. 16-38, H. R. NO. 16-39, and H. R. NO. 16-40.

The motion was seconded.

H. R. No. 16-38: A HOUSE RESOLUTION RESPECTFULLY REQUESTING THE SECRETARY OF PUBLIC WORKS TO INCLUDE KANNAT TABLA ROAD UNDER THE TERRITORIAL TRANSPORTATION IMPROVEMENT PLAN (TTIP) AND FOR OTHER PURPOSES.

H. R. No. 16-39: A HOUSE RESOLUTION RESPECTFULLY REQUESTING THE HONORABLE BENIGNO R. FITIAL, GOVERNOR OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, AND MR. DIEGO B. SONGSONG, SECRETARY OF THE DEPARTMENT OF PUBLIC WORKS TO RESERVE AT LEAST \$650,000.00 (PE) FROM THE FEDERAL HIGHWAY FUNDS FOR FISCAL YEAR 2009, \$2,975,000.00 FOR FISCAL YEAR 2010, AND \$2,975,000.00 FOR FISCAL YEAR 2011 FOR THE A & E DESIGN AND CONSTRUCTION OF ROADS AND DRAINAGE FROM CAPITOL HILL TO MT. TAPOCHAU AND CHALAN GALAIDE TO NAVY HILL AND LATERAL ROADS, INCLUDING RIGHT OF WAY ACQUISITION AND FOR OTHER PURPOSES.

H. R. No. 16-40: A HOUSE RESOLUTION RESPECTFULLY REQUESTING THE SECRETARY OF THE DEPARTMENT OF PUBLIC WORKS TO AUTHORIZE THE REPROGRAMMING AND CHANGE ORDER OF PRECINCT III VARIOUS ROAD PAVING PROJECTS TO INCLUDE THE UNPAVED ROAD AT THE COASTAL DRIVE IN SADOG TASI AND OTHER SECONDARY ROADS AFFECTED BY THE REDISTRICTING AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: The motion is to adopt H. R. NO. 16-38, H. R. NO. 16-39, and H. R. NO. 16-40. The floor is open for discussion. Ready? I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I would just like to ask the author of these Resolutions if the Department of Public Works has been consulted as to the reprogramming of funds that we would be requesting if this resolution is adopted. What is the status of these funds at this time?

Speaker Palacios: Representative Hofschneider, would you like to explain?

Representative Hofschneider: The mere fact that this is an expression of the House merely requesting, is because I think I may speak on behalf of the House that we are left in the dark as to those appropriations. Now, some of them have been completed and those fund balance have been sitting idle or those projects have not made any head way. And for that, the resolution is appropriate to raise the awareness of the Department of Public Works (DPW) and by no means reprogramming money through a resolution. It is merely an expression or the intent of the Legislature to ask.

Speaker Palacios: Thank you. I recognize Representative Sablan.

Representative Sablan: Well that clarifies it somewhat, but I guess I just wanted to know why these funds are not presently being used to address these road problems which are long standing problems. I do not disagree with the need to pave the road, I would just like to have some clarification that the funds are in fact available and some consultation with the Department of Public Works has actually taken place.

Speaker Palacios: I recognize Representative Stanley Torres.

Representative Stanley Torres: Mr. Speaker, with the able and experienced assistant's findings, I think that the resolution is very simple and self-explanatory. I cannot explain further than what it is written in the resolution, which is what my and my assistant's finding. I guess the rest is up to the Secretary of Department of Public Works or to whoever is monitoring the projects. It is the prerogative of each member to find out.

Representative Sablan: Perhaps I can clarify my question. I would just like to know if we are asking the Department of Public Works to divert Federal Highway Transportation Funds from one or several paving projects already under way or about to be started to other paving projects on other parts of the islands.

Speaker Palacios: Thank you for that clarification. I recognize Representative Oscar M. Babauta.

Representative Babauta: Thank you, Mr. Speaker. The resolution calls for the attention of the Department of Public Works, as the author has alluded in the provisions, to respectfully that the department on future highway funds that are forth coming and that these road projects would be

included. Like for example, the road leading to Mt. Tapochau and the other two would be included in the next highway plans together with the funding.

Speaker Palacios: That is fairly clear. I recognize Representative Deleon Guerrero.

Representative Deleon Guerrero: I was going to comment on Representative Sablan's question, and yes there are projects that are already earmarked for FY 2009, FY 2010, and FY 2011. Part of it is the road going up Millard's or Isa Drive. There is a portion of Federal Highway Funds reserve for that. I just wanted to clarify that. Secondly, I wanted to ask the author to clarify -- I believe that one of the intents of the resolution is to include right-of-way acquisitions and I am not a 100% sure, but I believe that right of way acquisition is not an allowable expense under Federal Highway Funds. That is something the state has to take care of with local funds. Because it is one of the intents, I wanted to ask the author that if I am correct, if we may strikeout that portion of the resolution which includes the right-of-way acquisition, if there is no objection from the author. I stand corrected, I may be wrong. Under the title, on the last sentence, "including the right-of-way acquisitions" and also on page 2 line 2, it also states "for right-of-way acquisitions". I believe that is not an allowable expense.

Speaker Palacios: Representative Babauta, would you like to answer the inquiry?

Representative Babauta: (Inaudible)

Speaker Arnold Palacios: I think you are correct, I always thought that we can not use the Federal Highway Funds for acquisitions of roads. Representative Torres, would you be amendable to having that amended so we can strikeout right-of-way acquisitions.

Representative Torres: Mr. Speaker, let us have a party, amend it, revise it, or alter it. It is up to the majority.

Speaker Palacios: I recognize Representative Heinz S. Hofschneider.

Representative Hofschneider: Let me just take a moment and allow the language of "land acquisition as permitted."

Speaker Palacios: Vice Speaker Deleon Guerrero, since you brought up the issue, would you take the honor of making the recommended amendments.

Vice Speaker Deleon Guerrero: Okay, I do not know if "as permitted" is including the right of way acquisition....

Speaker Palacios: I recognize Representative Sablan.

Representative Sablan: Well the language has to be changed to not only apply the use of Federal Funds but I think that is the issue the Vice Speaker is raising. We are asking for the Federal Funds to be reserved for, among other purposes, the right of way acquisitions. I would share the same concern and even if the language "as permitted" would address that concern.

Speaker Arnold Palacios: Short recess.

The House recessed at 2:15 p.m.

RECESS

The House reconvened at 2:18 p.m.

Speaker Palacios: We are back in session, and I recognize Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. If there is no objection, I would like to offer some oral floor amendments. On the last sentence of title, after the word “roads,” strikeout “including the right of way acquisition”. Then on page 2, starting on line 1, strikeout the words, “and right of way acquisitions”.

The motion to amend H. R. NO. 16-39 as offered by the Vice Speaker was seconded.

Speaker Palacios: The motion on the oral amendment has been seconded. Discussion on the motion?

There was no discussion, and the motion to amend H. R. NO. 16-39 as offered by the Vice Speaker was carried by voice vote.

Speaker Palacios: The motion to amend carries. We are back to the main question. I recognize Representative Salas.

Representative Salas: I just want to ask, do we know how much money we actually have for this Federal Highway Fund? I know that for FY 2009, we are asking for 2,975,000.00, obviously the Federal Highway Fund is a lot higher than that. Can you just tell me how much?

Speaker Palacios: I recognize Representative Heinz S. Hofschneider.

Representative Hofschneider: Mr. Speaker, for years the U.S. Department of Transportation has a set formula for the CNMI, Guam, and the rest. That formula is pretty much set and that could be the actual amount allotted for the Commonwealth.

Speaker Palacios: I believe it has gone up to 4.2 million dollars. There is an annual allocation of 4.4 million dollars now. I recognize Representative Christina Sablan.

Representative Sablan: I would like to also ask for some clarification on H. R. NO. 16-40, which asked for the sum of about \$186,000.00 from Saipan Local Law 15-12 to be reprogrammed for roads that were affected by the re-districting of the election precincts. Can we get some clarification on what exactly does that means? How were those roads affected by re-districting that would warrant reprogramming of funds?

Speaker Palacios: I recognize Representative Victor B. Hocog.

Representative Hocog: Maybe the concern of Representative Sablan could be addressed as we go along passing each individual House Resolution. At this time, we are addressing on H.R. 16-38.

Speaker Palacios: The motion is to adopt all three House Resolution.

Representative Hocog: All at one time?

Speaker Palacios: Yes, so we can go one by one.

Representative Hocog: I guess it is best through go the Resolution Calendar one by one. Thank you.

Speaker Palacios: Thank you. I recognize Representative Benavente.

Representative Benavente: Mr. Speaker, to try and answer Representative Sablan's question, a lot of these appropriations or some of these local appropriations that were made for these types of projects had languages that said roads in Precinct 3, for example. When the redistricting happened, it moved some of these roads outside of Precinct 3. It is just asking Department of Public Works or we are allowing Department of Public Works now through this resolution to make the reprogramming necessary so that those projects can continue on.

Representative Sablan: So to further clarify this then, these are roads that were part of Precinct 3 in the original appropriation bill 15-12. Which precincts were they a part of?

Representative Benavente: I am not sure if this was specific to certain precinct, but in most of the projects, it describes roads in Precinct 1, 2, 3, or 4. And because of the redistricting, the Department of Public Works has concerns about continuing on with certain projects from those funds that have switched from Precinct 2 to Precinct 1, or vice versa. So that we untangle that situation, Representative Torres has also referred this as a solution to continue with those projects.

Speaker Palacios: Okay, is that clarified? Representative Salas.

Representative Salas: Yes, I guess the concern then is to ensure that we are not taking any money from one precinct but giving it to another precinct, basically the road is still there.

Speaker Palacios: It is an appropriation for Precinct 3 roads but because of the new boundaries; it identifies some of these roads outside of the grid. We are back to the main question. Ready?

There was no further discussion and the motion to adopt H. R. NO. 16-38, H. R. NO. 16-39, House Draft 1, and H. R. NO. 16-40 was carried by voice vote.

Speaker Palacios: The motion is carried and H. R. NO. 16-38, H. R. NO. 16-39, House Draft 1, and H. R. NO. 16-40 are hereby adopted. I recognize Representative Reyes.

Representative Reyes: Yes, Mr. Speaker, if I may, I would like to go back to the Introduction of Resolutions?

Speaker Palacios: Without objection, we will go back to the Introduction of Resolution.

INTRODUCTION OF RESOLUTIONS

The Chair recognized Representative Reyes.

Representative Reyes: Thank you Mr. Speaker I would like to introduce H. R. NO. 16-43, on behalf of the author, Representative Rosemond Santos, respectfully requesting the Secretary of the Department of Finance to release CNMI rebate checks to the Reserve Members of the United States Armed Forces that have been called to Active Duty.

H. R. NO. 16-43: A House Resolution respectfully requesting the Secretary of the Department of Finance to release the CNMI refund/rebate checks of the reserve members of the United States Armed Forces that have been called to active duty.

Offered by: Representative Rosemond B. Santos and seventeen others

Speaker Arnold Palacios: Floor Leader, I would like to ask that you put that on the Resolution Calendar. If there is no further introduction, we move back to Resolution Calendar.

RESOLUTION CALENDAR

Speaker Palacios: I recognize Floor Leader Camacho.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to adopt H. R. NO. 16-3 in reference to the Constitutional Convention (Con-Con).

The motion was seconded.

H. J. R. NO. 16-3: A HOUSE JOINT RESOLUTION TO PUT THE QUESTION OF CALLING A CONSTITUTIONAL CONVENTION BEFORE THE VOTERS OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS. [*Reference. S. C. R. No. 16-28*]

Speaker Palacios: Any discussion on the motion? I recognize Representative Babauta.

Representative Babauta: It is just to remind the members, Mr. Speaker, that Commonwealth Election Commission would need approximately \$25,000 for each initiative for public education purposes. I will take that back, thank you.

Speaker Arnold Palacios: Representative Benavente.

Representative Benavente: Mr. Speaker, I believe the resolution is to place the question before the voters at the next regular general question if the voters feel that there should be a constitutional convention. Mr. Speaker, I guess this came about as a result of several initiatives that have been introduced here in the House as well as in the Senate. Therefore, one would ask

that question that because of the many recommendations to amend the constitution, is it time to call for this constitutional convention in order to allow the constitutional convention to make those changes rather than by way of legislative initiatives or popular initiatives. I believe that it is a good idea to put this question before the people at this time. Thank you.

Speaker Arnold Palacios: Representative Sablan, recognized.

Representative Sablan: Thank you, Mr. Speaker. I think it is worthwhile to note just for the record that the people were presented with this question, if I am not mistaken, three year ago in the 2005 Election. They pretty resoundingly said, no, a constitution convention was not necessary. And the question will come up again, and I stand to be corrected, in the next few years. So I am just wondering for the purposes of discussion from the members -- do we really want to place this question on the ballot again when the voters not too long ago said no, they did not want one.

Speaker Arnold Palacios: That is a valid question. Representative Hofschneider, recognized.

Representative Hofschneider: Mr. Speaker, I am not going to attempt to answer the question posed by Representative Sablan, but, Mr. Speaker and members the last Con-Con was a total failure in terms of ratification. Not a single proposal by that last Con-Con was ratified by the people thereafter. There are two ways provided for the people and the legislature to propose changes in the constitution, as provided in the CNMI Constitution. If the intent of the Constitution was to not allow popular initiatives by way of the people themselves or the legislature through a legislative initiative, if it was intended to remain in tact and not be tinkered with in the midst of the ten-year period for every Con-Con to be called, then that language in the Constitution would have been stricken out or nonexistent. There will always be a need, so long as members have that opinion and desire to expand, improve, amend, or delete constitutional languages. Nothing short of posing the entire question to the people, and because the Constitution, by design, is a living document it continues to evolve and it serves its purpose continually and hopefully, any language provided thereafter is general in context and in application. And for that reason, that the legislature is given that authority to present out a legislative initiative to the people for ratification, and for that same reason that the people themselves, though a popular initiative if the legislature does not see fit enacting on a legislative initiative on the same or similar issue. The people themselves may rise to that power granted them to proceed with amending the Constitution. The moral of posing a question to the voters for a constitutional convention, in the last Constitutional Convention, if you take the time to read proposed amendments that were passed and compiled in a form of booklet and given out, there is nothing gravitating. There are just refinements of intents in terms of either permissiveness or non-permissiveness languages proposed. As far as actual changes, substantive changes, like the certain Bill of Rights in the U.S. Constitution, there is nothing of sort. That is the reason why in the end the people voted down the entire proposal. I think that the process of democracy is that so long as we continue to debate healthily and respect one another through either initiatives or legislations, there will always be a need. And maybe I am responsible for the impetus of introducing five legislative initiatives. And this leadership has taken all of it in hiding. That is also the reason for the popular initiative out there. In closing, Mr. Speaker, I foresaw how CUC was going to become this year, that is why I introduced the borrowing from MPLT in January.

This Body has not acted on it. MPLT has decided to lend money to fix the problems with CUC. In that same initiative is the permissiveness to borrow money for the operational needs of the government. Today, as we speak, the Constitution prohibits borrowing to any degree for operations. I foresaw this in January. Now, posing a question for a constitutional convention does not rise to the need that we need to have a Con-Con to attempt to pass the initiative that I proposed. So, Mr. Speaker, I think that the old adage is, be careful what you wish for. Article XII is a very contentious issue, and is a very divisive issue amongst the community particularly when economic conditions dictate how desperate this government is, and how desperate we need to improve the lives of our people. The vulnerability should be in everyone's mind about a constitutional convention. Thank you.

Speaker Arnold Palacios: Thank you. Are there more question, answers, or comments? Ready? Representative Sablan, recognized.

Representative Sablan: I guess this is a final thought--Representative Hofschneider made reference to whether or not there is in fact a need to convene another constitutional convention, and I also see Representative Benavente's point that all we are doing is asking voters the question whether or not they would like to have a constitutional convention. I do not see so much the harm in that, but I am wonder if the real issue here is our struggle within this legislature to prioritize the initiatives that have been introduced and actually get the priority initiatives on the ballot this year. I am wondering if that struggle has given rise to the sentiment of some members that there is a need for a constitutional convention. I would like to hear from the proponents of a convention if that is really where this proposal comes from.

Speaker Arnold Palacios: I recognize Representative Salas.

Representative Salas: Mr. Speaker, I think the driving force behind this resolution is the fact that three months into our being in office, we have already introduced eleven legislative initiatives, and perhaps now there is more than eleven. I guess the purpose is for us to perhaps take it to our people and ask if there is really a need to change our Constitution. So, that, I believe is the driving force -- there are just too many and there are probably more to come. And if we are going to be doing that, then perhaps we should ask our constituents if indeed we need one so that they can actually vote on it. The convention will convene and they can come up with the amendments if the amendments are needed.

Speaker Arnold Palacios: Thank you. Ready? Representative Sablan.

Representative Sablan: I guess I am also wondering then if information we have in this committee report an indication of how much it costs for public education alone for one imitative. I am wonder how that would compare then to the cost of a constitutional convention. The last one that we had was in 1995. Does anybody know what the cost of that was just for the purposes of comparison?

The Chair recognized Representative Hocog.

Representative Hocog: Mr. Speaker, to answer the Representative, the cost of the three-month Constitutional Convention was \$420,000.

Speaker Arnold Palacios: Thank you. Any further discussion? If none, we will vote on the question to adopt H. J. R. NO. 16-3.

The motion to adopt H. J. R. NO. 16-3 was carried by roll call vote, as follows:

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

Speaker Palacios: I recognize Representative Benavente.

Representative Benavente: Mr. Speaker, Representative Santos wanted me to inform you that she has a doctor's appointment, so I just wanted to make sure that that the record reflect that she has excused absence.

Speaker Arnold Palacios: She is excused. By a vote of nine members voting "yes," eight voting "no," H. J. R. NO. 16-3 hereby adopted the House. I recognize the Floor Leader Camacho.

Floor Leader Camacho: Thank you, Mr. Speaker. I move to adopt S. J. R. NO. 16-5 for the Attorney General to investigate the nonpayment of C.N.M.I. Tax.

The motion was seconded.

S. J. R. No. 16-5: A SENATE JOINT RESOLUTION TO SUPPORT AND ENCOURAGE EFFORTS BY THE EXECUTIVE BRANCH, THROUGH THE OFFICE OF THE ATTORNEY GENERAL, TO INVESTIGATE WHETHER GIVEN THE ALLEGATIONS OF A FEDERAL CRIMINAL INDICTMENT AND CIVIL FORFEITURE COMPLAINT BROUGHT BY THE UNITED STATES ATTORNEY FOR THE SOUTHERN DISTRICT OF NEW YORK AGAINST ROBERT PFAFF, CIVIL OR CRIMINAL ACTION SHOULD BE BROUGHT AGAINST MR. PFAFF IN THE COMMONWEALTH TO RECOVER TAXES OWED TO THE COMMONWEALTH, AND

OTHERWISE TO TAKE ANY OTHER APPROPRIATE ACTIONS TO RECOVER ANY TAXES OWED TO THE COMMONWEALTH BY MR. PFAFF OR OTHERS WHO MAY HAVE ASSISTED MR. PFAFF.

Speaker Palacios: A motion has been made to adopt S. J. R. NO. 16-5 and it has been seconded. Discussion on the motion? Short recess.

The House recessed at 2:43 p.m.

RECESS

The House reconvened at 2:54 p.m.

Speaker Arnold Palacios: While we were in recess, we were discussing S. J. R. NO. 16-5, and I open the Floor now for discussion. Are you ready for the question?

Several members “ready.”

There was no discussion and the motion to adopt S. J. R. NO. 16-5 was carried by voice vote.

Speaker Arnold Palacios: I recognize Floor Leader Camacho.

Floor Leader Camacho: Thank you, Mr. Speaker. I now make a motion to adopt H. R. NO. 16-41 to Mr. Kelvin and Mrs. Clawson from Tinian.

The motion was seconded by several others.

H. R. NO. 16-41: A HOUSE RESOLUTION TO RECOGNIZE THE CONTRIBUTIONS MADE BY MRS. TERRI CLAWSON AND TO COMMEND HER GENEROSITY AND UNSELFISHNESS TO THE COMMUNITY OF TINIAN AND THE ENTIRE COMMONWEALTH.

Speaker Palacios: A motion has been made and seconded to adopt H. R. NO. 16-41, discussion on the floor. Will there be any objection if we introduce this as a Committee of the Whole?

There was no objection from the Floor.

Speaker Arnold Palacios: I recognize Representative Victor B. Hocog.

Representative Hocog: I really do not know who is Terri Clawson and I would like the author to please just inform the members who they are.

Speaker Palacios: I recognize Representative Aldan.

Representative Aldan: Thank you, Mr. Speaker. Mrs. Clawson works at the Tinian Health Center. She is one of the newly hired physician assistants. She has been on island for about eight

months and she spent over eleven thousand in renovating one of the holding rooms in Tinian Health Center. She used her own money as donation for the renovation.

Representative Hocog: That is fully justified, Mr. Speaker, thank you.

There was no further discussion and the motion to adopt H. R. NO. 16-41 was carried by voice vote.

Speaker Palacios: H. R. NO. 16-41 is hereby adopted by the House. I recognize the Floor Leader.

Floor Leader Camacho: Thank you again, Mr. Speaker, a motion to adopt H. R. NO.16-43 in reference to the rebate checks for the troops.

The motion was seconded.

H. R. NO. 16-43: A HOUSE RESOLUTION RESPECTFULLY REQUESTING THE SECRETARY OF THE DEPARTMENT OF FINANCE TO RELEASE THE CNMI REFUND/REBATE CHECKS OF THE RESERVE MEMBERS OF THE UNITED STATES ARMED FORCES THAT HAVE BEEN CALLED TO ACTIVE DUTY.

Speaker Palacios: The motion to adopt H. R. NO. 16-43 has been seconded. Is there any discussion? I recognize Representative Diego T. Benavente.

Representative Benavente: Again while Representative Sablan is finding her copy, I would like to offer my support on this resolution, Mr. Speaker. You know presently even with families here and working together, everyone is experiencing true hardship whether it is because of the economic situation or because of the high cost of utilities today. Everyone is suffering, families are suffering, and I commend the author for proposing this resolution to provide for some relief to the families of those soldiers who will be leaving their family behind. I hope that the Administration can find the funds so that we can assist, and this is a very good way to assist the families of those soldiers who will be leaving on serving our country and serving our people. I wish and hope that everyone would support this resolution and once again the Administration would provide the money and release their rebate checks. Thank you.

Speaker Palacios: I recognize Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. One way of expressing the signing of the covenant Saturday by helping out the families and the soldiers who are departing. They will be needing help because their other half will be way across the other side of the world. I was present Saturday and the signing of the covenant. The Governor was there as part of the signatories of the Covenant and I am sure that based on that Covenant, they will assist because that is one of the commitment of the Covenant. Thank you.

Speaker Palacios: I recognize Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: I too, Mr. Speaker, would like to go on the record asking the members to support this resolution. I am just unclear on who is the author though.

Speaker Palacios: I recognize Representative Heinz S. Hofschneider.

Representative Hofschneider: I think this is the least that we can all do in assisting the families of those who will be deployed serving our country. But I think that the message is bigger than the gesture of seeking the Administration on the early release of the rebate checks. The bigger message is we should, as a community, be part of the families of those deployed. We should continue to support them in every way this community could. Thank you.

Speaker Palacios: Ready?

There was no further discussion and the motion to adopt H. R. NO. 16-43 was adopted by the House.

Speaker Arnold Palacios: H. R. NO. 16-43 is hereby adopted by the House. I recognize Floor Leader Camacho.

Floor Leader Camacho: Thank you, Mr. Speaker. Motion to adopt H. R. NO. 16-42 in reference to the federal take over and its economic impact.

H. R. NO. 16-42: A HOUSE RESOLUTION TO ACKNOWLEDGE THE ENACTMENT OF THE NORTHERN MARIANA ISLAND IMMIGRATION SECURITY AND LABOR ACT IN P.L. NO. 11-229 ON MAY 08, 2008, TO EXPRESS CONCERN ABOUT THE ECONOMY IMPACT ON THIS ACT ON THE C.N.M.I. ECONOMY TO RECOGNIZE THE GOVERNOR'S SEGMENT ON JUNE 24, 2008, REGARDING THE ACT AND TO SUPPORT THE GOVERNOR'S ACTION IN SEEKING FOR THE LEGAL ADVICE BEFORE INITIATING ANY LITIGATION CHALLENGING THE ACT IN FEDERAL COURT.

Speaker Palacios: The motion is to adopt H. R. NO. 16-42 has been made and seconded. I recognize Representative Heinz S. Hofschneider.

Representative Hofschneider: With all due respect to the author, a very good friend of mine for the longest time, and I know that that resolution is acknowledging the intent, as stated publicly by the Governor, to seek advice before venturing or embarking in litigation or a lawsuit. But one gets to think that diplomatic ways and means have saved civilization, have prevented wars, prevented civil calamities, or civil disorders. (*End of Tape 1, side B*)... (*Start of Tape 2, side 1*) I believe that from the date that United States President Bush signed the immigration act for the Commonwealth in May, we have a year to sit at a table and articulate our needs and concerns in the write-up of the regulation. The write-up of the regulations is the first step. We have not even sat on that table. We have not ventured into the Congressional Halls of the U.S. Congress to present our case that this immigration, as claimed, may be, factually based, economically disastrous for the Commonwealth. We have not exhausted diplomatic means and we are embarking in litigation. The thought of litigating puts a very defensive mode on attitude on the federal side. How can we be heard that this Immigration may be disastrous economically speaking. If we from the get go take up arms and that is to go through the courts. I know that the resolution is acknowledging that the Governor should seek advice on the merits of a lawsuit. But

Mr. Speaker, I fear the consequence of going through the courts rather than exhaustingly sit at the table and articulate our case on the write up of regulation, and even appealing to the Secretary. I believe the Department of Homeland Security has that unilateral power to suspend its application five years, each time. We have not exhausted that. We have not exhausted knocking doors at the U.S. Congress. The consequence that we all have to be mindful of in litigation is that national security can trump everything, every argument that we can put forth economic or otherwise. National security, in the court, will trump it. But the greatest consequence is this is a 50/50 chance of winning. There is a 50% chance of losing and even if you win, you still lose. How? Assuming with the courts sides with the Commonwealth on the argument that the language provided in the immigration act for the Commonwealth is economically disastrous, disadvantageous. The court, at a minimum, will send it back to the U.S. Congress and says you have to be fair to all jurisdictions. Why is this unique immigration act only applicable to the Commonwealth, not American Samoa, State of Hawaii, and rest of the ports of entry? The consequence is the court is going to mandate Congress to re-write the immigration act. What is that going to tell? What is that going to do by the court mandating Congress to re-write it. In the haste of protecting national security issues, Congress would say it is easier to apply the U.S. Immigration Act unilaterally. And then what? So you question the motive in going to court before exhausting diplomatic means in negotiation. You question the motive in hastily going to court. Are they really out there to protect the people and the Commonwealth and the spirit the essence of the Covenant, or dismantle it at the end? This resolution gives grievance to seeking advice further. Who is to pay for it? Mr. Speaker and members, if it is factually based that it is contrary to the spirit of the Covenant, then the taxpayers of the Commonwealth should be paying every penny. Let us not repeat another scenario of lobbying. It is just hard for me to stomach the fact that private citizens can pay for this lawsuit and we will be paying for this lawsuit. In the end if the coin flips and it rests on the wrong side, those innocent people out there that have nothing to do and are ignorant of the situation and the case before us, are going to carry the brunt of the hardship in amending the Covenant permanently. So what is the under pinning motive? Are we really protecting the Covenant or are we trying to dismantle it. Go to court, you will dismantle it. Mr. Speaker, I urge that we reject this motion. Let the Governor present to this body, his findings, that there is more than 50% chance of winning in court. He has embarked in seeking legal advice. What are we doing?

Speaker Palacios: Thank you. I recognize Representative Diego T. Benavente. Before you proceed, this is a very important resolution so, I would allow for a little bit more time for debate. Go ahead, proceed.

Representative Benavente: Thank you. Mr. Speaker, one of the things that the Governor stated when he announced that he was going to look into the possibility of suing or hired a company on reviewing the possibility of challenging the implementation of the federalization was that he is not challenging the authority of the United States to implement the INS or the Immigration Law here in the Commonwealth. I think everyone is clear with that. So now we question, then what are we challenging? I would think that the statements being made and what has come out so far is that we are challenging some of the provisions that were proposed in the implementation. But that has not come about or going to be done in a period of five years or possibly ten if we were to be granted the extension. Any of those proposals in the way the implementation to happen here

in the Commonwealth would be put together in this proposed regulation that is still being drafted. So, what are we challenging? I think what our problem here is we have an Administration that has no relationship at all with the Federal counterpart whether it is Homeland Security, DOI, or any of the agencies involved in helping put these regulations together. So that is what is happening, Representative Hofschneider is basically asking these questions of why we have to do this when they are avenues. Maybe there is none. Maybe there is not any avenue because they do not have this relationship to communicate and negotiate on how best to protect the Commonwealth in the implementation of this INS. It is wrong that we agree to something like that or as the resolutions term it, "...that the House commends Governor Fitial for making a detailed public statement." There is no way I would agree to that. We need to, at the very least, refer this resolution to the committee because I personally do not agree that the Administration is taking the right step in protecting the Commonwealth on this issue of federalization. Thank you.

Speaker Palacios: Thank you. I recognize Representative Joseph C. Reyes.

Representative Reyes: Thank you, Mr. Speaker, if I was to draft a resolution, I would draft a resolution telling the Governor to forget it and not do anything about challenging this thing or forego this intent. Mr. Speaker, we have been faced ever since we were sworn into office in January and still face the issues, one of that is money and the other most especially is with CUC. This is not going to be cheap for one. I know it has been said and from what I was reading in the paper that the lawyers said they would be looking into this and would probably be financed by somebody outside. Personally, I feel bad about that. Although it may have a good intention for the Governor to resolve the differences of legal opinions about the actions of the United States Government and the provisions of the Covenant or the Constitution of the Northern Mariana Islands, the bottom line is this is going to cost us money. As Representative Hofschneider stated, we do not know what the outcome of this is going to be. The chance is 50/50 and whatever the outcomes of those challenges are might take five years, and it might go all the way to the Supreme Court. Mr. Speaker and to all members, there are other ways to resolve these differences rather than going to court. I do not think at this time too that we have the financial resources to further proceed with this intent. We can not even afford to have fuel to run the generators on the island. To me, that is a priority because this is what our people desperately needs to find resolve to rather than -- I may not be speaking for all of us as I said the intention to resolve it can be done through diplomatic means rather than go to court. I do not think we should obligate ourselves to support such at this time because we do not have the money. What the people that put us into office want us to do right now is the need for us to resolve this CUC matter rather than be tangled up with such litigation. We can not even fix CUC at this time. I will take that as a priority. Thank you, Mr. Speaker.

Speaker Palacios: Thank you. I recognize Representative Christina Sablan.

Representative Sablan: Thank you, Mr. Speaker, I would like to touch on an issue that Representative Benavente raised earlier during his comments and that was the issue with the relationship with the Federal Government. I think he hit the nail on the head when he said that this Governor unfortunately has no relationship with the Federal Government, at least not a cooperative working relationship. And a resolution like this would further send to the Federal Government that our CNMI Government is completely intractable and there are no reasonable

people with whom to deal. I think this is something that we all have to take seriously considering vulnerability at this time. This is the time we are asking for more food stamps from the federal government. We are asking for assistance with CUC, asking for federal transportation funds, and there is a military build up, and housing funds that we are asking for. And at the same time Homeland Security is set to arrive this Friday to begin talks with the local government about the implementation of this immigration law. And we should all take this very seriously. I agree with the Federal Relations Chairman's position that at the very least this resolution should be referred to his committee. We should really look into the issue of this lawsuit that the Governor is proposing to undertake and look at the impacts of this lawsuit. Also, Mr. Speaker, I think we should investigate the legality of accepting private funds from mysterious unnamed sources to undertake legal actions on behalf of the government. I do think that this legislature should fully investigate the appropriateness and the legality of this proposed lawsuit. I also would like to know what the position of the Attorney General is. He is the official representative of the government. Why is he apparently being excluded from this picture? Why is he not representing us and providing with qualified legal advice as to what our options are realistically in terms of this immigration law. If there is a contract already established with this private law firm, I think we should see it and ascertain who is exactly funding this. Are there public dollars, public facilities, and government time, anything coming out of taxpayers dollars that would go towards this lawsuit? Then at the end of the day, what is the role of the Legislature in deciding whether or not we should pursue this lawsuit and are there limitations we can enact to restrain the financial impact of this litigation. Thank you.

Speaker Palacios: I recognize Representative Victor B. Hocog.

Representative Hocog: Thank you, Mr. Speaker. I believe, Mr. Speaker, that every member who spoke regarding H. R. NO. 16-42 is in the perception of not voting for it. There have been a lot of concerns about the effects of the resolution. Probably this resolution is a test of time of where each member of the House of Representatives expresses his or her feelings about the Administration possibly pursuing its intent to file lawsuit against the Federal Government. While we offer good comments, as this resolution is close to its grave, probably, Mr. Speaker, I am not sure who you will leave in charge, or it may be you to initiate another resolution addressing these concerns of urging the Governor not to pursue his proposal to file lawsuit against the Federal Government, I have some mixed feelings on this resolution. After hearing members put up their thoughts and the concerns, and statement made by Representative Hofschneider whether we prevail or we do not, the United States and the Federal Government will still succeed. But in the other half of my concern dear to my heart is our Covenant--are we all satisfied to sit here and witness our Covenant being dismantled piece by piece--that is another concern that I have. If our Covenant is meaningless that does not contain any sovereignty for the CNMI, we might as well, Mr. Speaker, forget the Covenant. If the mutual respect of the Covenant is not respected, what else do we expect from this Covenant--from that documentation that made us a political family of the United States. I have mixed version of interpreting the fate and the document that made us the family of the United States. Whether the document that was passed years back from our founding fathers contain any merit or not, this is the question before me. I believe that this document has is being out piece by piece like parts of chicken every day. You want the thigh? You dismantle this part of the chicken. You want the wing? You dismantle it again. I guess what we should do then is initiate a resolution urging the Governor to consider his views that have

been enumerated by members, probably that would put everybody's mind in peace, and probably be content. I guess it is our responsibility too to look into that document that made us now a family and the Commonwealth of the Northern Marianas Islands in political union in the United States of the America. I must admit, Mr. Speaker, I for one did not vote for the commonwealth status. Maybe now that this is all happening, we should blame those founding fathers that made us the Commonwealth because they probably did not do their job right. After all there was no mention what so ever regarding the Homeland Security in any part of the Covenant negotiation or any part of the Covenant that was approved, Mr. Speaker. So I guess if there is another convincing point that the Federal Government would like to take again, it will be used as a reason to dismantle parts of this government. That is really my outmost concern--to understand what is left in that Covenant. Is it workable, meaningful, or what? Otherwise we should just scrap the whole booklet and document of that covenant section by section. I do not know if 902 will be the best approach at this point after the fact, or 902 will be used to formulate the task force that will incorporate the concerns of our economic problems including our employment areas not to be so difficult by imposing a 100% requirement stipulated in the U.S. immigration and labor regulations. I guess we should the express to the governor in this resolution to be mindful in selecting people to participate in this task force together with the Homeland Security Personnel that will be coming soon in formulating the regulation that will govern the implementation of the immigration and labor issues for the CNMI. Thank you.

Speaker Palacios: Thank you. Let me recognize Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. When I was given this resolution this morning, I did not sign it. The reason I did not sign it because of the first "whereas" clause which said that members of the House of Representatives oppose the enactment of the Federalization Bill. Last year during the 15th Legislature, we were informed that there was going to be a proposed Federalization Bill. The Governor chose to oppose it, and some of the members including myself and you, Mr. Speaker, decided to make an approach to work these Congressional staffers and incorporate our concerns, hopefully with the intent the Federalization Bill would be more mindful in addressing our concerns. Unfortunately, not all of our concerns were addressed. Since then I have listened, read about the Governors objections, and I do see some merits to some of his concerns. Primarily two issues: one is the right to self-government provision of our Covenant and the second is the United States supporting the Commonwealth's economic growth. This legislation, from what I know and what I have read, is not a *may* have an impact but *will* have an impact in terms of addressing our labor needs. I mean there are certain things that can be done. Representative Hofschneider mentioned that the development of the regulations would allow for consultations with various agencies, such as Homeland Security. However, there are some things that can be negotiated and there some others that I do not believe are negotiable. Those are the issues that are bothering me at this time about the federalization law. The fact that it is applied to us and not applied equally to all the other states is another issue. This resolution basically states on line 16, the Governor's decision to seek advice on making a final decision. I think that is not wrong thing to do. I think that this decision to seek professional advice is one, to find and figure out whether we do have a case in the Supreme Court and second is whether we have a good chance. I just feel that the issue at stake, as Representative Hocog says, is the integrity of our Covenant. It is something that none of us should not take lightly. We have all raised our hands, taken an oath to support and to protect our Covenant and I think this

issue bears question whether in fact the Covenant is being violated or eroded. If they find that we do not have any base or that in fact the Covenant is not being violated then that would be the end of that. But not to take this next step is not correct or good for us, in my own opinion. I think we should consider and at least question the possibilities. As Representative Hocog said, I too have mix feelings and torn right now. I think it is not unwise to pursue this, at least to seek a professional advice from there. The second thing I want to mention, Mr. Speaker, is that we are in a position right now where we do not have any real basis to figure out whether in fact it would result in an adverse economic effect on our economy. There is a GAO report of which none of us I believe have been given a copy or privileged to read or to see how this legislation would affect the Commonwealth. It is rather sad that before members of Congress were able to see the results of that, they acted. I believe there is another study being done that may be forthcoming that will show us if it will be detrimental. At point in time, I believe we should support this legislation. Thank you.

Representative Benavente: Mr. Speaker, point of information.

Speaker Palacios: Representative Benavente, state your point.

Representative Benavente: Just to provide information to what has been said so far, Mr. Speaker, as a former Chairman for Section 902 of our Covenant, it is perfectly clear and that is why the Governor did say in statement that... *(End of Tape 2 side A) (Start of side B)* ...requirement is outside of the mutual consent. Representative Hocog brought up a good point on that particular section, Section 902. I believe it may have an impact in this ongoing drafting of the regulations. As it is clear in that particular Section 902, it is a discussion where issues that is affecting the Commonwealth maybe discussed. This discussion is directly between the White House and the Office of the Governor. So it is above the agencies that are part of those promulgating the regulations. I would like to encourage that we support the idea of encouraging the Governor to appoint a Section 902 Team so that they can discuss the implementation of the INA. Thank you.

Speaker Palacios: I recognize Representative Hofschneider.

Representative Hofschneider: Thank you, Mr. Speaker, for the two colleagues that are torn between two loves, let me state one thing historically. We have irritated members of Congress for the last 15 or 16 years, and as a result our credibility is shot. Our credibility to speak that we are going to do A, B, C, and D is non-believable anymore in the House of Congress and the federal agencies. Having said that, Mr. Speaker, it has been said clearly when the Senate was considering the bill in its drafting stages that our leaders in the Commonwealth were asked for their inputs. And it has been said in this chamber by a federal representative that no one came assist in the final drafting. Now it is clear that the immigration is a unilateral provision where at any time the Federal Government sees it fit take away and they did so. It is the unilateral provision that they do not necessarily have to consult the Commonwealth. It is in the Covenant. Now there is accompanying mess as a result of that action and that is the economic development. There is that provision and there is that intent that the Commonwealth should be free to develop economically. One cannot relief the other because the immigration is a critical component of economic development. That is understood and that is why the lawsuit being researched at the stage is attempting to just focus and limit itself on the economic impact. That is the only

argument that we have. The fact of the matter is, Mr. Speaker, that the lawsuit will end up seeking longer terms for non-residents. That is the objective of a lawsuit. And what did we do?-- We chastised Tina Sablan for introducing that bill. We were almost persona non-grata, Victor Hocog, Ed Salas, and I. Now if you look at the arguments being put forth for a lawsuit and you look and read Representative Sablan's bill, it is one and the same. So take that bill and present it when the Homeland Security people come this week or next week. That will be the starting talking point. You exhaust our ability to be invited to a roundtable in the formulation of the regulation. If the federal side, which I doubt, would be so in trench in forcing economic disparity in the Commonwealth, I doubt that very much. But if that is the case that they will not listen and give flexibility, then that is first level. The second level is to appeal to the U.S. Congress for amendments to relief that economic potential. Now if we exhaust that, then perhaps a lawsuit is ripe. But to give credence at this juncture is disastrous. Thank you.

Speaker Palacios: I recognize Representative Dela Cruz.

Representative Dela Cruz: Thank you, Mr. Speaker. I want to echo the sentiments of the Vice Speaker and also some of the other members in this Chamber. As everyone knows we do have a Covenant with the United States of America. Representative Hocog had mentioned that this piece of document, this agreement that we have is beginning to deteriorate. I understand the immigration provision, Section 503. This resolution calls basically for a clarification. The federal immigration, I agree, can unilaterally be imposed in the Commonwealth that is within the Covenant. But it appears that the Federal Government also sees fit that other areas should be included such as labor. To me that is a bit unclear right now. When we had a meeting with the Federal Ombudsman, Mr. Benedetto, there were some discussions as to the local employees of our CNMI immigration office. That was very unclear as to whether they would be retained or be given the option first choice to be trained and come into the federal immigration body. But I guess the most uncertain area that we see is in the area of labor. If the Federal Government sees fit to take our immigration and our labor at the same time then we are basically almost saying, take everything. As Representatives, as leaders of this Commonwealth, do we just sit back and give away the farm, or do we look at the issue and say, wait a minute this is not within the agreement that our forefathers have entered into. As a proponent of this resolution, I am one of the signatory, I can agree that maybe we should give it a little bit more time, give it back to the committee, and have more discussions on the issue. But to flat out reject the resolution when it does not call for a lawsuit at this time, it is basically a call to make the study to clarify the issue whether our labor should be taken away from us. A year or so ago, our minimum wage was taken over, make no mistake about it. I was agreeable with that at that time. The Legislature had a couple of legislations to restart on the process of increasing the minimum wage. We knew that our people can not sustain the living conditions that they currently experience at \$3.05 per hour. Those two legislations would have pushed through if the federal minimum wage had not come in. But I was quite happy that had occurred. The immigration issue is a different matter in itself. Let us not look at it and say the only thing this Federal Government from us is immigration because who knows labor may also join in. That is where I am really concerned. We need to take a look at this very seriously. I am sure all of us can sit down. Again we have to be very clear -- this is not about a lawsuit and this is not about suing the Federal Government. And even if it was, the states in the U.S. Mainland sue the Federal Government because they want clarity. They want

to be clear on issues, and I believe we are also entitled to clarify the issues. Thank you, Mr. Speaker.

Speaker Palacios: Thank you. I recognize Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. I do not really feel personally that we ought to give the Governor a resolution for trying to find out if there is a case this or not. He should just do it if he wants to. I do not see why I should commend him with a resolution. Thank you.

Speaker Palacios: I recognize Floor Leader. Camacho.

Floor Leader Camacho: Thank you, Mr. Speaker. It seems like everybody put their two cents in and I would like to put at least maybe a penny. I understand the intent of the resolution and I understand that there are issues with regards to the Covenant. In fact, I ask that very question to Washington Representative Pete A. Tenorio and also to Howard Willens that at some point when the plane lands and you walk through immigration, and the immigration officer stamps that passport, does the Federal Immigration Law continue to shadow you through out the rest of your stay here in the Commonwealth. Truth be told, they both could not really answer that. Though I understand that there are issues with regards to whether the immigration continues to infringe our labor here in the CNMI. But my question is, the Governor is seeking help, legal assistance from a law firm in Washington, D.C. Now, if the Governor wants to pay with a group of friends and bring a lawsuit on their own personal capacity, more power to them. But if the Governor is going to pay using public funds, then that is what the Attorney General's Office is for. I understand that when you bring a lawsuit you just do not show up in the U.S. Supreme Court and say, "Hey, I am Joe Camacho I am filing a lawsuit." You file in the U.S. District Court, after a good number of years to Courts of Appeal. And after a good number of years, assuming you do not get kicked back down, you appear before the United States Supreme Court and argue your case. At all possible speed, you are looking at a minimum of five years. So do we really want to spend public funds going down that road? What does the law office in Washington, D.C. have to offer that the offices here in the CNMI do not? I know what they are going to do, they would say, we need all the records with regards to the negotiation of the Covenant. And where do we go, we go to NMC Archives. All the resources if we are going to bring a lawsuit on behalf of the CNMI Government are right here. You file in front of Judge Munson. Why? Because he is the most familiar trial judge in regards to the Covenant. The 9th Circuit Court in San Francisco consistently upholds the provision of the Covenant, not the Courts of Appeal in Washington, D.C. We are going about this all in the wrong way. We are throwing good money after bad. I understand the intent. Just like all the members had just expressed, those Covenant provisions are essential to the economic life blood here in the CNMI. But, expending money on a law firm and asking legal advice when we have put together so many Assistant Attorney Generals, Deputy Attorney Generals, including Howard Willens and his wife, a hundred years of legal experience, that is my pennies worth.

Speaker Palacios: Before I recognize Representative Hofschneider, without any objections, let me share my thoughts. As the Vice Speaker had stated, as a member of the 15th Legislature, I was one of the members that signed a letter to Senator Bingaman and Senator Domenici basically thanking them for allowing staff during the scoping meeting held here on Saipan with

Allen Stayman and Joshua Johnson. Both were employed by Senator Bingaman and Senator Domenici. I have a copy of the letter requesting on top of what the Resident Representative had requested, two additional items from members of the House and some members of the Senate. In some cases some of those concerns were a laid. Unfortunately the two recommendations were not incorporated into the final form of the legislation. Having said that, I still do not believe that we can not insert some sort of provision in the rulemaking that will accommodate the thoughts and the intent of these two items that we have asked, but we did. Members of the Minority and some from the Senate of the 15th Legislatures have meet with the personnel with the initial stage of the drafting of this legislation. Also for your information and I guess I should have asked my Secretary to have the Clerk include this for the session material the letter that I had written to the Acting Deputy Assistant Secretary of Insular Affairs of the Department of the Interior. This letter was on the behest of members of this House and by the Chairman of FFR in one of our sessions regarding the request to Douglas Domenech, to insure that the House is included or at least members of the Legislature are given a seat at the table during this rulemaking process. It is a three paragraph letter basically saying, I wish to impress upon your office on the desire of the House to be kept informed of any proposed rules and regulations to implement the recently approved Federal Law governing Immigration. We asked for your help in reassuring the House Leadership and members are courted with ample opportunity to comment. So the Chair had requested the Department of the Interior to give us the opportunity to be able to have a role in the rulemaking process. As Representative Sablan had stated, Homeland Security will probably be here Friday for the scoping meeting, and probably the first time they will be here for this particular issue. With that, I recognize Representative Heinz S. Hofschneider.

Representative Hofschneider: It is obvious, Mr. Speaker, that there are concerns raised on both sides of the issue. I, therefore, move that we send this resolution to the appropriate committee.

Several members seconded.

Speaker Palacios: Discussion on the motion. I recognize Representative Christina Sablan.

Representative Sablan: Thank you, Mr. Speaker. With regards to forward this resolution to the committee, I complete agree. I would just like to read and reiterate my request that the Federal Relations Committee investigate the legality of having private sources finance litigation on behalf of this government. Some members asked, what is the harm on seeking advice to see if we even have a case, and I think that there could be lots of harm. It could be an illegal contract, it could be costly, and it could ultimately feudal. And let us just not kid ourselves whenever we go to a private litigation firm and asked them if we have a case for litigation they have an incentive to say, yes we do. That will inevitably result in more cost to taxpayers. I think that we should really consider that. Members have also asked about the jurisdiction of Congress of the labor system of the CNMI, and I think that it is fairly clear that it has to do with our guest worker program which is inseparable from immigration. It deals with entry and exit of workers and that is of course in the jurisdiction of Congress as they moved to Federalize Immigration. I guess this is the final point, Mr. Speaker, I would like to call members' attention to some of the provisions of this resolution, and that is line 7 thru 14, which expresses concerns about transitions provision requiring the repatriation or deportation of foreign national workers, which recognizes the critical importance of the economy, which also recognizes the statement of the Governor that his

primary concern is not about the Congress' right to Federalize Immigration, but about their right to impact our labor system. I would just like to remind the members that when the bill was being drafted and debated in Congress, the Governor opposed freely associated status for guest workers, opposed permanent residents, and there were no other options. So really about the lawsuit would be about retaining the status quo and keeping in place the guest workers program that has really removed opportunities for citizens to enter into the private sector force that has depressed wages and proven itself to be really exploited for the foreign workers themselves. Members asked what the harm in exploring the option of lawsuit is. Well, I think that is the harm. We are exploring the option of keeping the status quo in place and this is something we should all take very seriously. Thank you.

There was no further discussion the motion to refer H. R. NO. 16-42 was carried by voice vote.

Speaker Palacios: The motion is carried. Representative Benavente, recognized.

Representative Benavente: Mr. Speaker, Representative Sablan suggested that the Committee of Federal and Foreign Relations should review the legality of the actions taken by the Governor. It will be your decisions of course, but I think it is more proper that assignment be left with the Committee on Judiciary and Governmental Operations. Thank you.

Speaker Palacios: Give me about an hour to decide on which committee it will go to. I properly disposed it. I recognize the Floor Leader Camacho. I apologize, let me recognize Representative Stanley Torres.

Representative Torres: Thank you. Mr. Speaker, are we adjourning?

Speaker Palacios: Not yet, Representative Torres.

Representative Torres: Okay, I was just checking.

Speaker Palacios: Okay, we will take a five minute break.

The House recessed at 4:00 p.m.

RECESS

The House reconvened at 4:09 p.m.

Speaker Palacios: We are back to our session. Before we go to the Bill Calendar, I recognize Representative Aldan.

Representative Aldan: Without any objections from all the members can we go back to the Introduction of Bills.

There was no objection from the Floor.

INTRODUCTION OF BILLS

Speaker Palacios: Proceed, Representative Aldan.

Representative Aldan: I am introducing H. L. B. NO. 16-17, to appropriate \$16,000.00 from the local license fee collected for the Pachinko slot machines poker from the Second Senatorial District for the transition of students from Northern Marianas College and for the purchasing of computer equipment for the Department of Labor in Tinian and for other purposes.

H. L. B. NO. 16-17: A Local Bill for an Act for the Second Senatorial District to appropriate \$16,000.00 from the local license fees collected for pachinko slot machines and poker machines in the Second Senatorial District for the transition of students from the NMC Tinian campus to the Saipan NMC campus and for the purchase of computer equipment for the Department of Labor Tinian; and for other purposes. [*First Appearance*]

Offered by: Representative Edwin P. Aldan

Speaker Palacios: Thank you, we now will go back to the Bill Calendar.

BILL CALENDAR

Speaker Arnold Palacios: I recognize Floor Leader Camacho.

Floor Leader Camacho: Thank you, Mr. Speaker. I move to for the passage of S. B. NO. 16-13, SD3, HS1 on First and Final Reading.

The motion was seconded.

S. B. No. 16-13, SD3, HD1: TO FORBEAR, IN CERTAIN INSTANCES, THE COLLECTION OF THE EDUCATIONAL FINANCIAL ASSISTANCE LIABILITY OF RETURNING COLLEGE STUDENTS THAT CANNOT FIND EMPLOYMENT WITHIN THE PRIVATE OR PUBLIC SECTOR OF THE COMMONWEALTH DUE TO BUDGETARY LIMITATIONS, REDUCTION IN FORCE OR BECAUSE A POSITION IS FILLED BY A FOREIGN NATIONAL WORKER; AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: There is a motion on the Floor for the passage of S. B. NO. 16-13, SD3, HS1. Discussion on the motion. I recognize Representative Hofschneider.

Representative Hofschneider: Mr. Speaker, for all those students and parents that have in fact been privileged to be assisted by the CNMI Government with scholarship, as a condition for receiving scholarship, one must come back to the Commonwealth and work in the private sector or in the government. It is one thing that the law attempts to theoretically deal with exodus with educated individuals in the Commonwealth, but we also have to be cognizant of the fact that a lot of these kids have completed their postsecondary education and realistically speaking, even if we have to force them to come back, the reality is it is very difficult for them to find a job. That is the bottom line. This bill that the Senate President -- and I want to congratulating him from beating the House in thinking about this -- I know of about six individuals with degrees in engineering and marketing and so forth that have made the responsibility of coming back and

looked for a job. But, they have decided to go back to the U.S. Mainland and Hawaii to work or accept an offer that they have been given to gain experience. One of the key things in our Commonwealth is the lack of experience in professionals. And because of the economic difficulties that we are going through, even the government would be hard pressed to accommodate a lot of these good graduates of ours and it is only fitting that we try to relieve them temporarily. But the message should still go out loud and clear that we want them to come back to the Commonwealth, build the Commonwealth and contribute in developing and improving the Commonwealth of the Northern Marianas. I think it is a penalty on the parents' side and the student's side if we do not give them a grace period. I think two years of actually working in the.... (*End of Tape 2, side B*)

(Start of Tape 3, side A) [Recording started with Representative Sablan holding the Floor.]

Representative Sablan: ...scholarship office administrator who stated that there is already in place a process by which scholarship recipients can request deferment or forbearance in the event that they are unable to find employment in the CNMI. That being the case then, I wonder what the necessity would be of changing the law to not only give these students two years grace period when there is already opportunity for them to avail themselves of a grace period. But would also grant credit for service in the military, this is a new provision in the CNMI Scholarship law that I think we need to take a second look at it. It basically is providing a subsidy to the military. We are giving scholarship, we are sending students off-island and giving them an incentive to go into the military, which already provides scholarships and other benefits to our young people who are entering the military. I think that this bill although certainly well intentioned will undermine the original purpose of our Scholarship Program which was provided at higher education towards students and then bring them back so they can go into the workforce whether it is in the public sector or the private sector. I happened to be one of the recipients of scholarships and there may have been many us in this body who are familiar with this process. There is opportunity already for us for scholarship or loan recipients for that matter. If they can not pay back their loans or can not find jobs I know many people have gone through that process. I do not think this bill is necessary but then more than that I think that it undermines this present program. I would ask the members to vote no on this bill. Thank you.

Speaker Palacios: I recognize Representative Benavente.

Representative Benavente: Mr. Speaker, I know that the concern we should have is whether we are taking away the incentive for the students to hurry and get a job when they get back. Whether we are not doing the right thing by removing that requirement, we do not need to go anywhere and look around but at our own families to see the suffering in the costs, short income versus the expenditures for the entire family. No one wants to sit around and do nothing in this point in time in the Commonwealth because of the economic hardship that our Commonwealth is facing. Everyone out there is looking for a job. I do not think it is fair that we require those students to go through the process of being reviewed whether they are eligible or not for the waiver of the two years. What we are trying to say that is because of the conditions now, do not put our student into any kind of pressure. There is no need to provide that because at this time everyone who comes back here would want to find job and get some income to afford to pay utilities, car

payments, or even for gas to drive around the island. We need to remove that and I think this bill intends to remove that provision. It kind of requires the student to go through this process that may have been disapproved upon the application process. I still think that this bill is necessary for today. If the economy turns around and jobs are available then I say that we repeal this provision so that we do not give the students the opportunity to sit home and stay with mom and dad. We have the provision that we require them to hurry up and get a job. Thank you.

Speaker Palacios: I recognize Representative Babauta.

Representative Babauta: Thank you Mr. Speaker, I would like to pose some clarification with the Committee. I understand that when you are a recipient of any financial assistance and I do not know whether this includes local assistance that once you register with any of the Armed Forces Branch that your loan or any financial aid would be paid off by the Department of Defense. Is this correct?

Speaker Palacios: Let me ask the Acting Chairman of the Committee on Health, Education, and Welfare, Representative David M. Apatang.

Representative Apatang: The only way that the Department of the Army can pay for your financial assistance is if you go through the Federal Loan Program once you enlist. That is the only way. But as far as them paying for your scholarship, that is not the case.

Representative Babauta: So this does not include the local funds that we normally give out to our students?

Representative Apatang: The reason why we include the Military here is because some of the college graduates that have been returning here can not find jobs. They have been looking for a job here for several months and they would get frustrated. So they sign up with the Military. That is another opportunity for them to find a job. It is just like finding a job in the Commonwealth but instead of working in the Commonwealth, you join the Military and serve your country. So that is why we include the Military here, so in lieu of working here, you are serving your country abroad, and we put that in so that you do not have to pay your financial assistance here.

Representative Babauta: So only Federal Pell Grants and Sallie Mae grants are paid off the Military?

Speaker Palacios: Sallie Mae grants? Federal Pell Grants is an Educational Assistance Program. It is a grant or a Federal Student Loan. Sallie Mae grant for example yes. I recognize Representative Salas.

Representative Salas: Mr. Speaker, I would like to offer an amendment on the floor, on page 2, line 14, immediately after the word "unemployed" insert a comma and "actively seeking employment." I would like to add those three words.

Speaker Palacios: Anyone clear with the amendment? Do I hear a second?

The motion to amend by Representative Salas was seconded.

Representative Salas: On page two, line fourteen, I am offering for the amendment to read “unemployed” then comma (,), “actively seeking employment and unable to pay the debt”. And my concern for that is you know even though we are cognizant in some of the recipients not able to find a job...

Speaker Palacios: Representative Salas, that has been seconded. Can we now discuss? Representative Salas, please proceed with your justification and your thoughts.

Representative Salas: Well basically I would like to see that these scholarship recipients continue to be active in seeking employment and not let this be a vehicle not to look for a job.

Several members voiced “ready,” and there being no further discussion, the motion to amend S. B. NO. 16-13, SD3, HS1 as offered by Representative Salas was carried by voice vote.

Speaker Palacios: The motion carries and we are back to the main motion. I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker, I would also like to offer another amendment, also an oral floor amendment this would be to delete lines 25 thru 27 on page 2 and lines 3 thru 8 on page 3.

The motion was seconded.

Speaker Palacios: The motion to amend has been made and seconded. Discussion on this amendment? I recognize Representative Diego T. Benavente.

Representative Benavente: Thank you, Mr. Speaker. I would just like to inform the members as we discuss this legislation that we do have two college students who are present here today and I would like to recognize them. One of them is my daughter Dolores and the son of Mr. and Mrs. John and Gloria Sablan who are here for the summer. Do not worry this is not a conflict of interest on my part and my discussion on this legislation because they got a few more years before they actually graduate and start to be concern on finding a job after college. Thank you.

Speaker Palacios: Thank you and welcome to the House of Representatives. Representative Sablan would you like to comment on your amendment.

Representative Sablan: Yes, Mr. Speaker, my concern is that this bill will make it so easy for students who have graduated utilizing CNMI Scholarships to shirk their responsibility to come back to the CNMI, work here, and pay back what was given by taxpayers. These are taxpayer’s dollars that we are talking about and we should really take seriously how we spend them. Who we send to college off-island and how they can pay loans and agreements so they can back and work. This particular provision I think makes it too easy they can go off island and work in the Military. They do not have any obligation to come back work and work for the same period which they would receive financial assistance. In addition to that, we are allowing them to

forebear their loans or their scholarships for that matter. If there is a hiring freeze in place, or budget constraint, or foreign national workers filling in this positions. Or if they get a job after graduation off island. At what point are we going to expect them to live up to their end of the bargain. There is already something in place that allows them to defer or avail for forbearance. I would just ask that we not make it so easy and basically misspend public funds. I think that this is not unreasonable to ask that we not subsidize Uncle Sam basically. I recognize the contribution though of our men and women in uniform, but I think we should recognize the importance of the integrity of our scholarship program. Thank you.

Speaker Palacios: Thank you for that comment let me recognize Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. Comments made by Representative Sablan, again this is not a conflict of interest, I do have a son that availed the scholarship office tuition assistance. He joined the service, and he is still unemployed and cannot come back to Saipan because, for one, he will be making at \$14,000.00 a year and would not have enough money to support his family and pay back the scholarship office. Number two, he did serve his country. Let us stop talking about freedom it is not free if you are not going to give any of these people that support. The Military does have a so called, and I will stand to be corrected, at ten point preference employment. It is a federal statute that is not implemented in the CNMI and you tell that to the troops that come back and are not unemployed. Guys, this too bad but I do not know if Representative Yumul owes the scholarship money. He is getting deployed and I do not want him to have a headache while he is in Iraq trying to think about paying back the scholarship office three thousand dollars that he owes and he has not even able to pay it. You know there are some good things about this and it is a worse impression to the Scholarship Office. But the bottom line is we all have a bigger problem here and the biggest problem here is unemployment. I think this Legislature should look at that rather than trying to have these guys to forgive them a little bit for what they owe. Let us get them a job. If you can not find them a job so be it. I just like to express that Mr. Speaker, I myself was a G.I. and you know it is so many that this small community, and a lot of this has to do with politics. Thank you.

Speaker Palacios: I recognize Representative Apatang.

Representative Apatang: Thank you Mr. Speaker, that kind of statement really bothers me you know. Like I said, not everybody has the opportunity to find a job here in the Commonwealth. Now even though we are paying some of the students by giving them scholarships. Everybody has the opportunity to find employment anywhere else where they can survive. I spent twenty years in the Military, I did not get any scholarship from the CNMI but I came back and I am here working. I am serving the Commonwealth. Same goes with these students, eventually they will return and serve the Commonwealth. They will not stay away. Just like the old saying, "there is no place like home." So they will return. That is sad when we can not assist our kids. Just because this is our taxpayer's money, we are getting Federal Grants. You yourself are also a recipient in federal grants, when you were working at the Division of Environmental Quality. So let us wake up for the small amount that they get here that is nothing compare to what they are doing serving our Country. That is hard. Have you ever tried going to Iraq, have you ever tried going to war to serve your Country? No, because after hours you are at the bar drinking beer.

Those people are in Iraq right now serving and protecting our freedom. So that kind of statement really bothers me.

Speaker Palacios: I would like to recognize Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker, the subsection that Representative Sablan wants to remove is not a bad section to begin with if we just make a minor adjustment to it. Because just like myself, if I were to be deployed, the period that I am on training and the period of deployment, the taxes that I am being held from, comes back as cover over to the CNMI. So there is a benefit to the CNMI to the employment the students going into the Armed Services. I would suggest that on line 5 page 3 at the end of the word "Commonwealth and has registered the CNMI as their home of record". Right there they are entire term of enlistment or their officer obligation so long as they are not in a combat zone their taxes have been collected will come back to the CNMI as cover over. We had a briefing with the Secretary of Finance not too long ago and he showed us on annual basis that we are receiving back and cover over well over a million dollars from these soldiers. Thank you, Mr. Speaker.

Speaker Palacios: That is a very important piece of information. With that, I will allow the Legal Counsel to explain.

Representative Babauta: Mr. Speaker, that will be on page 3 lines 6, subsection (b), is that a grandfather clause?

Legal Counsel Villagomez: Yes, basically the Legislature would be authorizing CNMI Scholarship Office to give Military credit service to Military employees. It not mandatory it is just an authorization. They would have the discretion whether to do it or not.

Representative Babauta: Thank you, that is all.

Speaker Palacios: There is a motion on the floor and it has been seconded. Let me ask the author would you be willing to withdraw that motion have Representative Yumul insert the amendment.

Representative Sablan: Can I get some clarification as to what the amendment will be?

Speaker Palacios: I recognize Representative Yumul.

Representative Yumul: Thank you Mr. Speaker, the clarifications here is just to add a simple sentence that would require that these CNMI residents that go off to college and eventually join or enlist in the U.S. Armed Forces so long as they register the CNMI as their home of record, all taxes that are collected from them will come back to the CNMI as cover over. So amendment will be just that "and has registered the CNMI as their home of record." Thank you.

Speaker Palacios: With that would you consider withdrawing your motion, Representative Sablan?

Representative Sablan: I think I would like to suggest, Mr. Speaker, is that we dispose of the initial amendment and then perhaps Representative Yumul can offer that. And if I could also

clarify, Mr. Speaker, I do not mean to denigrate the U.S. Armed Services or my peers who are serving in Iraq right now about whom I care very deeply. I think the issue for me is the overall picture of what we are doing to the scholarship program.

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

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

Speaker Palacios: The motion is defeated. I recognize Representative Victor B. Hocog.

Representative Hocog: I guess this is the right time for Representative Yumul to offer his amendment. Thank you, Mr. Speaker.

Speaker Arnold Palacios: Representative Yumul, are you ready with your amendment or would you like a one minute recess. One minute recess.

The House recessed at 4:38 p.m.

RECESS

The House reconvened at 4:39 p.m.

[A portion of the session proceeding was not recorded after recess. Recording started when the Clerk was calling the roll on the motion to pass S. B. No. 16-13, HS1, HD1 on First and Final reading which follows. Representative Yumul decided not to offer his amendment as earlier intended.]

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

Speaker Palacios: By a vote of 16 “yes,” S. B. NO. 16-13, SD3, HS1, HD1 passes the House on First and Final Reading.

Representative Hocog: Point of Clarification, Mr. Speaker. Is there “No” vote?

Speaker Palacios: One “no” vote.

Representative Hocog: Would that be Representative Torres?

Speaker Palacios: No, that would be Representative Sablan.

MISCELLANEOUS BUSINESS

Representative Hocog: A privilege to speak, Mr. Speaker.

Speaker Palacios: State your point, Representative Hocog.

Representative Hocog: Mr. Speaker, I just thought I let you know that if I stay another five minutes I will not be able to catch my flight. Number one I will have to call a taxi to take me to the airport. So if I may ask my good colleague, Representative Stanley Torres -- before I ask him, may I be excused?

Speaker Palacios: I will grant you to be excused for the rest of the day.

Representative Hocog: Thank you, Mr. Speaker. May I ask my good colleague to drive me to the airport?

Speaker Palacios: I recognize Representative Stanley Torres.

Representative Torres: The letter that I addressed and handed to you earlier during the session, I have provided copies for all the members. It is officially submitted and read in the Journal. Thank you.

"July 9, 2008

Honorable Arnold I. Palacios
Speaker
House of Representatives
Sixteenth Northern Marianas Commonwealth Legislature
P.O. Box 500586
Saipan, MP 96950

Dear Mr. Speaker:

Our Commonwealth government is faced with many challenges and our people are dissatisfied with the way we do business. The high costs of gases and CUC utility bills are forcing our people to find ways to make ends meet. Our financial resources are dwindling and our FY2009 Budget is pending. In the meantime, we are operating under "Continuing Resolution based on FY2006 Budget Act.

Our government offices and agencies are also faced with their internal problems in meeting the mandates of their respective laws and regulations. In the meantime, Governor Benigno Fitial have reorganized several agencies and strip

them of the board management to force efficiency into the system. The Commonwealth Ports Authority is like a "ping pong" being bounced from being an entity under the governor and under a board management. The Commonwealth Utility Corporation is in dire need of financial aid in meeting its electrical power requirements. The Northern Marianas College is faced with its accreditation problems under a tight dateline. Public School System is without a permanent commissioner to guide it into the next century. The Northern Marianas Retirement Trust is awaiting employer contributions in order to allow potential retirees to retire. The latest drama is that Marianas Public Land Trust which decided to purchase private property for its office despite availability of public buildings and government lands.

My voters have called on my office to do something to bring "trust" back to our government. Our job is to create policies to make our government more efficient and to pass legislations, which will enhance the quality of the lives of our people.

Many of our people are leaving our Commonwealth to seek for better lives in Guam and in the Mainland. Our educated populace is also leaving which is creating a "brain drain"; some of them were educated thru the help of our federal and local scholarship programs.

In our quest to do our constitutional duties, we are forced to make hard decisions, which are not popular. However, under these "hard times" we have to make tough decisions to rescue CUC from perpetuating "black outs and brown outs." We have to pass FY '09 Budget soon. Let us put party politics and tackle these pending issues. We must act NOW and try to save our government.

Thank you and may God bless us all.

Sincerely

/s/

Representative Stanley T. Torres"

Speaker Palacios: Thank you, and for your information, I trust that we will be doing our best in the next few weeks to come out with the basic draft of the FY '09 Budget so we can begin the whole process with the Senate.

ANNOUNCEMENTS

Speaker Arnold Palacios: Any announcement? I recognize Representative Sablan.

Representative Sablan: Thank you. I just have a quick question with respect to the FY '09 Budget? Has that budget been return to the Governor?

Speaker Palacios: No, we have not returned it to the Governor. Representative Reyes, under Announcements?

Representative Reyes: It is actually an inquiry, Mr. Speaker. I know we are a little bit confused today about Representative Yumul's departure or party. I had to buy Ice-cream and balloons and I want to make sure I get it here on time. Are we having this tomorrow and what time?

Speaker Palacios: We are having this gathering tomorrow at 11:30 a.m.

Representative Reyes: I also ask Comrade Yumul to please come here with his battle gear so we can all have a picture taken with him. That is an order.

Speaker Palacios: We will have a small reception for Representative Yumul tomorrow here at 11:30 a.m. Any other announcement? I recognize Representative Yumul.

Representative Yumul: Mr. Speaker, this has to do with Governor's Communications 16-140. Would that be for the next session or is that going to be on the Agenda for today?

Speaker Palacios: Yes, we can include it in for tomorrow's session.

Representative Yumul: Just for the record, the Governor's Communication 16-140 cited the wrong Public Law. It is actually...

Speaker Palacios: Let us deal with that tomorrow.

Representative Yumul: Oh okay, we will do that tomorrow. Thank you.

ADJOURNMENT

Speaker Palacios: I recognize the Floor Leader Camacho.

Floor Leader Camacho: Thank you, Mr. Speaker. I move to adjourn until tomorrow 9:00 a.m.

The motion was seconded and carried by voice vote.

The House adjourned at 4:45 p.m., and will convene on Friday, July 10, 2008, at 9:00 a.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