



House Journal

FIRST REGULAR SESSION, 2008

ADOPTED:
March 26, 2008

Third Day

Monday, February 11, 2008

The House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature convened in its Third Day, First Regular Session on Monday, February 11, 2008, at 1:40 p.m., in the House Chamber on Capitol Hill, Saipan.

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

A moment of silence was observed.

The Clerk called the roll and nineteen members were present; Representative Oscar M. Babauta was excused.

Speaker Arnold Palacios: A quorum in duly established and Representative Babauta is hereby excused for today's session.

ADOPTION OF JOURNALS

None

INTRODUCTION OF BILLS

H. B. NO. 16-9: A Bill for an Act to establish a public corporation for hospital services known as The Commonwealth Hospital Corporation; and for other purposes.

Offered by: Representative Heinz S. Hofschneider

Referred to: Committee Judiciary and Governmental Operations, and
Committee on Health, Education, and Welfare

H. B. NO. 16-10: A Bill for an Act to amend 2 CMC Title 2, Division 1, Chapter 3, § 3101 *et seq.*, "The Nuclear and Chemical Free Zone Act of 1983."

Offered by: Representative Stanley T. McGinnis Torres

Referred to: Committee on Natural Resources

H. B. NO. 16-11: A Bill for an Act to amend the Safe Diving Act of 1990, to allow the Department of Public Safety enforcement authority and strengthen enforcement of Safe Diving Act.

Offered by: Representative Ramon A. Tebuteb

Referred to: Committee on Natural Resources and
Committee on Judiciary and Governmental Operations

H. B. NO. 16-12: A Bill for an Act to boost the economy of the CNMI by establishing a specific nonimmigrant permit category in the Immigration Code to attract the "silver club" market in Japan and retirees from other Asian countries and for other purposes.

Offered by: Representative Stanley T. McGinnis Torres
Referred to: Committee on Commerce and Tourism

H. B. NO. 16-13: A Bill for an Act to prohibit the cruel treatment and theft of animals; to provide penalties therefore; and for other purposes.

Offered by: Representative Stanley T. McGinnis Torres
Referred to: Committee on Judiciary and Governmental Operations, and
Committee on Natural Resources

H. B. NO. 16-14: A Bill for an Act to regulate the Land Exchange Program; and for other purposes.

Offered by: Representative David M. Apatang
Referred to: Committee on Natural Resources

H. B. NO. 16-15: A Bill for an Act to amend Title 1 CMC § 8365 to establish that the Northern Marianas Retirement Fund receive its tax revenue from the hotel occupancy tax and alcoholic container tax directly into a special fund within the Department of Finance; and for other purposes.

Offered by: Representative Stanley T. McGinnis Torres
Referred to: Committee on Ways and Means

H. B. NO. 16-16: A Bill for an Act to appropriate \$50,000.00 for the A&E design of a gymnasium for the Northern Youth Basketball Association; and for other purposes.

Offered by: Representative Ramon A. Tebuteb
Referred to: Committee on Ways and Means

H. B. NO. 16-17: A Bill for an Act to repeal 8 CMC §§ 1723 and 1741 thru 1744 and to require the transfer of pertinent documents from the Clerk of Court's Office to the Health and Vital Statistics Office; and for other purposes.

Offered by: Representative Ramon A. Tebuteb
Referred to: Committee on Judiciary and Governmental Operations, and
Committee on Health, Education, and Welfare

H. B. NO. 16-18: A Bill for an Act to amend 3 CMC § 7831 by adding a new subsection (e) that shall remove the requirement that the Commonwealth Utilities Corporation pay one percent of its annual budget to the Office of the Public Auditor; and for other purposes.

Offered by: Representative David M. Apatang
Referred to: Committee on Ways and Means

H. B. NO. 16-19: A Bill for an Act to amend 8 CMC § 1402, and for other purposes.

Offered by: Representative David M. Apatang
Referred to: Committee on Judiciary and Governmental Operations

H. B. NO. 16-20: A Bill for an Act to authorize the licensing of drag and surround nets for a limited period of time every year; and for other purposes.

Offered by: Representative Justo S. Quitugua
Referred to: Committee on Natural Resources

H. B. NO. 16-21: A Bill for an Act to amend 4 CMC § 50204 to cap the tax benefits of qualifying certificates to the amount of investment of each certificate; and for other purposes.

Offered by: Representative Joseph P. Deleon Guerrero

Referred to: Committee on Commerce and Tourism, and
Committee on Ways and Means

H. B. NO. 16-22: A Bill for an Act to vest control of quarry and mine permitting and licensing in the offices of the mayors of the municipalities of the Commonwealth, and for other purposes.

Offered by: Representative David M. Apatang and two others

Referred to: Committee on Natural Resources

H. B. NO. 16-23: A Bill for an Act to appropriate \$2,158,129.51 for the payment of claims incurred prior to privatization of the CNMI Government Group Health and Life Insurance Trust Fund, and for other purposes.

Offered by: Representative Ray N. Yumul and ten others

Representative Yumul: Mr. Speaker, if there is no objection, I would like to place H. B. NO. 16-23 on today's Calendar for action.

Representative Sablan: Mr. Speaker, I object. I am sorry, I just have not had a chance to read this, and perhaps there could be some discussion before we –

Speaker Arnold Palacios: We will get to that discussion when we get to the Bill Calendar.

H. B. NO. 16-24: A Bill for an Act to implement Article XI, Section 6 reporting by the Board of Marianas Public Land Trust; and for other purposes.

Offered by: Representative Victor B. Hocog and one other

Referred to: Committee on Judiciary and Governmental Operations

H. B. NO. 16-25: A Bill for an Act to require the advice and consent of the Senate for appointees to the Medical Professional Licensing Board; and for other purposes.

Offered by: Representative Victor B. Hocog and one other

Referred to: Committee on Judiciary and Governmental Operations

H. L. I. NO. 16-1: A House Legislative Initiative to amend Article IV of the Commonwealth Constitution to establish a commission on the judiciary and to establish that written opinions and decisions of the CNMI Superior Court and Supreme Court be issued within one year of submission of the case for opinion or decision.

Offered by: Representative Stanley T. McGinnis Torres

Referred to: Committee on Judiciary and Governmental Operations

H. L. I. NO. 16-2: A House Legislative Initiative to amend Article III, Section 11 of the Constitution of the Commonwealth of the Northern Mariana Islands to authorize the election of an Attorney General; and for other purposes.

Offered by: Representative Francisco S. Dela Cruz one other

Referred to: Committee on Judiciary and Governmental Operations

H. L. I. NO. 16-3: To amend sections 3, 4, 5, and 6 of Article XI of Constitution of the Northern Mariana Islands.

Offered by: Representative Heinz S. Hofschneider

Referred to: Committee Natural Resources

H. L. I. NO. 16-4: To amend Article XII, Section 3 of Constitution of the Northern Mariana Islands in order to change the term permitted for transfer of a leasehold interest in private lands.

Offered by: Representative Heinz S. Hofschneider

Referred to: Committee Natural Resources

H. L. I. NO. 16-5: To amend section 4 of Article X of Constitution of the Northern Mariana Islands.

Offered by: Representative Heinz S. Hofschneider

Referred to: Committee Natural Resources

H. L. B. NO. 16-1: A Local Appropriation Bill for an Act for the Third Senatorial District to reappropriate \$38,000.00 from Section 2(h) of Saipan Local Law 15-16; and for other purposes. (*First Appearance*)

Offered by: Representative David M. Apatang

H. L. B. NO. 16-2: A Local Appropriation Bill for an Act for the Third Senatorial District to reappropriate \$324,802.00 from the FY 2007 lapsed funds collected pursuant to Saipan Local Law 11-2 for the settlement of judgment in *Jose Ch. Camacho v. CNMI Department of Public Works, et al.*, Civil Action No. 04-0220E; and for other purposes. (*First Appearance*)

Offered by: Representative David M. Apatang

H. L. B. NO. 16-3: A Local Appropriation Bill for an Act for the Third Senatorial District to reappropriate section 2(a) of Saipan Local Law 15-31 and section 2(f) of Saipan Local Law 15-12; and for other purposes. (*First Appearance*)

Offered by: Representative Justo S. Quitugua

H. L. B. NO. 16-4: A Local Appropriation Bill for an Act for the Second Senatorial District to appropriate \$98,000.00 from the local license fees for pachinko slot machines and poker machines in the Second Senatorial District to fund the Tinian Municipal Scholarship Program; and for other purposes. (*First Appearance*)

Offered by: Representative Edwin P. Aldan

INTRODUCTION OF RESOLUTIONS

H. COMM. RES. NO. 16-1: A House Commemorative Resolution conveying the sincere condolences and sympathy of the House of Representatives to the bereaved family of the late Honorable Antonio Shimabukuro Borja on the occasion of his untimely passing and to pay fond tribute to his memories.

Offered by: Representative Edwin P. Aldan and eighteen others

Representative Aldan: Mr. Speaker, if there is no objection I would like the Commemorative Resolution to be introduced by the Committee of the Whole.

Speaker Arnold Palacios: Is there any objection to the resolution being introduced by the Committee of the Whole?

There was no objection from the Floor.

Speaker Arnold Palacios: There being no objection, so ordered. Representative Aldan, would like to place that on today's Resolution Calendar.

Representative Aldan: Yes, Mr. Speaker.

Speaker Arnold Palacios: So ordered.

H. R. NO. 16-5: A House Resolution to recognize Ms. Bree Reynolds and Mr. Doug Reynolds for their numerous contributions to the Commonwealth Community.

Offered by: Representative Edward T. Salas

H. R. NO. 16-6: A House Resolution recognizing the need to assist the disabled citizens of our islands in their parking needs at the front of the Legislature; and for other purposes.

Offered by: Representative Stanley T. McGinnis Torres

H. R. NO. 16-7: A House Resolution congratulating the Rotary Club of Saipan on its 40th Anniversary and commending the organization for its outstanding work and contributions to the Commonwealth community.

Offered by: Representative Edward T. Salas

Speaker Arnold Palacios: Representative Salas, would you to have those placed?

Representative Salas: Yes, I do.

Speaker Arnold Palacios: So ordered.

Representative Torres: Mr. Speaker, I would like to formally introduce H. R. NO. 16-6. And, I think the tradition is that all resolutions are placed on the Calendar for action. Thank you.

Speaker Arnold Palacios: Tradition huh? Okay. I will order that H. R. NO. 16-6 will be placed on the Calendar.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 16-12: (1/18/08) Certification of vacant position at the Joeten-Kiyu Public Library.

GOV. COMM. 16-13: (1/18/08) Certification for an annual salary in excess of \$50,000 for Dr. Hani A. Ismail.

GOV. COMM. 16-14: (1/18/08) Certification of vacant positions at the Department of Public Health.

GOV. COMM. 16-15: (1/24/08) Certification of vacant position at the Department of Public Safety – Tinian.

GOV. COMM. 16-16: (1/24/08) Informing the House that the signed into law S. B. NO. 15-102, HS1, HD2 (Impose an Employer Retirement Contribution of 18%). [Became **Public Law 15-126**]

GOV. COMM. 16-17: (1/24/08) Appointment of Mr. Alejo M. Mendiola to serve as a member of CPA Board representing Rota.

GOV. COMM. 16-18: (1/28/08) Requesting the Presiding Officers to appoint a representative from the 16th Legislature to the Comprehensive Economic Development Strategy Commission.

GOV. COMM. 16-19: (1/28/08) Submitting the Revenue and Other Budgetary Resource Estimates for Fiscal Year 2008.

GOV. COMM. 16-20: (1/28/08) Informing the House that he signed into law H. L. B. NO. 15-70, D1 (To amend TLL 15-3). [Became *Tinian Local Law 15-14*]

GOV. COMM. 16-21: (1/28/08) Informing the House that he signed into law H. L. B. NO. 15-76 (To amend SLL 15-12). [Became *Saipan Local Law 15-33*]

GOV. COMM. 16-22: (1/28/08) Informing the House that he vetoed H. B. NO. 15-282, HD2, SD1 (To establish a revolving within the Board of Professional Licensing).

GOV. COMM. 16-23: (1/31/08) Requesting for assistance and cooperation with regards to the Taga Athletic Games Association, Inc. Games scheduled for March 8 and March 15.

GOV. COMM. 16-24: (1/31/08) Requesting the legislature to revisit Public Law 15-94 (CUC residential fees and rates) and submitting a proposed legislation for consideration.

GOV. COMM. 16-25: (2/1/08) Designating Lt. Governor Villagomez as Acting Governor until his return on February 6, 2008.

GOV. COMM. 16-26: (2/1/08) Certification of vacant position at the Department of Finance.

GOV. COMM. 16-27: (2/4/08) From Acting Governor Villagomez declaring a State of Disaster Emergency: CUC's inability to provide critical power generation services to the CNMI. [*Executive Order 2008-2*]

GOV. COMM. 16-28: (2/4/08) From Acting Governor Villagomez certifying for an annual salary in excess of \$50,000 fro Dr. Norma S. Ada.

GOV. COMM. 16-29: (2/4/08) Certification of vacant positions at the Tinian-Department of Public Lands, Department of Commerce, Tinian Mayor's Office, and the Department of Public Health.

GOV. COMM. 16-30: (2/4/08) From Acting Governor Villagomez designating Mr. Rogelio Madriaga Acting Director of OVR until the return of Ms. Olopai-Taitano.

GOV. COMM. 16-31: (2/4/08) From Acting Governor Villagomez certifying to the vacant position at the Office of the Attorney General.

GOV. COMM. 16-32: (2/5/08) From Acting Governor Villagomez informing the House that he signed into law H. B. NO. 15-205, HS1 (Fireworks Control Act of 2008). [Became **Public Law 16-127**]

GOV. COMM. 16-33: (2/5/08) From Acting Governor Villagomez informing the House that he signed into law S. B. NO. 15-106, SD1 (Youth Congress Compensation). [Became **Public Law 15-128**]

GOV. COMM. 16-34: (2/6/08) From the Acting Governor appointing Ms. Kimberlyn K. Hinds to serve as a member of the Public Utilities Commission.

GOV. COMM. 16-35: (2/6/08) From Acting Governor Villagomez informing the House that signed into law H. L. B. NO. 15-67 (Tinian Acting Mayor and Municipal Council Acting Chairperson Act of 2007). [Became *Tinian Local Law 15-15*]

The Chair recognized Representative Yumul.

Representative Yumul: Mr. Speaker, this is in relation to GOV. COMM. 16-22 which he vetoed House Bill No. 15-282, HD2, SD1. Is it out of order for this legislative body to act on a veto of a bill from the previous legislature? I know the author of this bill is no longer with us today, but if we are in order perhaps we can take this up.

Speaker Arnold Palacios: Let me get guidance from the legal counsel.

House Counsel Ian Catlett: I think it will be out of order under In Re The status of certain 10th legislative bills that that body has completed its action and another body can't take up again. You could pass the same from anew, but you wouldn't be able to override a veto.

Representative Yumul: Thank you.

Speaker Arnold Palacios: Any other comment from the Governor's Communications? We move on to Senate Communications.

SENATE COMMUNICATIONS

SEN. COMM. 16-1: (1/31/08) Transmitting for House action S. J. R. NO. 16-01, SD1, entitled, "A Senate Joint Resolution to call for a Joint Session of the Legislature to receive the State of the Commonwealth Address by the Governor and the State of the Washington Office Report by the Resident Representative to the United States," which was adopted by the Senate on January 31, 2008. [Referred to the Vice Speaker and the Floor Leader]

SEN. COMM. 16-2: (2/4/08) Transmitting a certified copy of S. R. NO. 16-01, entitled, "A Senate Resolution conveying the sincere condolences and sympathy of the Senate of the Sixteenth Northern Marianas Commonwealth Legislature to the bereaved family of the late Honorable Antonio Shimabukuro Borja on the occasion of his judicious passing and paying tribute to his fond memory," which was adopted by the Senate on January 31, 2008. [For info]

SEN. COMM. 16-3: (2/8/08) Transmitting for House action S. B. NO. 16-13, SD3, entitled, "To forbear, in certain instances, the collection of educational financial assistance liability of returning college students who cannot find employment with the Commonwealth due to budgetary limitation or because a position is filled by a foreign national worker; and for other purposes," which was passed by the Senate on February 7, 2008. [Referred to Committee on Health, Education and Welfare]

Speaker Arnold Palacios: I recognize Representative Yumul.

Representative Yumul: Are we going to act on SEN. COMM. 16-1 with reference to S. J. R. NO. 16-1, SD1 to request the Governor for an audience for the State of the Commonwealth Address. The question I have is why the amendment? We normally have this down at the multi-purpose center because of the large space that we would need to host a Commonwealth Address, but I do not see an issue if we are going to do that here maybe if it is to save energy costs or something. So, question is -- are we going act on it?

Speaker Arnold Palacios: I also looked at the joint resolution from the Senate and I also have the same concern. We do not have to act on this today and I will probably assign one or two members to check with the Senate why this is the case so we can resolve this. We also like to ask the Governor where he would normally want to have the State of the Commonwealth Address. So I will assign a couple of members to look into this and we will take up action on this particular joint resolution at a later date.

Representative Yumul: Thank you.

Speaker Arnold Palacios: Any further discussion under Senate Communications? Ready? We move on to House Communications.

HOUSE COMMUNICATIONS

HSE. COMM. 16-6: (1/18/08) From Chairman Reyes informing the Speaker of the composition of the House Committee on Commerce and Tourism.

HSE. COMM. 16-7: (1/22/08) From Chairman Yumul informing the Speaker of the composition of the House Committee on Ways and Means.

HSE. COMM. 16-8: (1/22/08) From Chairwoman Santos informing the Speaker of the composition of the House Committee on Judiciary and Governmental Operations.

HSE. COMM. 16-9: From Chairman Tebuteb informing the Speaker of the composition of the House Committee on Natural Resources.

HSE. COMM. 16-10: (Undated) From Chairman Ralph Torres informing the Speaker that he will be off-island from January 25 – February 7, 2008.

HSE. COMM. 16-11: (1/28/08) From Representative Apatang informing the Speaker that he will be off-island on January 29, 2008.

HSE. COMM. 16-12: (1/24/08) From Chairman Reyes informing the Speaker of the change in composition of the House Committee on Commerce and Tourism.

HSE. COMM. 16-13: (1/28/08) From Chairwoman Santos appointing Representative Aldan to serve on the JGO Committee.

HSE. COMM. 16-14: (1/24/08) From Chairman Diego T. Benavente informing the Speaker of the composition of the House Committee U.S. and Foreign Relations.

Speaker Arnold Palacios: Representative Torres.

Representative Stanley Torres: Mr. Speaker, if none from the other members, I have something on House Communications.

Speaker Arnold Palacios: Recognized.

Representative Stanley Torres: Thank you. Mr. Speaker and members, I have several issues that are not in today's House Communications, but they will become House Communications when I am done reading them. Unfortunately, some of my colleagues might be offended by what I will be saying, or maybe consider it insignificant. Nevertheless, I am obligated to say the following and, mind you, this is not a waste of taxpayers' money. First, I am concern about the behavior and questionable activities of our Northern Marianas College (NMC) President. Second, I have questions about the professional and personal activities and of our Department of Public Safety (DPS) Commissioner. Third, I am very concerned about the status of our Legislative Bureau (L.B.) reorganization. Fourth, our Governor needs to take action against the Attorney General and the dereliction of his duties such as the accumulation and piling up of the so-called "File 13." I will now read my privilege speech about the NMC President. I am very concerned that there have been several reports to my office about the questionable behavior and activities of the current president, Carmen Fernandez, of the Northern Marianas College. These reports come from the private sector, businesses, government officials, employees of NMC, and other concerned citizens of the CNMI. First of all, there have been a number of terminations of long-time employees of NMC, and there seems to be a pattern of retaliation against anyone who does not fully comply or bow down to some of the president's dubious actions and activities. I have heard of alleged procurement sole sourcing to friends of the president on Guam, which has some people wondering why the long-time procurement officer, Ignacia Villaluz, was suddenly terminated. Did Ms. Villaluz challenge the questionable procurement activities of President Fernandez? There are also reports of the nursing students approaching the president with a long list of demands. Are the students short of nursing supplies, while the president enjoys a large salary, \$800.00 worth of monthly housing benefits, and a free new car that she is driving at all times of the day for her personal agenda, like going to the beauty parlor during working hours. There are further reports of her driving at night for other personal errands, activities, and to poker establishments. Maybe I shouldn't jump to conclusions yet, because possibly the president is trying to raise much needed NMC funds through the luck of the draw. Currently, there is still no full accounting disclosure of how NMC and the president spend the approximate two million dollars in tuition and fees that are collected each year. I will ask the Chairman of HEW, to review the previous NMC annual reports, and observe the one-page pie chart that has a two million dollar chunk of tuition and fees with only a two-word explanation of its spending: miscellaneous expenditures. The 15th House of Representatives passed HB 15-160, which was blessed by the WASC accreditation officials for its tighter fiscal reporting standards for NMC, which unfortunately

died in the Senate. I will re-introduce the same bill today and ask for your support and challenge the Senate to expedite the passage of this important piece of legislation. In another matter of breaching her primary obligation as NMC president to devote her full time to the college's many problems, it has been reported that Ms. Fernandez has a sweetheart deal with a college operating on NMC's campus. The public needs to know what kind of financial relationship does the Argosy University have with NMC, and how much are they paying the NMC president for supposedly teaching at Argosy's institution? An NMC employee has reported the amount is five thousand dollars, and the employee further adds that several NMC employees are complaining about the president's personal priorities for her own enrichment, and how much time is she devoting to Argosy and the amount of neglect she is demonstrating towards her primary obligation at NMC. That is why we saw Friday's front page about NMC losing its accreditation. Is the current NMC Board of Regents aware of these issues, and have the current members approved these activities? Just recently, another long-time employee and loyal member of NMC's staff has resigned under mysterious circumstances. Dr. Danny Wyatt has left without even having another job lined up. This means he was being or has been possibly forced out, or he left in probable disagreement over the current president's questionable actions and activities. Like for instance, I've been told that the president even reimburses herself for her morning donuts, and it's also rumored that she and her staff threw themselves a Thanksgiving party and a Christmas Party at PIC with NMC allegedly paying for it using the NMC Foundation money and/or the Educational Tax Credit (ETC) collections. Having brought these serious issues to this honorable floor, I now encourage the HEW Chairman to request a hearing for NMC in the very near future, in order to clarify these numerous allegations and investigate the alleged problems that seem to continue to plague our only public college in the CNMI. We cannot forget the latest headlines in the newspaper that stated that NMC's accreditation is in danger, and NMC may close down in six months. President Fernandez has been at NMC long enough to have an effect on the accreditation committee at the Western Association of Schools and Colleges (WASC), and it appears to be no good. Even the NMC Board seems to be affecting WASC with a negative approach like when most of the Board members skipped an important training session with WASC officials in 2006 and my colleague, Representative Tebuteb can confirm that. We met with these two gentlemen in the early part of 2006 and gave us their blessing on the bill I am reintroducing again today. It is time for HEW to take action for the sake of all our NMC students and staff members. Let me repeat what the effect on the accreditation committee at WASC and why is it that it appears to be no good. Reading the *Saipan Tribune* from last Friday, February 8th, it says that the commission said the college should implement it employee evaluation program and ensure a qualified Board of Regents that undergoes sufficient and ongoing training about their roles and responsibilities especially with regards to the accreditation requirements.

Speaker Arnold Palacios: Representative Torres –

Representative Stanley Torres: I am not done yet, Mr. Speaker.

Speaker Arnold Palacios: We need to wind this down. It has been five minutes -- try to wind it down please.

Representative Stanley Torres: Alright. And now about my speech on the DPS Commissioner. This is very important.

Speaker Arnold Palacios: Representative Torres, perhaps what we need to do is to have you submit those privilege speeches to the floor so we can have it –

Representative Stanley Torres: Mr. Speaker, it is only a page and a half. It would not take long. May I?

Speaker Arnold Palacios: I will allow you just for that report, but you are going to have to submit the other reports to the Chair.

Representative Stanley Torres: Thank you. A privilege speech regarding the DPS Commissioner. There are reports of serious morale problems at the Department of Public Safety. Some police officers have complaints about the DPS Commissioner, Rebecca Warfield, involving unjustifiable political promotions, shortage of patrol cars and the wasted use of DPS vehicle No. 36-69 for one favored officer's use to only drive back and forth from work, and personal actions of the Commissioner during after-after happy hours. There are also reports of the Commissioner frequently going to happy hour in her unmarked DPS (white Explorer, Plate No. 922. Is she being protected when driving home after happy hour expeditions? One of the more serious situations is a request for personnel action that I received, which shows the Governor first approving and signing the political promotion of a supporter in the DPS ranks and almost doubling his salary 106 days before the Commissioner even put her signature as a requester and signer of the action. Is this a form of political collusion with her commanding officer? Furthermore, is this a proper way to instill loyalty and trust in a department that demands group cooperation and comradeship in the face of danger during police duties? Currently, officers are complaining of unusual activities within the Commissioner's office during very late hours, which is causing criticisms and rampant rumors of executive privileges and private affairs going just too far. The Commissioner must be removed from her post and away from government employment, before her private activities become a further embarrassment to herself and our CNMI government. The Governor has no choice. He must accept her resignation. Thank you and I will submit my third speech regarding the Legislative Bureau's reorganization and the attorney general and his assistant attorney generals. I will submit it as read. One important that I should mention about the L.B. – where are the L.B.'s vehicles? I understand there are about three vehicles and they are being parked at private residences because there is no gasoline to move them around. I need one of them to be utilized in my committee's projects. Thank you.

Speaker Arnold Palacios: Thank you and I will look at those communications and act accordingly, perhaps give them to the respective chairs to look into the issues on some of the allegations. Thank you. Representative Ralph Torres, recognized.

Representative Ralph Torres: I would like to make a short comment on Representative Torres' HEW request. We have a hearing tomorrow for NMC and I suggest he join us in that hearing and perhaps question the NMC President and the Board of Regents on his concerns. Thank you.

Representative Santos: May I also suggest that Representative Torres submit any supporting documents or written testimonies supporting allegations as reported within these reports.

Speaker Arnold Palacios: We will assign those to the respective chairs.

Representative Stanley Torres: Mr. Speaker, on Representative Santos' request, I will officially request that an oversight of the DPS Commissioner to be called in order to subpoena the witnesses. I do not have documents in front of me but these people are ready to step up when they are subpoenaed to testify.

Speaker Arnold Palacios: Again, please submit those communications to the clerk and we will and them accordingly. I will assign them to the respective chairs to look into the issues and see where we go from there.

The following communications submitted by Representative Stanley Torres were received and entered into the records.

HSE. COMM. 16-15: From Representative Torres addressing concerns about the Northern Marianas College, DPS Commissioner, Legislative Bureau's reorganization, and the Attorney General's Office.

HSE. COMM. 16-16: Representative Stanley Torres' privilege speech about Northern Marianas College – NMC President Carmen Fernandez.

HSE. COMM. 16-17: Representative Stanley Torres' privilege speech about the Department of Public Safety – DPS Commissioner Rebecca Warfield.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

WASH. REP. COMM. 16-1: (1/14/08) From the Resident Representative pertaining the proposed Fiscal Year 2008.

WASH. REP. COMM. 16-2: (1/30/08) Transmitting a copy of the economic stimulus package bill announced by President Bush and the Leadership of the U.S. House.

The Chair recognized Representative Reyes.

Representative Reyes: Mr. Speaker, if I may, I just have a couple of questions when it comes to the economic stimulus package bill that was announced.

Speaker Arnold Palacios: Proceed.

Representative Reyes: Mr. Speaker, my concern is just perhaps to address this to the Secretary of the Department of Finance. One of that is with this economic stimulus package, which I believe is \$150 Million for tax rebates, I just wanted to know whether this applies to residents only or does that include nonresidents living in the Commonwealth, and how is the Department of Finance going to provide to the Internal Revenue Service information about eligibility? I am not too sure on this but I wonder if our Division of Revenue and Taxation does share information of our tax records with the Internal Revenue Service. I think these are important questions. I had a few minutes to look at the stimulus package and these come to mind to request for such information. Thank you.

Speaker Arnold Palacios: I believe that perhaps you as the Chairman of Commerce and Tourism and Representative Yumul, the Chairman of Ways and Means probably needs to take a look at this and craft inquiry on this particular issue. So I will assign you and Representative Yumul to look into these particular issues.

Representative Reyes: That is all I wanted, Mr. Speaker, thank you.

Speaker Arnold Palacios: Thank you. I now recognize Representative Torres.

Representative Stanley Torres: Do not worry I am not repeating my speech, Mr. Speaker. Can we go back to Item 3, Introduction of Bills?

There was no objection from the Floor.

Speaker Arnold Palacios: Without objection, we go back to Item 3.

INTRODUCTION OF BILLS

Representative Stanley Torres: May I?

Speaker Arnold Palacios: Recognized.

Representative Stanley Torres: Thank you, Mr. Speaker and members. I introduce an unnumbered House Bill to amend 3 CMC § 1311 to change the general qualifications of future members of the Northern Marianas College's Board of Regents (BOR); to amend 3 CMC § 1316 to provide for improved financial oversight of the Northern Marianas College (NMC), which will maintain fiscal stability for student's well-being and accreditation reasons; and for other purposes. If this bill was approved by the 15th Legislature, the accreditation threat will not be seen in last Friday's newspaper because it was blessed by the accreditation committee when they visited us in early 2006. Thank you.

H. B. NO. 16-26: A Bill for an Act to amend 3 CMC § 1311 to change the general qualifications of future members of the Northern Marianas College's Board of Regents (BOR); to amend 3 CMC § 1316 to provide for improved financial oversight of the Northern Marianas College (NMC), which will maintain fiscal stability for student's well-being and accreditation reasons; and for other purposes.

Offered by: Representative Stanley T. McGinnis Torres

Referred to: Committee on Judiciary and Governmental Operations
and Committee on Health, Education and Welfare

Speaker Arnold Palacios: We move on with our Order of Business.

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT./AGCY. COMM. 16-2: (1/16/08) From the Chairwoman Lucy Blanco-Maratita (BOE) informing the House of the election of new officers.

DEPT./AGCY. COMM. 16-3: (1/24/08) From Chairwoman Lucy Blanco-Maratita (BOE) regarding the PSS retirement contribution and budget cut.

DEPT./AGCY. COMM. 16-4: A copy NMIRF Board of Trustees Resolution to suspend processing of members' benefits dated on November 30, 2007.

DEPT./AGCY. COMM. 16-5: (2/1/08) From Ms. Jeanne Rayphand (NMPASI Legal Counsel) with regards to the NMC's English placement tests.

DEPT./AGCY. COMM. 16-6: (2/8/08) From Public Auditor Mike Sablan requesting for his office to hire additional personnel.

There was no discussion under this Item.

OTHER COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

None

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

The Chair recognized Floor Leader Camacho.

Floor Leader Camacho: Mr. Speaker, I move to suspend pertinent Rules to place H. COMM. RES. NO. 16-1, H. R. NO. 16-5, H. R. NO. 16-6, and H. R. NO. 16-7 on the Calendar.

Speaker Arnold Palacios: The motion is to suspend pertinent rules for the placement of H. C. R. NO. 16-1, H. R. NO. 16-5, H. R. NO. 16-6, H. R. NO. 16-7 and H. R. NO. 16-8.

Floor Leader Camacho: Mr. Speaker, just for clarification 16-5, 6, and 7, no 8.

Speaker Arnold Palacios: Okay.

The motion was seconded and carried by voice vote.

Floor Leader Camacho moved for the placement of H. COMM. RES. NO. 16-1, H. R. NO. 15-5, H. R. NO. 15-6, and H. R. NO. 16-7; was seconded and carried by voice vote.

Floor Leader Camacho: Mr. Speaker, I move for the adoption of H. COMM. RES. NO. 16-1.

The motion was seconded.

H. COMM. RES. NO. 16-1: A HOUSE COMMEMORATIVE RESOLUTION CONVEYING THE SINCERE CONDOLENCES AND SYMPATHY OF THE HOUSE OF REPRESENTATIVES TO THE BEREAVED FAMILY OF THE LATE HONORABLE ANTONIO SHIMABUKURO BORJA ON THE OCCASION OF HIS UNTIMELY PASSING AND TO PAY FOND TRIBUTE TO HIS MEMORIES.

Speaker Arnold Palacios: Discussion on the motion.

Several members voiced “ready.”

There being no discussion the motion to adopt H. COMM. RES. NO. 16-1 was carried by voice vote.

Speaker Arnold Palacios: The motion carries, H. COMM. RES. NO. 16-1 is hereby adopted. Mr. Floor Leader.

Floor Leader Camacho: Mr. Speaker, I move for the adoption of H. R. NO. 16-5.

The motion was seconded by several others.

H. R. NO. 16-5: A HOUSE RESOLUTION TO RECOGNIZE MS. BREE REYNOLDS AND MR. DOUG REYNOLDS FOR THEIR NUMEROUS CONTRIBUTIONS TO THE COMMONWEALTH COMMUNITY.

Speaker Arnold Palacios: The motion is to adopt H. R. NO. 16-5 and it has been seconded. Discussion.

Several members voiced “ready.”

There was no discussion; the motion to adopt H. R. NO. 16-5 was carried by voice vote.

Speaker Arnold Palacios: H. R. NO. 16-5 is hereby adopted.

Floor Leader Camacho: Mr. Speaker, I move for the adoption of H. R. NO. 16-6.

The motion was seconded.

H. R. NO. 16-6: A HOUSE RESOLUTION RECOGNIZING THE NEED TO ASSIST THE DISABLED CITIZENS OF OUR ISLANDS IN THEIR PARKING NEEDS AT THE FRONT OF THE LEGISLATURE; AND FOR OTHER PURPOSES.

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

Representative Reyes: Mr. Speaker, I would like to offer amendments, if possible, to H. R. NO. 16-6 so that we also acknowledge the problem that we have on the parking space of the legislators because we are blocking the fire lanes, and perhaps the Resolution should state. We have a lot of space out in the front and not only is it a problem for the handicapped but we are also occupying the fire lanes and perhaps the enlargement would be –

Representative Stanley Torres: No objection to the amendment.

Vice Speaker Deleon Guerrero: Can we hear the amendment?

Speaker Arnold Palacios: Are you going to make an amendment?

Representative Reyes: Yes, Mr. Speaker, I would like to amend the Resolution to state that the parking space be expanded to accommodate not only to be ADA compliant but inclusive members of the legislature and avoid obstruction of the fire lanes. Thank you.

Speaker Arnold Palacios: Short recess.

The House recessed at 2:25 p.m.

RECESS

The House reconvened at 2:29 p.m.

Speaker Arnold Palacios: We are back in session. Mr. Floor Leader, a motion to withdraw.

Floor Leader Camacho: Mr. Speaker, as to H. R. NO. 16-6, I offer a motion to withdraw.

The motion was seconded.

Speaker Arnold Palacios: The motion is to withdraw from consideration H. R. NO. 16-6. Discussion.

The motion was seconded and carried by voice vote.

The Chair recognized the Floor Leader.

Floor Leader Camacho: Mr. Speaker, I move for the adoption of H. R. NO. 16-7.

The motion was seconded.

H. R. NO. 16-7: A HOUSE RESOLUTION CONGRATULATING THE ROTARY CLUB OF SAIPAN ON ITS 40TH ANNIVERSARY AND COMMENDING THE ORGANIZATION FOR ITS OUTSTANDING WORK AND CONTRIBUTIONS TO THE COMMONWEALTH COMMUNITY.

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

Representative Stanley Torres: Mr. Speaker, I would like to amend the Resolution. On page 1, line 3, after the word “and” – and I ask my colleague Representative Salas to correct me if I make a mistake – right after the chartering and organization of the Rotary Club of Saipan, insert, “the island of Saipan was struck by Super Typhoon Jean in April, the Rotary Club played a major role in the recovery of this island of Saipan by purchasing a number of cement bags and two one-bag cement mixers for the use of the residents of Saipan to rebuild their homes.” That is my amendment.

Representative Salas: Mr. Speaker, I believe that that was a very important day for the Rotary. Representative Stanley Torres is right, and that was initially the first project of the Rotary Club of Saipan. So, I believe that amendment is warranted and I do not object to it.

Speaker Arnold Palacios: Representative Torres, we are not clear where you want this amendment to be inserted, so please restate your amendment.

Representative Stanley Torres: I will refer to the author, but I think the appropriate place would be on line 3 after the word “and”.

Representative Benavente: Mr. Speaker, point of information.

Speaker Arnold Palacios: If there is no objection, I am going to allow Representative Torres to get with the author and the legal counsel to insert another whereas clause.

Representative Stanley Torres: It has to be before the 16th because that is the 40th Anniversary.

Representative Salas: Yes, we would like to present this on the 16th.

Speaker Arnold Palacios: We will go ahead and adopt this with the understanding that we will insert another whereas clause to reflect the amendment by Representative Torres. Is there an objection to that? Okay.

There being no objection from the Floor, and the motion to adopt H. R. NO. 16-7, as amended was carried by voice vote.

Representative Yumul: Mr. Speaker, point of clarification, for the record can you state that it is H. R. NO. 16-7, HD1.

Speaker Arnold Palacios: As amended.

Representative Sablan: Mr. Speaker, I am sorry, having not seen the amendment in final, could we also hold off on voting on this?

Representative Hofschneider: It is done.

Representative Sablan: Have we adopted this already?

Representative Yumul: Mr. Speaker, no objection to allow Representative Sablan to be part of that adjustment.

Representative Sablan: My apologies, it happened so quickly. Maybe for future reference – actually I would like to withdraw my vote. I mean, I just do not like – it is the process really that I am objecting to of passing resolutions without any of us having read it. We do not know if the information that has been provided for any of these resolutions is accurate and perhaps we should do our homework and explain it to the members before we make motions to adopt and before we vote on it. Would that not be the responsible thing to do?

Speaker Arnold Palacios: So noted, Representative Sablan. H. R. NO. 16-7, as amended is hereby adopted. We now move on to Bill Calendar.

BILL CALENDAR

Floor Leader Camacho: Mr. Speaker, a motion to suspend pertinent rules to place H. B. NO. 16-23 on the Calendar.

The motion was seconded.

Speaker Arnold Palacios: The motion is suspend pertinent rules for the placement of H. B. NO. 16-23 on today's Bill Calendar. Discussion on the motion.

Representative Sablan: Objection.

Speaker Arnold Palacios: Representative Sablan, recognized.

Representative Sablan: This is a bill to appropriate over two million dollars for the payment of claims incurred prior to privatization. Are we making a motion to place it on the calendar for passage?

Speaker Arnold Palacios: To suspend the rules.

Representative Sablan: To suspend the rules to place it on the calendar.

Speaker Arnold Palacios: So that we may place it.

Representative Sablan: Which means that are we voting on this today?

Speaker Arnold Palacios: Potentially.

Representative Sablan: Well, I object to even placing it on the Calendar today without having – this is the first time I have seen it.

Representative Hocog: Point of order, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Hocog: I think we should let our good colleague understand that we are only suspending the rule to consider placing this Bill on today's session and when the time comes to discuss it, then she can perhaps come up and state her disagreement. Thank you.

Representative Hofschneider: Clarification, Mr. Speaker, not in support of her objection, because I do not know of her objection but she is in line. The minute you suspend that rule it allows for the Bill to be placed. That is her objection. I do not know why she is objecting, it is beside me, but the point of order is out of order because she has the Rules, she is in line.

Representative Hocog: I do not think I am out of order, Mr. Speaker. I am in order to verify that the argument to discuss the bill at this point in time is not proper. We are only discussing the suspension of rules to consider placing this particular House Bill for a vote. So I do not think I am out of order. I am in order, to correct that. Thank you.

Floor Leader Camacho: Mr. Speaker, move to vote on the previous question on the motion to suspend the rules to place H. B. NO. 16-23 on the Bill Calendar.

Speaker Arnold Palacios: The motion is to suspend pertinent rules so that H. B. NO. 16-23 may be placed on today's Bill Calendar and it has been seconded.

The motion was carried by voice vote.

Floor Leader Camacho: Mr. Speaker, a motion to place H. B. NO. 16-23 on the Bill Calendar.

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

Speaker Arnold Palacios: The motion is carried.

Floor Leader Camacho: Mr. Speaker, a motion for passage on First and Final Reading H. B. NO. 16-23.

The motion was seconded by several others.

H. B. NO. 16-23: A BILL FOR AN ACT TO APPROPRIATE \$2,158,129.51 FOR THE PAYMENT OF CLAIMS INCURRED PRIOR TO PRIVATIZATION OF THE CNMI GOVERNMENT GROUP HEALTH AND LIFE INSURANCE TRUST FUND, AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: Discussion on the motion. I recognize Representative Hofschneider.

Representative Hofschneider: Thank you, Mr. Speaker, with all due respect our colleague here, she has a point that we need to be well-informed about what whatever legislation entails and the impact thereafter. This is a case where time is of the essence and the dissemination of the information regarding the urgency of such legislation is perhaps where we being to fall apart, or it fell apart. And the urgency of settling Aetna, for instance, is at a critical point whereby Aetna may in fact or have informed the government that if not paid they will suspend the coverage of all those who are covered under the Aetna program or insurance. That is beside the point. The point is that we need share the information amongst ourselves so that we inform ourselves before we get to the session. I am not speaking on her behalf, but this is where we begin to fall apart as a unit. We need to inform, share that knowledge, share those communications, and share those documents as to why the urgency is such. Thank you, Mr. Speaker.

Speaker Arnold Palacios: Thank you, that is a very good point. Representative Yumul, are there any supporting documents, urgent correspondence from the NMI Retirement Fund regarding this issue with Aetna? Perhaps you can share that with us and attach it to the legislation so Representative Sablan will be informed.

Representative Yumul: Mr. Speaker, during the discussions of the budget hearings, the NMI Retirement Fund did come into the Chamber and provided the Committee on Ways and Means the information dating back to the last fiscal year. I did make copies available to all the members of the Committee and also to other members who are not in the Committee but are also interested in the information. Within the submission, the Administrator, Mr. Mark Aguon, had given us the information about documents relating to the Aetna runoff claims now mounting over \$2 Million. The NMI Retirement Fund is currently being assessed 9% interest per annum. So long as the amount remains unpaid they will continue to incur penalties. The legislation, I know and I apologize to the members if it seems to be untimely, but the urgency here is to confirm certain resources that we believe is available for appropriation and to act accordingly. Like Representative Hofschneider had

indicated, time is of the essence and we want to put this issue to rest otherwise members who are in the program may be severely impacted to include back claims going back to them.

Speaker Arnold Palacios: Representative Yumul, do you have any information you could share with the members?

Representative Yumul: Yes, I do.

Speaker Arnold Palacios: We will take a short recess.

The House recessed at 2:44 p.m.

RECESS

The House reconvened at 2:58 p.m.

Speaker Arnold Palacios: We are back to our session and we are discussing H. B. NO. 16-23. Representative Yumul, I believe I asked if there are any further documents that you can share with the members so that we know what really this is all about.

Representative Yumul: Mr. Speaker, with respect to the documents, are you pertaining to the Retirement side or the funding source side.

Speaker Arnold Palacios: Both if you have, I think it will be appropriate to share it with the members. I recognize Representative Benavente.

Representative Benavente: Mr. Speaker, I realize that not everyone is a member of the Ways and Means Committee but during the budget hearings and both in our meetings with the NMI Retirement Fund as well as the Secretary of the Department of Finance copies of communications were given to us which showed the need to settle this matter because our government employees could possibly lose their health care coverage if we do not act on it as quickly as possible. So, I hope that those of us who are members of the Ways and Means Committee still have their copies of those communications. Thank you.

Representative Reyes: Mr. Speaker, I think the Administrator is having some more documents delivered over in a short time if I am not mistaken. Mr. Speaker, just for the record, H. B. NO. 16-23 there are figures there mentioned; however, I think this might have or there is still additional funding that the health insurance program will require to address prior claims so called processed by Aetna Insurance. The thing that we have to understand in the absence of it, I think one of the documents that the Administrator went to get is the provisions in the contract with Aetna about the lapsation of the policy if it is not paid that it will jeopardize the program. We have to pay particular attention especially those that are in the hospitals right now where they might not be released or treated because of this in the absence of any payment. This, Mr. Speaker, ties in also with H. B. NO. 16-15, which is the hotel occupancy tax and the container tax. When I was at the NMI Retirement Fund, these funds have not been actually remitted to the NMI Retirement Fund Program for an "x" number of years. The intention of the proceeds is to subsidize the shortfalls of the health insurance program for the CNMI Government. Thank you.

Vice Speaker Deleon Guerrero: Can I get a clarification from the author, Mr. Speaker? The correspondence that has been sent to this Body reported a figure that would be needed of roughly \$3,000,000.00 this is consistent with what the former Special Assistant for Management and Budget had said. The current figure of \$2.1 Million will take care of the runoff claims up to December 17. So the figure that we are appropriating is really what is available for the funding source, correct? Can I ask the author if we are anticipating a need for supplemental appropriation to take care of the period of December 17 to the present or up until the time the contract took effect?

Representative Yumul: I will yield to Representative Reyes.

Representative Reyes: Mr. Speaker, I think the intention of H. B. NO. 16-15 again will address that. Bear in mind that the proceeds from the hotel occupancy tax and the container tax was never paid to the NMI Retirement Fund which again was intended to benefit the health insurance program of the government. So that might address the additional claims that might be forthcoming.

Representative Benavente: Mr. Speaker, I just conferred with Mr. Mark Aguon and the situation is that and while it is true that projection for total CNMI liability is about \$3 Million, presently Aetna has already paid this amount, the \$2.1 Million which is what they are asking for to get paid or else we will lose the coverage. That is why we only appropriated that amount. So I think at some point as the billings start coming in, we will need to appropriate the additional amount that would be necessary for the CNMI to pay as the Vice Speaker pointed out. Thank you.

Representative Apatang: Mr. Speaker, I think this is just a reimbursement to what Aetna spent to cover our patients in the hospitals. When we had our meeting with the NMI Retirement Fund, this is the amount that they have asked for emergency situations. So this is all the money that we can find now until we can find other funds to make up the balance of the \$3 Million. Thank you.

Speaker Arnold Palacios: I also had a few minutes to talk with Mr. Aguon about this issue. This is third party billings that Aetna took over from HPMR. He had shared some letters from Aetna basically demanding payment or else the privatized health insurance that is now in existence with Aetna may be jeopardized. That is the urgency that we have on our hands. I think, as Representative Yumul stated, Mr. Aguon is waiting for documentations of such correspondence.

Representative Hocog: Mr. Speaker, I will support any funding to take care of what the NMI Retirement Fund is looking for reimbursement. But, many times, my heart bleeds looking at the source of funding that we are just about to appropriate. I hope that we can find other sources rather than identifying this funding at this point in time. Many of our indigenous people have been left behind without being given the true picture of benefits as a result from revenue identified from the Marianas Public Land Trust (MPLT). This bill is directly appropriated such resources from MPLT. We have left lots of opportunities where our indigenous people need to upgrade, refine, and prepare themselves for employment opportunities. This particular figure here, Mr. Speaker, is among others that the Chairman of the House Ways and Means Committee is still questioning whether it is truly available or it has been eaten up already and to appropriate this figure in the absence of the true availability, I think we are fooling ourselves and denying ourselves with the fact whether there is the \$2.1 Million at this time as a result of what was transmitted or claimed to be transmitted as 2007 expenditure.

Representative Benavente: Point of information, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Benavente: Once again, during the process of the budget hearings we met with representatives of the Chairman of MPLT, the Executive Director, and they showed us the payments which is actually the income earned from the investment which normally goes to the general fund for appropriations. So this is not funding that is protected for the indigenous people under MPLT funds. This is actually the income earned from those investments which under the NMI Constitution should go to the general fund for appropriation. In fact, the sum of his money was actually paid; copies of those checks were shown to us. So, in fact, the CNMI Government has received this total. Thank you.

Representative Hocog: If I may continue, Mr. Speaker.

Speaker Arnold Palacios: Proceed.

Representative Hocog: If the point of information that Representative Benavente referred to the House, can I be informed what are the funds from MPLT earmarked or appropriated directly that will benefit our indigenous community, if not from the interest earned from the MPLT investment account?

Speaker Arnold Palacios: I am going to ask Representative Hofschneider to make that clarification.

Representative Hofschneider: I think the good representative from Rota, Representative Hocog, is using an analogy as being a dentist; he is trying to pull our teeth out to tell exactly. I think he knows the answer to that, but be it as it may the answer, Mr. Speaker, is that the constitutional directive or mandate states that the MPLT Trustees declare on an annual basis what is income -- and that is the sole discretion of the Trustees to declare however amount earned as income -- then remits that or transmitted over to the Department of Finance and that is identified or included as identified resources for the legislature to appropriate. In the past, there has never been as specific appropriation specifically for Northern Marianas descent, and that is what he is trying to ask and get an answer for. But overall, the entire people of the Commonwealth, whether they be of Northern Marianas descent or non-Northern Marianas descent, benefits in the general appropriation by way of that \$1.7 or \$2.2 Million declared, however the amount is. But, over the years it has been redistributed in the appropriation process, the budget process, and by way of that we have constitutionally created offices like the Women's Affairs Office, the Carolinian Affairs Office, and the Indigenous Affairs Office that benefits through the process of appropriation and the answer is there clearly is that intent. As to a specific program, in my recollection we have never done a specific program that enriches or benefits directly the Northern Marianas descent as stipulated in the language of the NMI Constitution.

Speaker Arnold Palacios: To add to that, prior to the 15th Legislature, prior to the repeal of freeing this money from the Northern Marianas Housing Corporation, the 12th Legislature appropriated for this money to be given to NMHC for housing loans for Northern Marianas descent, not necessarily but a housing program where if you are a Northern Marianas descent, you would qualify because you have accessibility to these programs also.

Representative Hofschneider: Point of clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Hofschneider: The NMHC loan for all intents and purposes was to develop a loan scheme whereby first time homeowners, low and moderate-income individuals that may in fact were not capable at that time to access commercial lending institutions. That was the whole drive behind it. But the distinction specifically as to Northern Marianas descent availing this program under the \$10 Million loan package through NMHC is wrong. That was never the intent of that legislation. Let us clarify the record because it was never intended for that but by way of accessing the loan obviously the next question is property ownership title, and that allows you to access that loan.

Speaker Arnold Palacios: Representative Apatang, recognized.

Representative Apatang: I move to end debate.

Vice Speaker Deleon Guerrero: Mr. Speaker, before you recognize that –

Speaker Arnold Palacios: I will allow the Vice Speaker.

Vice Speaker Deleon Guerrero: Just one question – was this \$2.2 Million declared as revenue by the Administration to the Legislature and is it tied in to the House Concurrent Resolution?

Representative Yumul: Just a short history to the members – under the Governor’s communications dated September 10th and September 12th of 2007, this \$2.2 Million was never included in the projected revenue. In fact, the Secretary of the Department of Finance had only indicated a \$1.132 Million income to be received from MPLT. For the purpose of remitting to NMHC under Public Law 12-27 that exact amount which zeroed out. For FY 2008 estimates, MPLT is projected a \$1.7 Million, an estimate that is still standing. They expect payment out to the general fund in October of this year. The \$2.2 Million surfaced only after I had written a letter to the Lieutenant Governor’s Office, who was at the time Acting Governor, to recertify the revenue ceilings for FY’08. H. C. R. NO. 16-1 predates Governor’s Communication 16-19 which was dated January 28, 2008 and embedded in that communication the Secretary of the Department of Finance attempted to inject the \$2.2 Million as actual revenue received which is not in line with the Planning and Budgeting Act. It is in fact improper, so we are merely exercising our legislative duty to appropriate this money, which is, hopefully with the concurrence of the members present today, the best option that we have so that we can take care of our obligation to the NMI Retirement Fund.

Representative Hofschneider: I think to make it very clear, Mr. Speaker, I think the good chairman may in fact explain to us the timetable. Normally, MPLT would declare income over to the general fund for appropriation towards the closing of the fiscal year. Is that right?

Representative Yumul: That is correct.

Representative Hofschneider: Now, I assume that MPLT furnished you with documents relating to the declaration for 2007.

Representative Yumul: I have from MPLT the first receipt that was processed through the treasury office of \$1.6 Million dated October 31, 2007.

Representative Hofschneider: And that is for what fiscal year?

Representative Yumul: The Chairman of MPLT, Alvaro Santos, indicated to the Ways and Means Committee that they have no reason to explain to the Secretary that this is for FY'07 or FY'08. All their concerns are is to remit the money.

Representative Hofschneider: Okay. Mr. Speaker, a follow-up question would then be in line and that is the last fiscal year budget that was passed by the 15th Legislature – what would that be P.L. 15-71 – in the concurrent resolution, does it contain expected revenue from MPLT in equal amount?

Speaker Arnold Palacios: No it does not.

Representative Hofschneider: It does not. So assuming that – I am being a devil's advocate – that \$1.7 Million was anticipated for FY'06 and FY'07 under P.L. 15-71 the subsequent transfer by MPLT in the amount of \$2.2 Million would then be revenue properly for identification for appropriation.

Representative Yumul: The MPLT Board did not recognize the FY'08 potential for interest earned on its investment. They start deliberating after August of 2007 and they were projecting \$1.7 Million for FY'08 to be paid in October.

Representative Hofschneider: No, what I am saying, Mr. Speaker, is that last budget act that was passed and now providing continuing resolution does not identify incomes from MPLT back then, then even \$1.7 Million, if spent, is an illegal expenditure of that fund because they needed to identify it first and send it over to the legislature during the 15th Legislature. And if it is absent of identification of anticipated revenue –

Representative Yumul: Governor's Message 15-343 dated February 28, the Secretary of Finance as of February 15, 2007 indicated a \$1.132 Million revenue estimate for FY'07 which they did receive. That money went straight into P.L. 12-27 because Public Law 15-48 which put a stop to that practice was implemented in March.

Representative Hofschneider: So you have confidence that the \$2.2 Million is outside the identification or it has never been identified.

Representative Yumul: Yes, I do have irrevocable proof.

Speaker Arnold Palacios: Let me recognize Representative Quitugua, because he may be able to shed some light with additional information.

Representative Quitugua: Mr. Speaker, in our binder we have GOV. COMM. 15-19. This communication identifies the actual revenues for 2007 to the general fund of \$2.2 Million. The estimated revenue for 2008 from MPLT is \$1.7 Million.

Representative Hofschneider: And that was included in the 15th Legislature as part of the revenue for appropriation?

Representative Quitugua: I think the \$1.7 Million was identified.

Speaker Arnold Palacios: Let me clarify. \$1.1 Million was identified and it was supposed to go to the Northern Marianas Housing Corporation. With the repeal of P.L. 12-27, that fund transfer was

suspended and then we have an additional \$1.1 Million available and that is why we have \$2.2 Million. But those funds were never really identified as revenues available for expenditure for the operations of the government under the existing budget.

Representative Sablan: Can I get clarification from our legal counsel? Can we appropriate money that has not been identified or declared?

Speaker Arnold Palacios: I will allow the legal counsel to answer the question.

House Counsel Ian Catlett: Thank you, Mr. Speaker. GOV. COMM. 16-19 is an identification of that \$2.2 Million. That was not in the previous communication back in September. There were two communications in September. The January 28th communication was the first time it was identified, so it is now identified, and it is in the bill, H. B. NO. 16-23, it is identified as a source of funding. Following the identification in Section 4 is the appropriation of an amount that is less than the fully identified but it is the current amount that we have available for Retirement.

Speaker Arnold Palacios: Ready for the question. The motion is to pass on First and Final Reading H. B. NO. 16-23. Clerk, please call the roll.

The clerk called the roll on the motion to pass H. B. NO. 16-23 on First and Final Reading.

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

Speaker Arnold Palacios: By a vote of 19 voting “yes”, H. B. NO. 16-23 passes the House on First and Final Reading. I recognize Representative Apatang.

Representative Apatang: Mr. Speaker, if there is no objection, I would like to ask that we go back to Item 3, Introduction of Bills.

There was no objection and the House went back to Item 3.

INTRODUCTION OF BILLS

Representative Apatang introduced the following:

H. B. NO. 16-27: A Bill for an Act to re-appropriate \$1,500,000.00 from the Office of the Public Auditor surplus funds in Fiscal Year 2007 for the Commonwealth Utilities Corporation's non fuel costs; and for other purposes.

Offered by: Representative David M. Apatang

Referred to: Committee on Ways and Means

Speaker Arnold Palacios: We continue with our Order of Business and I recognize the Floor Leader.

Floor Leader Camacho: If there are no more Bills, Mr. Speaker, I move to adjourn.

Representative Hocog: Before we adjourn, Mr. Speaker, I would like to make an announcement.

ANNOUNCEMENT

The Chair recognized Representative Hocog.

Representative Hocog: Mr. Speaker, now that we have tons of bills introduced, I am requesting my good Speaker to assign the bills to the respective committee and further ask, Mr. Speaker, the standing committees' chair to please activate those bills so we do not pass bills on First and Final Reading without committee reports. Thank you very much.

Speaker Arnold Palacios: Thank you, Representative Hocog, you took the words right out of my mouth.

Representative Yumul: Mr. Speaker, I have an announcement to make. The House Ways and Means Committee will be meeting on Thursday. The time will be flexible, the urgency on the budget and the movement of the bills out of the committee into the calendar.

Vice Speaker Deleon Guerrero: Mr. Speaker, I would like to remind the members that on Wednesday, we have a legislative breakfast with the diabetes coalition at the Pacific Islands Club (PIC) I believe, at eight o'clock. You do not have to pay for your breakfast or lunch. So all members are please asked to attend.

The Chair recognized Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I just like to respectfully request that you at some point soon appoint the members of the Ad Hoc Committee to review the Rules. I am realizing now that a lot of my objections today really stems from the process the way bills are introduced and discussed and I would like to request in that respect.

Speaker Arnold Palacios: Thank you for that reminder and I will be issuing a memo regarding those appointments.

Representative Stanley Torres: Mr. Speaker, just to remind the members that tomorrow at 1:30 in the afternoon we are meeting with the Environmental Protection Agency (EPA) and the Commonwealth Utilities Corporation (CUC) in this Chamber.

ADJOURNMENT

Floor Leader Camacho: Mr. Speaker, there being nothing else on the calendar, I move to recess subject to the call of the chair.

The motion was seconded and carried by voice vote.

Speaker Arnold Palacios: The House stands recessed subject to the call.

The House adjourned at 3:31 p.m.

Respectfully submitted,

Evelyn C. Fleming
House Clerk

APPEARANCE OF LOCAL BILLS

First Appearance: H.L.B. NO. 16-1; H.L.B. NO. 16-2; H. L.B. NO. 16-3; H.L.B. NO. 16-4

Second Appearance: None

Third Appearance: None