



# House Journal

## SECOND REGULAR SESSION, 2008

Tenth Day

Thursday, October 23, 2008

The House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature convened in its Eighth Day, Second Regular Session on Thursday, October 23, 2008, at 2:10 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 eighteen members were present. Representative Edwin P. Aldan came in late, and Representative Francisco S. Dela Cruz was absent and excused.

### ADOPTION OF JOURNALS

None

### INTRODUCTION OF BILLS

H. B. NO. 16-181: A Bill for an Act to amend 2 CMC § 1622; and for other purposes.  
Prefiled by: Rep. Joseph C. Reyes

### INTRODUCTION OF RESOLUTIONS

The Chair recognized Representative Reyes.

Representative Reyes: Mr. Speaker, during the last session, I filed H. J. R. NO. 16-15. I just want to inform the members that I have a House Substitute for H. J. R. NO. 16-15.

Speaker Arnold I. Palacios: We will give you the opportunity to submit the substitute when we get to the Resolution Calendar. Is there any other resolution for introduction? I recognize Representative Hocog.

Representative Hocog: Mr. Speaker, I guess you moved too fast on the Order of Business, and if no objection, can we go back to the Bill Calendar?

There was no objection.

### INTRODUCTION OF BILLS

H. B. NO. 16-182: A Bill for an act to amend Section 2 of Public Law 13-48; and for other purposes.  
Offered by: Rep. Victor B. Hocog  
Referred to: Committee on Ways and Means

## INTRODUCTION OF RESOLUTIONS

H. R. NO. 16-59: A House Resolution commending and congratulating Kinki Nippon Tourist Co., Ltd. on winning the prestigious Tour of the Year 2008 award presented by the JATA Executive Committee and for the continued support of the Tourism Industry in the Northern Mariana Islands.

Offered by: Representative Ramon A. Tebuteb.

H. R. NO. 16-60: A House Resolution to request the Governor to issue a full and detailed report to the Legislature on actions taken and funds used to address the disaster emergencies described in Executive Order Nos. 2008-1, 2008-02, 2008-10, 2008-13 and to present a plan to the Legislature detailing short-term, medium-term, and long-term measures to address the disaster emergency described in EO 2008-17, including a comprehensive financial strategy for meeting the costs of these measures.

Offered by: Representative Arnold I. Palacios and several others

H. J. R. NO. 16-19: A House Joint Resolution commending and congratulating Kinki Nippon Tourist Co., Ltd. on winning the prestigious Tour of the Year 2008 award presented by the JATA Executive Committee and for the continued support of the Tourism Industry in the Northern Mariana Islands. [WITHDRAWN]

Offered by: Representative Ramon A. Tebuteb.

H. J. R. NO. 16-20: A House Joint Resolution to establish an ad hoc legislative task force on federalization under U.S. Public Law 110-229, and to provide for the appointment of task force members.

Offered by: Rep. Diego T. Benavente and several others

The Chair recognized Representative Tebuteb.

Representative Tebuteb: Thank you, Mr. Speaker. I would like to withdraw the H. J. R. NO. 16-19, and submit it as H. R. NO. 16-59.

Speaker Arnold I. Palacios: Would you like to have it place on today's Calendar?

Representative Tebuteb: Yes, Mr. Speaker.

## MESSAGES FROM THE GOVERNOR

GOV. COMM. 16-231: (10/16/08) Certification for a vacant position at the Department of Public Lands.

GOV. COMM. 16-232: (10/16/08) Certification for a vacant position at the Joeten-Kiyu Public Library.

GOV. COMM. 16-233: (10/16/08) Certification for vacant positions at the Department of Community and Cultural Affairs.

GOV. COMM. 16-234: (10/17/08) Executive Order 2008-18 – Organization and Management of the Labor Information Database System.

There was no discussion.

## SENATE COMMUNICATIONS

SEN. COMM. 16-84: (10/20/08) Returning H. B. NO. 16-118, HD1 (Retirement-Disability: Administrative Provisions) which was passed by the Senate without amendment on October 17, 2008. [Before the Governor]

SEN. COMM. 16-85: (10/20/08) Returning H. B. NO. 16-151, HS1 (\$32,000 Tinian Local Appropriation for NMC Student Transition), which was passed by the Senate without amendment on October 17, 2008. [Before the Governor]

SEN. COMM. 16-86: (10/20/08) Returning H. B. NO. 16-165 (To appropriate \$111,000.00 from the Third Senatorial District Developers Infrastructure Tax Fund; and for other purposes.) which was passed by the Senate with amendments on October 17, 2008, in the form of **H. B. NO. 16-165, SS1** . [*For action on Senate amendments*]

SEN. COMM. 16-87: (10/20/08) Returning H. B. NO. 16-171, HS1 (To appropriate \$20,000 for Karidat; \$25,000 for NMC; \$75,000 to supplement SLL 16-4 §2(b)(12)) which was passed by the Senate without amendment on October 17, 2008. [Before the Governor]

SEN. COMM. 16-88: (10/20/08) Returning H. B. NO. 16-176, HD1 (Health Care Professions Licensing Board) which was passed by the Senate without amendment on October 17, 2008. [Before the Governor]

SEN. COMM. 16-89: (10/20/08) Returning H. B. NO. 16-123, HD1 (re Sale of Alcoholic Beverages on Election Day) which was passed by the Senate without amendment on October 17, 2008. [Before the Governor]

SEN. COMM. 16-90: (10/20/08) Returning H. B. NO. 16-169, HD9 (Appropriations and Budget Authority Act of 2009), which was passed by the Senate with amendments on October 17, 2008, in the form of **H. B. NO. 16-169, HD9, SS1**. [*For action on Senate amendments*]

SEN. COMM. 16-91: (10/20/08) Returning H. J. R. NO. 16-17 (re Regulations implementing PL 110-229 with regards to foreign investors), which was adopted by the Senate on October 17, 2008. [For info]

The Chair recognized the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. I have a motion to place SEN. COMM. 16-86 referring to H. B. NO. 16-165, SS1 and SEN. COMM. 16-90 in reference to H. B. NO. 16-169, HD9, SS1 on the Bill Calendar.

The placement motion was seconded and carried by voice vote.

Speaker Arnold I. Palacios: The motion is carried.

Representative Babauta: Point of clarification, Mr. Speaker.

Speaker Arnold I. Palacios: State your point.

Representative Babauta: I was just going to ask – why do we not just accept the changes under the Senate Communication.

Speaker Arnold I. Palacios: We are going to be discussing the changes in the Bill Calendar. I know that we have different ways to approach this, and I try to impress upon the Floor Leader, but the Floor Leader being the Floor Leader and the power the he has, insists that he is going to do it the way he wants it done.

Representative Babauta: So noted, Mr. Speaker.

Speaker Arnold I. Palacios: We will be discussing it under the Bill Calendar. Any other comments, Representative Hofschneider, recognized.

Representative Hofschneider: Just so that I be fair, Mr. Speaker, I request that all three former Speakers be refrained from interrupting the Floor Leader.

Speaker Arnold I. Palacios: I guess I can order that, but...okay. We go now to House Communication.

### **HOUSE COMMUNICATIONS**

HSE. COMM. 16-16-76: (10/9/09) From Representative Tebuteb to Secretary John Del Rosario, DPL, requesting for a ten-year financial report of all funds received from public lands.

HSE. COMM. 16-77: (10/23/08) From the Speaker and the Senate President informing the members that the Joint Guam Project Office (JGPO) will be visiting the Legislature on Friday (10/24/08) at 10:00 a.m. to provide an update on the impending relocation of the military to Guam.

HSE. COMM. 16-78: (10/23/08) Representative Tebuteb submitted a legal opinion from House Legal Counsel Joe Bermudes regarding appropriation for salaries during a continuing resolution period.

The Chair recognized Representative Tebuteb.

Representative Tebuteb: Thank you, Mr. Speaker. I would like to submit a House Communication on the question of appropriation during the last SNILD Session with regards to appropriation on the furlough. I believe this was last year as it relates to the budget. I would like to submit this for the members.

Speaker Arnold I. Palacios: Please take note on HSE. COMM. 16-77. There is a Joint Guam Project Office will be here tomorrow. Please take a note of the time. They will be providing an update on the relocation of the military to Guam. I urge everyone to be here and attend especially the Committee on Federal and Foreign Relations in the House Chamber. We will move down to the Resolution Calendar.

### **COMMUNICATIONS FROM THE JUDICIAL BRANCH**

None

**COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE**

None

**COMMUNICATIONS FROM DEPARTMENTS & AGENCIES**

None

**OTHER COMMUNICATIONS**

None

**REPORTS OF STANDING COMMITTEES**

None

**REPORTS OF SPECIAL AND CONFERENCE COMMITTEES**

None

**UNFINISHED BUSINESS**

None

**RESOLUTION CALENDAR**

Floor Leader Camacho: Mr. Speaker, motion to adopt H. J. R. NO. 16-15 in reference to Community Base Outpatient Clinic for U.S. Veterans.

The motion was seconded.

**H. J. R. No. 16-15:** A HOUSE JOINT RESOLUTION TO REQUEST THE CONGRESS OF THE UNITED STATES TO CAUSE TO ESTABLISH A U.S. DEPARTMENT OF VETERANS AFFAIRS BENEFIT OFFICE AND A VETERANS AFFAIRS COMMUNITY-BASED OUTPATIENT CLINIC (CBOC) ON THE ISLAND OF SAIPAN TO SERVICE ALL VETERANS IN THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

Speaker Arnold I. Palacios: The motion on the floor is to adopt H. J. R. NO. 16-15, and it has been seconded.

Representative Sablan: Point of clarification.

Speaker Arnold I. Palacios: State your point.

Representative Sablan: Is this the substitute that was just introduced on the floor?

Speaker Arnold I. Palacios: No, the motion is just to adopt this. I will be recognizing Representative Reyes.

Representative Sablan: Thank you.

The Chair recognized Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. I have passed out copies of the substitute on H. J. R. NO. 16-15.

The motion to adopt H. J. R. NO. 16-15, HS1 was seconded, which reads as follows:

**“A HOUSE JOINT RESOLUTION**

To request the Congress of the United States to cause to establish a U.S. Department of Veterans Affairs Benefit Office and a Veterans Affairs Community-Based Outpatient Clinic (CBOC) on the island of Saipan to service all veterans in the Commonwealth of the Northern Mariana Islands.

WHEREAS, the Northern Mariana Islands, located in the Northwestern Pacific Ocean, with the main population center of Saipan located 150 miles north of the U.S. territory of Guam, has been closely affiliated with the United States of America since World War II, first as a major battleground area in the Pacific Theater, then as part of the post-World War II United Nations Trust Territory of the Pacific Islands under the administration of the United States, and finally as a proud member of the American political family since 1976 through the Covenant to Establish a Commonwealth of the Northern Mariana Islands (CNMI) in Political Union with the United States of America; and

WHEREAS, men and women of the Northern Mariana Islands have served bravely and loyally in the United States Armed Forces in every conflict since World War II, including present conflicts in Iraq, Afghanistan and other areas of the world; and

WHEREAS, the CNMI has approximately 1,386 veterans, reservists and active duty service members today, including approximately 400 CNMI citizens currently serving in the United States Armed Forces and continues to grow; and

WHEREAS, over 4,000 American military personnel, including 11 from the CNMI, have died since March of 2003 in Iraq, Afghanistan, and other areas of the world, and over 100 CNMI veterans have returned home since March of 2003; and

WHEREAS, veterans residing in the CNMI are entitled under Title 38 of the United States Code to a broad range of services, programs, and technical resources available to all veterans through the U.S. Department of Veterans Affairs; and

WHEREAS, veterans residing in the CNMI deserve benefits equal to those received by veterans residing in the continental United States and other territories; and

WHEREAS, there is no federally-funded U.S. Department of Veterans Affairs Benefit Office in the CNMI to provide the CNMI's veterans with direct and ready access to the services, programs, and technical resources available to all veterans through the U.S. Department of Veterans Affairs; and

WHEREAS, the CNMI's Office of Military Liaison and Veterans Affairs, which serves as the sole official liaison and advocate for veterans residing in the CNMI, depends entirely on limited and dwindling local resources, and is managed by one hard-working and dedicated Executive Director and a veteran herself, Ms. Ruth Coleman, with no support staff; and

WHEREAS, the CNMI's Office of Military Liaison and Veterans Affairs and veterans residing in the CNMI are currently required to coordinate all Veterans Affairs issues through the neighboring territory of Guam or Hawaii, a requirement which has proven to be generally cumbersome and ineffective; and

WHEREAS, many veterans residing in the CNMI have difficulty accessing their own Veterans Affairs healthcare benefits, and some must travel to Guam or Hawaii at their own expense to receive services available through Guam's Veterans Affairs Community-Based Outpatient Clinic; and

WHEREAS, the quality of life of veterans residing in the CNMI would be greatly enhanced by the establishment of a U.S. Department of Veterans Affairs Benefit Office as well as a Veterans Affairs Community-Based Outpatient Clinic located on the island of Saipan; and

WHEREAS, the massive U.S. military buildup in the Mariana Islands, which includes both the territory of Guam and the CNMI, is expected to result in growing numbers of veterans and their dependents living and traveling between the islands, and further justifies the need for Veterans Affairs healthcare and other services to be directly and readily available in the CNMI; now, therefore,

BE IT RESOLVED, by the House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature, the Senate concurring, that the Congress of the United States is respectfully requested to cause the establishment of a U.S. Department of Veterans Affairs Benefit Office and a Veterans Affairs Community Based OutPatient Clinic (CBOC) on the island of Saipan to serve all CNMI veterans and their dependents; and

BE IT FURTHER RESOLVED, that the House Speaker and the Senate President shall certify and the House Clerk and the Senate Legislative Secretary shall attest to the adoption of this joint resolution and thereafter the House Clerk shall transmit a copy to the Honorable Senator Robert C. Byrd, President Pro Tempore, U.S. Senate; Honorable Senator Daniel K. Akaka, Chairman, U.S. Senate Committee on Veterans Affairs; Honorable Senator Jeff Bingaman, Chairman, U.S. Senate Committee on Energy and Natural Resources; Honorable Representative Nancy Pelosi, Speaker, U.S. House of Representatives; Honorable Representative Bob Filner, Chairman, U.S. House Committee on Veterans Affairs; Honorable Representative Michael H. Michaud, Chairman, Subcommittee on Health, U.S. House Committee on Veterans Affairs; Honorable Representative Nick J. Rahall, II, Chairman, U.S. House Committee on Natural Resources; Honorable James Peake, Secretary, U.S. Department of Veterans Affairs; James E. Hastings, Director, VA Pacific Islands Health Care System, U.S. Department of Veterans Affairs; Honorable Dirk Kempthorne, Secretary, U.S. Department of the Interior; Doug W. Domenech, Acting Deputy Assistant Secretary for Insular Affairs; Honorable Benigno R. Fitial, Governor, Commonwealth of the Northern Mariana Islands; Honorable Arnold I. Palacios, Speaker, House of Representatives, 16<sup>th</sup> Northern Marianas Commonwealth Legislature; and Honorable Pete A. Tenorio, CNMI Resident Representative to the United States.”

Speaker Arnold I. Palacios: The motion on the floor is to adopt H. J. R. NO. 16-15, HS1. Discussion on the floor, and I recognize Representative Sablan.

Representative Sablan: Just a small technical or grammatical amendment to make on page 1, line 15 that I would like to offer. After the word, “forces”, insert a comma “(,)”, cross out the word, “and”, and replace it with “a number”.

The oral floor amendment was seconded.

Representative Hocog: Point of clarification.

Speaker Arnold I. Palacios: State your point.

Representative Hocog: Just for my curiosity...[Inaudible-microphone off]

Speaker Arnold I. Palacios: I am going to allow two seconds for your answer.

Representative Sablan: I wholeheartedly support this Resolution and would like to thank Representative Reyes for spearheading this effort.

There being no further discussion, the amendment offered by Representative Sablan was carried by voice vote.

Speaker Arnold I. Palacios: The motion is carried. We are down to our main motion.

There was no discussion and the motion to adopt H. J. R. NO. 16-15, HS1, HD1 was carried by voice vote.

Speaker Arnold I. Palacios: The motion is carried. H. J. R. NO. 16-15, HS1, HD1 is hereby adopted. We will take a short recess.

*The House recessed at 2:25 p.m.*

*RECESS*

*The House reconvened at 2:35 p.m.*

Speaker Arnold I. Palacios: We are back to our plenary session. While those Resolutions are being copied, I think we can move on to the Bill Calendar so that we can dispose of some of the measures.

### **BILL CALENDAR**

The Chair recognized the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker, motion to reject the Senate amendments and proceed to Conference Committee on H. B. NO. 16-169, HD9, SS1.

The motion to reject was seconded.

**H. B. NO. 16-169, HD9, SS1**: A BILL FOR AN ACT TO MAKE APPROPRIATIONS FOR THE OPERATIONS AND ACTIVITIES OF THE GOVERNMENT OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS, ITS AGENCIES, INSTRUMENTALITIES, AND INDEPENDENT PROGRAMS, AND TO PROVIDE BUDGET AUTHORITY FOR GOVERNMENT CORPORATIONS FOR FISCAL YEAR 2009; AND FOR OTHER PURPOSES. [SEN. COMM. 16-90]

Speaker Arnold I. Palacios: Discussion. I recognize Representative Hocog.

Representative Hocog:...[inaudible]...Representative Hofschneider to begin his section for the motion.

Speaker Arnold I. Palacios: You are yielding to Representative Hofschneider? I recognize Representative Hofschneider.

Representative Hofschneider: Thank you, Mr. Speaker. I believe it is the Floor Leader has a trained mind in law, and one of the most eloquent statement made in Law School as he puts it is, a good compromise is when everybody is not happy. You know that it is a good outcome. While H. B. NO. 16-169, HD9 speaks for itself when we were deliberating in the House, that in spite of the months of efforts in work put into by the Standing Committee Chair on Ways and Means, Representative Yumul, and taken over by Representative Hocog, as a result, we acted on H. B. NO. 16-169, but in spite of that hard work and months of deliberation, and massaging, House Draft 9 means there were nine times that people amended it because of their individual right to disagree. Now, if you look at the top right corner, all bills are numbered – H. B. NO. 16-169, HD9, SS1 – well, HD is a result of nine amendments in the House, and look at the Senate with a single stroke, SS1. What has happened is completely about 90% gutting the House version and inserting what the Senate – does the most appropriate or more appropriate structure in the legislation, and distributions of resources throughout the legislative bill on the appropriations measure itself. What I am trying to point out, Mr. Speaker is, we respect the Senate for what they send us down and likewise, and that is how the compromise occurs, when you get two bodies agreeing to disagree, and an outcome comes out benefiting the public. That is the whole mark of legislative function – a good compromise. Now, I cautioned the members, Mr. Speaker, because the motion is also inclusive of rejecting not only the Senate version, but creation of a Conference Committee, and as we all know, parliamentary procedure dictates that when a Conference Committee reports out, members shall only vote “yes” or “no.” We may suspend that parliamentary procedure by allowing each member to further amend it, provided however, that the other House does the same mirror action of the same content and the same nature

of the amendments. I am troubled though, and again, I cautioned the House members especially the Conferees, do not worry yourself about the template that is far different from the typical House version of appropriation. Do not worry about this new template that is inserted by the Senate in the form of SS1. Worry about the distribution of the resources. So at a minimum, Mr. Speaker, what we are saying here is, the House before they enter into conference, should get an analysis done that tells at a minimum, one, the original House version distribution, second, the Senate distribution, and third, is the result of the difference between the House and the Senate, and where the cut was made different from the House original version. That is the starting point in the Conference Committee meetings. That should be in the minds of getting a budget out if we are really truly committed to getting a budget out, then at a minimum, we should do that before engaging in a Conference Committee. For instance, Mr. Speaker and members, in the midst of a critical juncture of NMC to gets its accreditation and we all sat in this room, when we receive the Western Association of Colleges Accreditation Team, and they pointed to the most urgent matter relating to NMC, and that is the financial assistance so that they can fulfill those violations or remedy those violations, in fact all require financial assistance. cursory review shows that over \$800,000.00 was diverted away from the House version from NMC. We cannot allow at this juncture to undermine the accreditation of NMC. I believe also, looking at it quickly and briefly, the Judicial Branch has been severely impacted by diversion of operational funding significantly hampering the ability of the third branch of government. Those are just a few of the most glaring problems already sticking out in the Senate version. Now, let us not forget that the whole difference in philosophy originating from the House is that we are going to agree in inserting the Austerity measure requested by the Governor when he submitted his budget proposal. The House has taken a position that Austerity did not work and never fulfilled the promise that this administration and this government having done numerous austerity in the past, the last two years specifically, promised that they would get out of this hardship of meeting payroll based on using austerity. The Senate version reinstated the Austerity. Now mind you, the austerity is about a none paid holidays every other Friday, and having looked at the budget distribution from the Senate, there is a double layer of inconsistent application of diversion of funds from the outlay itself. One is that they move the money without substantiating or justifying why the college should be short funded by \$800,000.00 for instance, and the Judicial Branch should be cut likewise in operations. On top of that, insists that we take away from payroll of government employees to assist in – I do not know what to make of this bottom line figure – is what are we try to fulfill by inserting the Austerity back into the appropriate measure. Are we really going to pay Retirement and save the Retirement from a potential collapse as we speak? These are very inconsistent maneuvers, and the lawsuit is another contentious issue. In the House version we stood ground and we supported wholeheartedly that the amendment should be supported, and we did garnered the support to prevent the Governor from using any taxpayer's money to fund the lawsuit. Now, having thought of that, it was inserted back again into the budget by the Senate version. There is a remarkable distinction of what the House wants to do versus the need to really safe guard what is critical at this time. Mr. Speaker and members, time is of the essence when you are trying to prevent the Governor from using taxpayer's money for any specific reason and purpose. Once he executes a contract, it is a binding agreement because under the Constitution, whether we like or not, whether we agree with him or not, is beside the point. He has the authority to do so. If we wanted to stop him, we should have stopped him in the midst of contemplating to execute a contract. Now, I stand to be corrected, but contractual law is very clear. You cannot diminish what is already binding. You have to fork out the full cost of that contract if you want to stop them. He may agree to say, okay I will stop using taxpayer's money, but I have a binding contract in the amount of \$4 Million – I will pay out the \$4 Million and the contract is done. You cannot pass a law to retroactively affect an existing contract. We should have stopped him way before that. So these are cautions, Mr. Speaker, and members for members to be appointed to the Conference Committee, and

there are a lot of things, Mr. Speaker, that – and granted, this is a much perhaps more appropriate from the House version because it really enumerates FTE's, Class Codes, and funding level for each position. So I think that is a good starting point for the compromise members or the Conference Committee to agree on that the format should be kept. It is clear, it is easily digested by the public, the taxpayers, if they so desire to get a copy of it and make a sense of how we distribute resources for them. But at this time, Mr. Speaker, there are a lot of moves in this Senate version that needs honesty and clarity in terms of why did they move money from this specific House version – specifically the College, the Judicial Branch, and just to name a few, in PSS to a tune of \$2 Million was taken away from the Senate. Where did they go? So, politics aside, let us look at the outlay. Forget the details in terms of the format itself. We may agree to just adopt the format, but how the outlay is applied, and whether this budget is truly balanced. Thank you.

The Chair recognized Representative Hocog.

Representative Hocog: Thank you, Mr. Speaker. For the interest of time, I will not dwell into what Representative Hofschneider explained to the members of the major differences of the House version. What I want to say, Mr. Speaker, is you know a respected colleague from the Upper House to come out from the public media to criticize his own colleague from the Lower House as if they know nothing in the way the budget was presented to the Senate. Before the budget was crafted, Mr. Speaker, and after serious of meetings with the Executive Branch as well as the Committee and the Leadership in some of the Minority members, we have decided to provide the idea for a lump sum budget for the Executive Branch. Yes, the way the Senate did in the layout of the business unit as what they have called it, it is very true, Mr. Speaker, that probably the House should have done the same, but nonetheless, Mr. Speaker, we took the consensus of the Leadership as well as the Executive Branch side to prepare a budget in a way...[End of Tape 1, Side A]...[Beginning of Tape 1, Side B]...on a daily basis monitor this disbursement, allotment of funding to ensure that there will be no shortfall at the end of the fiscal year. For a dear colleague to criticize the members of the House of not knowing how to do a budget is striking, but I should remain calm and try to look further into that side. Mr. Speaker, even so, if you consolidate the total resources that the House appropriated on the House version compared to the Senate, it shows that the House version provided the Executive Branch with \$2 Million more as compared to the Senate with \$2 Million less. We had debated during the Leadership meeting as to the distribution of each House members, we voted, and the Leadership defeated the increase as what the Governor proposes on his submittal to the Legislature. Just doing the other way around, Mr. Speaker, the Senate increased the legislative budget. So, these are the things that – without taking vote, prior to taking vote on the legislative budget, we heard, we shall not increase and we shall return what the Governor submitted to the Legislature, and we directed ourselves in reducing the share of the members by \$50,000.00 a piece. That is a substantial reduction from the constitutional budgetary allocation. The biggest thing here, Mr. Speaker, is like Representative Hofschneider mentioned, the Judicial System in their operation was reduced by \$439,000.00 and was given only \$31,000.00. I wonder what is the motive behind this, but I will sure find out. Without further due, Mr. Speaker, I ask the members to be patient, to be cool, and to be collective, and chill out of what another member from the Upper House thought about our incompetence in preparing and formulating a government budget operation. I ask again to be calm, be cool, and be collective. Thank you.

The Chair recognized Representative Benavente.

Representative Benavente:...[inaudible – microphone turned off]...

Speaker Arnold I. Palacios: Thank you. Vice Speaker, recognized.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. I want to also register my serious concern with regards to the manner in which this budget was disposed of in the Senate. It was no secret that even before the budget was deliberated and approved by the House that the Senate was already working on their own budget. The fact that they substituted the House budget and not amended it is indicative to me that there was no meaningful intention to entertain the House version. In a way, it is a deliberate side stepping of the constitutional authority that was given to the Lower House to develop a draft, to initiate the budget process. Might as well do away with that constitutional requirement when they do not even entertain it, they just slap another one to change it, and basically, did away with hundreds of man hours of work that the good Chairman and the members of this body that worked so hard with the Administration, and with the Leadership and the Minority to develop a budget that she may not have thought was perfect, but it was a policy call. It was our policy call, and it rightfully so should start at this House. So for the record, Mr. Speaker, I just wanted to state that if that is going to be the standard operating procedures here, we minus well entertain a budget, and let the Senate start it, and let us substitute it when it comes here. Thank you.

Speaker Arnold I. Palacios: Thank you for your keen observation. Representative Torres, recognized.

Representative Torres: Thank you, Mr. Speaker. I will just say, when I issue out my concern regarding the budget itself, the Public School System for example has been reduced close to \$2 Million and the importance of having the – for the Public School System to have \$2 Million less will not only jeopardize the operation itself, but the resources that is necessary for the kids to enhance their learning ability. It is very important why I address this. As the Chairman and as well as the Committee, we stand forward to move and to provide those resources, and as well as this body, and I know that, and to have that \$2 Million reduced, it is heartbreaking for myself and pretty sure for everyone here. If we go down further to the Northern Marianas College, specially at their critical stage right now, we need to give our students at NMC the morale that they need that we are up here to assist them, and for them to have \$1 Million less, it is hard for me to comprehend, at least on those two basis. I would recommend and plead with the members who are going to be in the Conference Committee to please reinstate what the Public School System is asking for and please reinstate back the amount that the Northern Marianas College is asking for. I could go down the line with other departments, but those two are the most critical right now. I also ask for the Public Health that we reinstate as well back to their personnel. The Public School System for example reduced 214 employees. I just ask that the Conference Committee reinstate back what PSS, Public Health and NMC is asking. Thank you.

The Chair recognized Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. In reviewing the Senate's version of the Fiscal Year 2009 Budget, I have to say, I was quite appreciative of the clear amount of work, and intention to detail that the Fiscal Affairs Committee put into, both the Budget Bill as well as the Committee Report. It is as Representative Hofschneider had noted, very clear, quite easy to follow, and I think that we can work with that as a starting point for the discussions that the Joint Conference Committee will be having. Some of the strands that I found in this version of the bill is, one, that it did made an effort to eliminate vacant FTE's and it is not at all clear to me that that effort happened in the House version. It is also specifically budgets for utilities, and corrects some of the mathematical errors that the Committee found in the Governor's original proposal. Some of my

major concerns have already been described by some of the members. I am just fundamentally and adamantly opposed to taking the Austerity measure approach. I do think that the Austerity measures have failed in the past and they have always proven to be just fundamentally unfair, they are always exceptions and it breeds resentment, and it is not really that evident that it results in significant cost savings. But I would like to see – if we are not going to consider Austerity measures, and it seems like there is great support in the House for looking at alternatives, I would like to ask that we begin with the absolute priorities. I think Representative Torres had already listed some. It would be of course public education including our College, public health, the hospital and clinics, and Public Safety. I would also submit that the Retirement Fund and CUC should be included in that list of priorities and everything else should be secondary. I think that at some point soon, we need to really look at downsizing. I have talked to Senator Pangelinan and other members about how this could be approached, and I do believe that this bill actually does recognize the Governor's proposal for \$1 Million dollar grant to do an organizational review of the government, and this is a grant from the Federal Government to help us streamline operations in certain government agencies, and I think we should still pursue that. I do not think that we should wait for this money to come in. I think that we do not have a choice. We really need to start cutting the cost of government, and that will eventually mean that we will have to let people go. We should do it responsibly, we should give people time, and I would like to ask the Committee that they consider severance packages, at least three months paid, and give people time and cushion to adjust. One of the things that I was very pleased with in the Senate's Bill was a requirement that the Department of Labor, the Employment Services Division, really shifted its focus to finding employment for our citizens who will have to move out of the government, and finding employment for them, maybe retraining opportunities so that they can move into the private sector. I think that would absolutely critical. We should not just cut people off and let them out of the cold without also considering our responsibility to ensure that there are opportunities, and that there is a transition for them. Other concerns that I have is the removal or the reinsertion of the restriction on litigation between government agencies. As we discussed during our House Session and reviewing the budget, we really should respect the right and the authority of the autonomous agencies to uphold their fiduciary duties and engaging litigation if they have to in order to do that. I am talking specifically about the Retirement Fund, but also about the Commonwealth Development Authority. There is a pending lawsuit with the Commonwealth Utilities Corporation that should be resolved in court. So I would like to ask that the Committee reinsert that in the Joint version of this bill, and also, to reinsert the restriction on the use of public funds for the Governor's lawsuit on Federalization. I understand that funds may have already been committed from the previous fiscal year, but in any case, I think that we should still ensure that no future public funds should be used for this lawsuit. Obviously, it had just started, it is not any where near to being resolved, and we could reasonably anticipate that additional funds would be spent. Finally, I noted with interest that the Senate's version of the bill actually raises the budget's for each of the individual members of the Legislature allocations, and I wanted to urge all of us, and particularly whoever is appointed to the Joint Committee to seriously reconsider that, particularly if we are going to be looking at downsizing and letting people go. If we are looking at the inevitably of furloughs if we do not quickly and decisively to cut cost now, I really think that we should be looking at cutting our own budgets, cutting perks wherever. We know that they exist, and incorporate those into the Joint version of this budget bill. Thank you very much.

The Chair recognized Representative Babauta.

Representative Babauta: Mr. Speaker, thirty fives ago I raised up my hand, but apparently...Representative Sablan is absolutely correct, Mr. Speaker. We need to find ways where we can cut perks. Here we are twenty members today, Mr. Speaker. It could have been eighteen.

So we need to petition again the Supreme Court to adjust the membership of this House. This is one too many. I am willing to appear before the Supreme Court to justify that because of financial constraints, I guess we need to look at the Legislature ourselves.

Speaker Arnold I. Palacios: I thought you were going to say that you are willing to appear before the Supreme Court to give up your seat.

Representative Babauta: Of course.

The Chair recognized Representative Hofschneider.

Representative Hofschneider: I also want to raise to the attention of the Conference Committee members from the House that there are numerous if not many, but numerous existing employees that have not been renewed, and have been given ninety days. The rationale behind this is contrary to what is in store in terms of the current appropriation under Continuing Resolution. It does not jive when you have not executed an Austerity Measure through and by Public Law 3-68, which is the Planning and Budgeting Act, and at the same time issuing non-renewals and ninety day expiration of existing contracts – these are all throughout the departments in the Executive Branch. I want to raise that, Mr. Speaker, because it is a point that if this body and the Senate is truly committed to doing the right thing, that is freeze of hiring at a minimum, or to fulfill and try and safeguard the financial fall out or debacle of Retirement aggravated by the non-remittance of the CNMI as an employer to the contribution by not remitting its contribution for investment purposes coupled to that with a bigger financial problems in terms of investment market today. It is in fact a reality that a rate of cashing in of an investment to meet payroll of \$70 Million a year of existing retired individuals, we stand to exhaust the total investment in Retirement in less than 5 years now. So if we want to do the right thing, one, even the Board of Retirement should put its money where its mouth is, take this government to court and stop the bleeding. If we do not have the will and the wit to do the right thing, Mr. Speaker, by dedicating significant amount of money as and mandating that the Secretary of Finance be remitting on time the contributions to the Retirement Fund under the law, there should be a criminal penalty imposed on that. In the end if this government is bankrupt, it is far more serious for public services to be administered or given to our people. It is far reaching and deeper than we think. We cannot play politics as usual in this body. Dispense the disagreements and jostling of the details of the budget, look at the most priority and put the money there. If we do not have the money leftover for the little things that does not impact public services, then get rid of it, but we all each have to come on board and support one another. Enough is enough. We cannot continue to hire people and at the same time giving them termination. I am calling for Austerity, Mr. Speaker, and not paying Retirement. This is voodoo economics. Thank you.

The Chair recognized Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. On top of what has been said, first of all, let me just put it this way, I too felt offended by the newspaper interview the other day from Senator Pangelinan. I would like to compliment the Vice Speaker for his comments today. I think he hit hard on the head as far the budget process. I believe that we are leading to have a Conference Committee of this budget, and I would like to just inform the members of the great concerns of the Retirement Fund Program on page 16 regarding the Health Insurance Premiums in particular the remittance on a quarterly basis. It jeopardizes the program, and also, on Section 608, I thought I had a pretty good comprehension of the English language, but I am still lost with that, and I ask that you look at it very closely. I also had requested the information and comments from the Retirement

Fund Program on these two sections, and if and when I get them, I definitely would provide you a copy to give you guidance as you discuss this bill. Thank you, Mr. Speaker.

The Chair recognized Representative Salas.

Representative Salas: Thank you, Mr. Speaker. There is no doubt that this Senate version of the budget is very lengthy, and I would like to urge the Conference Committee to please – there are over 200 pages all together, and it took me a little over four hours looking over and reviewing it, and I know that it would take more time to thoroughly understand it. There are some good points or good parts of the Senate version, and I would like to just put my two cents in even though I may sound repetitive because some of the members may have mentioned it. The Senate version of the budget is once again very detailed, and is very specific as to the amount of funding that is being appropriated to each business unit. I believe that the assignment of the business unit and the assignment of the account numbers is really a good idea as Representative Hofschneider had mentioned, and should be a permanent practice for us. One of the reasons why I did not support the House Bill was the fact that the appropriation of the lump sum to the Executive Branch and the Senate version basically took away this lump sum appropriation, and instead appropriated funds to each business unit within the Executive Branch, and I actually support that. The Senate version reduced the number of allowable FTE's to 3736 which is a reduction of about 411 FTE's from the House version, and this FTE's are basically are positions that were not filled within the allowable 180 days as per 1 CMC § 8135. I would like to say also that the Senate included language to freeze all future hires and salary increases with some exemptions as noted on the amended act. I like the fact that the Senate version budgets for utilities for each business unit and restricts the reprogramming of these funds for other purposes other than for the payment of utilities. By budgeting this expenditure item, I believe it really ensures that payment is going to be to the Commonwealth Utilities Corporation. Another thing that I like was that the Senate version requires the Executive Branch to report to the Legislature the cover over proceeds upon receipt including any cover over balance in prior years. Another part is that the Senate version actually requires that we Legislators shall not later than 5 working days filed in the end of each fiscal quarter submits to the Presiding Officer of the respective House and the Secretary of Finance an accounting of expenditures as allowed under Section 803, Section (c). The Senate version adds to each member's office accounts an additional \$9,199.00 from the House version of \$108,000.00, and it totals up to about \$117,199.00. I specifically do not agree to this as if we are trying to cut cost, we should actually lead by example, but interestingly, it should be noted that the Senate version cuts the Presiding Officer's Leadership Account by \$19,451.00. Another version that I like is it requires the Department of Labor to prepare and present a report to the Legislature no later than May 1<sup>st</sup>, 2009 on nine specific areas such as the assessment of the effects of the U.S. Public Law 110-229 on the functions of the Department of Labor, assessment of manpower and financial needs to the department starting June 1<sup>st</sup> and so forth. Mr. Speaker, I hope that when the Conference Committee meets at some point in time, at least there are some discussions to also have a reduction plan in personnel. I too do not agree on the Austerity Program on the non-paid Holidays, but we really need to look within the next six months or at least for the next coming fiscal year, and as painful as it is, and how difficult it is, there is really a serious need for the government to begin downsizing. I understand fully that we do not want our people to lose their jobs, but I also agree with Representative Sablan, that we need to come up with a package that would include a severance pay, and I was actually looking more like six months. Also, some sort of concerted effort with the private sector to ensure that the government employees that are displaced and are qualified are actually fill in the positions in the private sector. Thank you.

Speaker Arnold I. Palacios: That being said, are we ready?

Several members voiced, “ready.”

Speaker Arnold I. Palacios: Ready. Representative Sablan, just a few?

Representative Sablan: Yes.

Speaker Arnold I. Palacios: Okay.

Representative Sablan: Just a very few additional request for the Conference Committee.

Speaker Arnold I. Palacios: Proceed.

Representative Sablan: I would like to request that the Conference Committee consider shortfalls that we may have experienced from the last fiscal year, and seek an update on the Governor’s projections of revenues for this fiscal year. I would also like to request that the Conference Committee meetings be open to the public and announced, and that other members be allowed to sit in and witness or participate, and finally, I was disturbed by the number of agencies that never responded to the Fiscal Affairs Committee request for information about personnel, non-personnel cost, and I would really like to ask that if necessary, we need to subpoena that. Just for clarification, do Joint Conference Committee automatically have subpoena powers, or is that something that we would have to...

Speaker Arnold I. Palacios: It should be granted.

Representative Sablan: Then, I would like to ask that we grant the Joint Conference Committee subpoena powers. Thank you.

Speaker Arnold I. Palacios: We will note those. Ready. The motion is to reject the amendments made by the Senate on H. B. NO. 16-169.

Representative Hocog: Correction, Mr. Speaker.

Speaker Arnold I. Palacios: Privilege, Representative Hocog.

Representative Hocog: To reject the Senate Substitute.

Speaker Arnold I. Palacios: Yes, reject the Senate Substitute.

Representative Hocog: Thank you.

Speaker Arnold I. Palacios: Clerk, call the roll.

The clerk called the roll on the motion to reject H. B. NO. 16-169, HD9, SS1 with the following result:

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 (excused)
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	yes
Representative Heinz S. Hofschneider	yes
Representative Raymond D. Palacios	yes
Representative Justo S. Quitugua	yes
Representative Joseph C. Reyes	yes
Representative Christina M. Sablan	yes
Representative Edward T. Salas	yes
Representative Rosemond B. Santos	absent (during voting)
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 I. Palacios: With 18 members voting “yes”, H. B. NO. 16-169, SS1 is hereby rejected by the House. I will now appoint the Conference Committee. I hereby appoint Representative Hocog to head this Conference Committee. I want to thank the Chair, Representative Yumul for yielding the Conference Committee Chair to Representative Hocog. Representative Quitugua and Representative Aldan will be the House Conferee Committees. I hope there is no objection to that.

There was no objection, and the Chair recognized Representative Salas.

Representative Salas: Mr. Speaker, I too am very much interested in finding out what the expenditure were for last year and the total revenue collected. So can we just please mention that again? I am pretty sure that the Chairman for the Conference Committee is noting that, and the Chairman of Ways and Means could also request those documents.

Speaker Arnold I. Palacios: I am pretty sure that the Chairman of the Conference Committee is noting that, and the Chairman of Ways and Means could also request those documents. Okay? I recognize Representative Babauta.

Representative Babauta: Thank you, Mr. Speaker. I thank the Chair for recognizing the importance of the west wing. Thank you.

The Chair recognized Representative Ralph Torres.

Representative Torres: Just for clarification, we also have Chairman Hocog, Representative Quitugua, and Representative Aldan.

Speaker Arnold I. Palacios: Floor Leader, would like us to go back to the House Resolution Calendar so we can dispose of those Resolutions.

Floor Leader Camacho: I would like very much to do that, Mr. Speaker.

There was no objection.

Speaker Arnold I. Palacios: Without objection, we would like to go back to our Resolution Calendar.

### RESOLUTION CALENDAR

Floor Leader Camacho: Mr. Speaker, motion to adopt H. R. NO. 16-59 in referenced to Kinki Nippon Tourist Company.

The adoption motion was seconded.

**H. R. NO. 16-59:** A HOUSE RESOLUTION COMMENDING AND CONGRATULATING KINKI NIPPON TOURIST CO., LTD. ON WINNING THE PRESTIGIOUS TOUR OF THE YEAR 2008 AWARD PRESENTED BY THE JATA EXECUTIVE COMMITTEE AND FOR THE CONTINUED SUPPORT OF THE TOURISM INDUSTRY IN THE NORTHERN MARIANA ISLANDS.

Speaker Arnold I. Palacios: Discussion.

There being no discussion, H. R. NO.16-59 was carried by a voice vote.

Speaker Arnold I. Palacios: The motion is carried. H. R. NO. 16-59 is hereby adopted. Floor Leader recognized.

Floor Leader Camacho: Mr. Speaker, motion to adopt H. R. NO. 16-60 in referenced to Executive Orders from the Governor.

The adoption motion was seconded.

**H. R. NO. 16-60:** A HOUSE RESOLUTION TO REQUEST THE GOVERNOR TO ISSUE A FULL AND DETAILED REPORT TO THE LEGISLATURE ON ACTIONS TAKEN AND FUNDS USED TO ADDRESS THE DISASTER EMERGENCIES DESCRIBED IN EXECUTIVE ORDER NOS. 2008-1, 2008-02, 2008-10, 2008-13 AND TO PRESENT A PLAN TO THE LEGISLATURE DETAILING SHORT-TERM, MEDIUM-TERM, AND LONG-TERM MEASURES TO ADDRESS THE DISASTER EMERGENCY DESCRIBED IN EO 2008-17, INCLUDING A COMPREHENSIVE FINANCIAL STRATEGY FOR MEETING THE COSTS OF THESE MEASURES.

Speaker Arnold I. Palacios: Discussion. I recognize Representative Sablan.

Representative Sablan: I guess I would just like to suggest for a short recess to allow members to have time to review the Resolution?

Speaker Arnold I. Palacios: Let us have a five minute recess.

*The House recessed at 3:37 p.m.*

*RECESS*

*The House reconvened at 3:42 p.m.*

Speaker Arnold I. Palacios: We are back to our plenary session. Any further discussions of H. R. NO. 16-60.

There being no further discussion, the adoption of H. R. NO. 16-60 was carried by a voice vote.

Speaker Arnold I. Palacios: The motion is carried. H. R. NO. 16-60 is hereby adopted. Floor Leader, recognized.

Floor Leader Camacho: Mr. Speaker, motion to adopt H. J. R. NO. 16-20 in referenced to Task Force.

The motion was seconded.

**H. J. R. NO. 16-20:** A HOUSE JOINT RESOLUTION TO ESTABLISH AN AD HOC LEGISLATIVE TASK FORCE ON FEDERALIZATION UNDER U.S. PUBLIC LAW 110-229, AND TO PROVIDE FOR THE APPOINTMENT OF TASK FORCE MEMBERS.

Speaker Arnold I. Palacios: Discussion, and I recognize Representative Babauta.

Representative Benavente: Thank you, Mr. Speaker. This Resolution is a result of a joint meeting once again by the members of the House's Federal and Foreign Relations and the members of the Senate. There were concerns of the Federalization, and other matters were discussed. This is one of the ways in which the members felt we can do to be able to stay on top of the issues with regards to the promulgation of regulations presently by Homeland Security. If we think back about the two Joint Resolutions that we recently adopted, the first one that I introduced on the visa waiver recommendation to the Homeland Security, as well as the other Joint Resolution offered by the Floor Leader on the foreign investment issue, it was really matters that we are concern with the upcoming or the present promulgation of regulation that would be used in the transition period on the Federalization Law. We felt that it would be not enough and members of both the House and Senate need to come together since they are not seeing any actions taken by the Administration that if we were to continue to get involve in the matter, once again like I mentioned, we could improve this by having a Joint Task Force or Ad hoc Committee that the Legislature would form, and then work with the groups of individuals that are currently reviewing all the other issues. We do have a lot of other issues that we need to bring to the attention of Homeland Security in promulgating this regulation. Issues like Student Visa's for example, we do not know how Homeland Security is going to deal with this matter, and several other concerns, and this is where this body can look at the concerns that are being raised by the Governor, and the lawsuit with regards to labor. The body or the Joint Task Force can then continue to put together the Joint Resolution so we can submit it to Homeland Security for their consideration in promulgating this regulation. Once again, this is a product of a joint meeting, and I will be happy to answer any questions by any members. Thank you.

The Chair recognized the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. This is in reference – and I am hopeful that this Resolution should pass. I have already started working with certain members that I worked with when we were working on the Foreign Investor Resolution, and they have started work on the Student Visa's, but I am happy to turn over those if this Task Force should come to be.

The Chair recognized Representative Babauta.

Representative Babauta: Just a short comment, Mr. Speaker. Although I, with all due respect to the author, when he was circulating this Resolution – I am in support of this Resolution, and I would assume that he intended to skip my support. Whatever the case may be, Mr. Speaker, it is quite clear that he mentioned, we have a separate Task Force that was formed outside of this Chamber and that of the Senate, but I was wondering whether, should this Resolution be passed by the House today and of course that of the Senate, recommend that the same body sit down with these other Committee that are presently working with the Federal Government so that we have a unified position. If the author is willing to accept my signature, I am very happy to sign off. Thank you, Mr. Speaker.

Representative Benavente: Clarification, Mr. Speaker.

Speaker Arnold I. Palacios: Proceed, Representative Benavente.

Representative Benavente: As far as the signatures or co-sponsors, as I went around, I actually asked the members of the Committee since they were part of this joint meeting and have them sign off, others did eventually sign off on it, but there is no intent, Mr. Speaker, to skip my good colleague. I welcome anyone who would like to sign off on the Resolution. On the other concerns that he raised, Mr. Speaker, during that meeting, we did invite Ms. Lynn Knight who is apart of a couple of groups that did help out on the Visa Waiver as well as the Foreign Investment concerns, and she was actually the one that raised those other concerns and felt that this would be a good idea to have a body that is prioritizing on concerns that we have with regards to federalization law and the ongoing promulgation of regulations. Thank you.

The Chair recognized Representative Salas.

Representative Salas: This is just technical changes to the Resolution, Mr. Speaker. On line 14, strike out the word, “a” at the end, and “hereby establish Ad hoc on line 15, add “an”, and on line 21, insert the word, “then” right after the word, “later.”

Speaker Arnold I. Palacios: Clerk, just note those technical corrections.

Representative Salas: And I do support this Resolution.

The Chair recognized Representative Ralph Torres.

Representative Torres: I feel the same sentiment with Representative Babauta. I was not given the opportunity, but I will still vote, “yes.”

The Chair recognized Representative Sablan.

Representative Sablan: Thank you. I just wanted to clarify with Representative Salas’ corrections. On line 14, could you just read how...

Representative Salas: “Shall appoint members respectively to hereby establish” not “to hereby a establish”, and then add, “an” to Ad hoc Legislative Task Force, and then on line 21, “meeting not later than five” instead of “not later five working days.”

Representative Sablan: Okay.

Speaker Arnold I. Palacios: So clarified. Ready.

There being no further discussions, H. J. R. NO. 16-20 was adopted by a voice vote.

Speaker Arnold I. Palacios: The motion is carried. H. J. R. NO. 16-20 is hereby adopted.

Representative Reyes: Privilege, Mr. Speaker.

Speaker Arnold I. Palacios: State your privilege.

Representative Reyes: I know that we adopted H. J. R. NO. 16-15, HS1, I would also like to solicit others that are interested in signing the Resolution that adopted. Thank you.

The Chair recognized Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. Before we go down to the Bill Calendar, I would like to withdraw, H. J. R. NO. 16-11 off the Calendar. We will bury it.

There was no objection.

Speaker Arnold I. Palacios: H. J. R. NO. 16-11 is hereby withdrawn from the Resolution Calendar. Please take a note of that. We will move back to the Bill Calendar, and I recognize the Floor Leader.

## **BILL CALENDAR**

The Chair recognized the Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. I have a motion for passage of H. B. NO. 16-165, SS1 in referenced to Developers Infrastructure Tax Fund.

The motion was seconded.

**H. B. NO. 16-165, SS1**: A BILL FOR AN ACT TO APPROPRIATE \$367,000.00 FROM THE THIRD SENATORIAL DISTRICT DEVELOPERS INFRASTRUCTURE TAX FUND COLLECTION; AND FOR OTHER PURPOSES. [**SEN. COMM. 16-86**]

Speaker Arnold I. Palacios: Discussion. I recognize Representative Babauta.

Representative Babauta: Mr. Speaker, because Representative Apatang, Representative Quitugua, and Chairman Victor Hocog were absent last Friday when this bill was passed, and I believe the House did not realize that the appropriation figure was mistaken. For instance the one College, it went beyond the figures so I had to confirm these figures, and therefore request that the Senate change this to reflect what is being reported by Finance. As a result of this amendment, the Senate went ahead and substituted the bill for the corrected one.

Speaker Arnold I. Palacios: Short recess.

*The House recessed at 3:53 p.m.*

*RECESS*

*The House reconvened at 3:54 p.m.*

Speaker Arnold I. Palacios: We are back to our plenary session. Are we ready? I recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I do not see any Committee Report accompanying this Senate Substitute, but there was not any Committee Report for the House Bill that we sent up either, so I guess that should be no surprise, but this is a significant increase from what was originally proposed in the House Bill. I am glad that the author's of the bill are fine with this, but has the Ways and Means Committee looked into the matter and looked into these additional expenditures that are being proposed? I have not idea where Tangantangan Road is, and where the estimates come for the road paving and upgrading of water lines in Dandan. What efforts have been made to ensure that the money is there and to properly review this bill? This is a significant increase as I said and we should not just rush the passage of this.

The Chair recognized Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. We have been through this routine before. This particular bill came from the House, went to the Senate, the Senate amended it, and now it is back down here, and we are asking the same question we ask before we pass this bill. All we are doing is to accept the Senate amendments, period, and we have discussed this for long period of time when we were deliberating it in the House. Thank you, and please support it.

The Chair recognized Representative Quitugua.

Representative Quitugua: First, Tangantangan Road is across the Botanical Garden, if you are going to San Vicente. That is a dirt road. The estimates all came from Hawaiian Rock, the estimates for the parking of the schools came from Hawaiian Rock, and the estimate for the water line in Dandan came from the Commonwealth Utilities Corporation, according to the Vice Speaker. So these amounts were all based on estimates submitted. I have spoken with the Secretary of Finance and the funds are okay. It is there. Thank you.

The Chair recognized Representative Sablan.

Representative Sablan: Thank you. Just as a follow up to that, Mr. Speaker, and members, not that long ago in the Session, we were reviewing a budget bill that has yet to pass, and we were talking about the need to cut cost, the lack of money in the government, the need to downsize, we are looking at the possibility of cutting people's salaries, and it seems to me that to do that and then less than an hour later, look at paving more roads that most people do not know where it is, and paving parking lots and baseball fields. I can imagine what the response of the community will be. Before we even passed the budget, to continue on with the appropriations for pet projects, I would like to ask that we set this particular appropriation bill aside for now and exert all our efforts to focus in passing a real budget for FY 09.

Speaker Arnold I. Palacios: Representative Hofschneider, you want to clarify that?

Representative Hofschneider: Mr. Speaker, the Developers Tax cannot be used to defer the cost of operational cost or funding of the government. Developers Tax by way of the law intends to benefit the impacted area. However, the Legislature is privy to extend it beyond the impacted area of the contemplated developer being assessed the Developers Tax, and I believe that everyone knows that. But, I do not have a problem with the remarks and the concerns made, but we do have a problem with one, and that is, in the midst of a declining economy, crime increases. Now, a baseball field may not be the most priority, but if you do not initiate a project or programs that would deter kids from being delinquent, or potentially a lot of times in their hands, methamphetamine is rampant in our community, theft, robberies, and just outright juvenile misbehaving. So at a minimum, this community encourages the kids and supports the kids, particularly in terms of the Little League Programs, the Junior Leagues, and the baseball in general. We need to find a balance in what we are doing. This Infrastructure Tax may in fact be more appropriate to deal with overflowing sewer lines in main thoroughfares, but is it enough? How much would it cost? So each of us has to really respect one another's opinion when it come to our personal view on what is a priority and how do we think we should divvy up the scarce dollars that we have before us. I think that in all fairness, Mr. Speaker, we should allow members to really express themselves.

The Chair recognized the Vice Speaker.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. If it were another funding source such as perhaps the Poker Fees where we have made policy decisions to use it for operations or even personnel cost then I can appreciate the comments by Representative Sablan, and I still do appreciate the comments, but this funding source as Representative Hofschneider mentioned, it could not be used to supplement or to be used for either operations or personnel, and it is intended for infrastructural projects. It was really intended to be mitigation for development to be used to mitigate the effects of development on the infrastructure. The projects that are listed down here are infrastructural projects. I can only speak for the line item (e), which is for the water line in Dandan and the people over there right now do not have water. Some have already built their houses, and some are illegally tapping from neighbors, some also have built but have not live there because of the lack of water, and we did provide a source of funding for that. Unfortunately, it was used partially for the A&E Design and now it is short, and this to me is a critical infrastructure project because it can affect the health and welfare of the residents down there. That is all what it intends to do. Thank you.

Speaker Arnold I. Palacios: Ready, Representative Sablan for the last time.

Representative Sablan: Thank you, Mr. Speaker. Maybe the bigger picture for me is that we should doing with the Developers Infrastructure Tax – the funds that are generated from that – what we are at this time also trying to do with the FY 09 Budget – and that is to set priorities and really establish our plan for the year in terms of how the Developers Infrastructure Tax funds really should be spent rather than doing this piece meal appropriations. I completely agree that upgrading of the water lines in our community – that would be a critical infrastructure project. There are other critical infrastructure projects that we could also look at in the Public School System. It might be that classrooms are more important than parking lots. It might be that classrooms may be more important in some ways than sports equipment. I do not know, but the fact is that, we do this piece meal appropriations, we take money, we do not do proper committee reviews, we do not have reports, and I do not even know if the money is actually there, and we continue to pave secondary roads – those might not arguably be priority for this Commonwealth. I am suggesting that this

money should be used for payroll. I kind of take issue with some of the comments that were made earlier.

Representative Hofschneider: No, I was just pointing it out.

Representative Sablan: I was just saying that we should prioritize the use of these funds as we should be doing with all public funds. Thank you.

The Chair recognized Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. Maybe some of us do not think that some of these appropriations are priority. To me, it is the most priority for some of the areas. If some of the members here can – most of us are voted from a certain precinct, and I think it is your job to go around and check on your community. What is the need in the community, what is the new for the people in your precinct who put you in this office, and that is the reason why we are appropriating funds so that we can accommodate our constituents in our precinct. This is the way to do it. This is one way. We got a road up there that has been there and people are hollering that their road needs to be fixed. Take your time and go out there and check your community. See what is going on. Who says that those people leaving in Dandan without water are not priority? The minute you do not have water, you cry to CUC. These people are without water since the inception of Dandan Homestead. They have been living there and they have been buying water. Now, where is the priority? They are the priorities to me because those are my constituents, and if I am elected from that precinct, I will make sure that I will find money for those people. Now, wake up. Let us not start playing games. We have constituents out there that we need to take care of. That is why you are sitting here, and when election time comes around, you sit up there at the pavilion and say, this is my program, put me in office and I will work for you, and when you get in here, you forget. You are here because of those people out there. They trust you, they put you in here. Work for them. Now, do not go to Harry Blalock and say that you are the only one working. We are all working. Thank you.

Representative Sablan: Mr. Speaker.

Speaker Arnold I. Palacios: Representative Sablan and Representative Apatang, you have both exhausted your time.

Representative Sablan: Mr. Speaker, privilege.

Speaker Arnold I. Palacios: Representative Quitugua, you are the author. Let me recognize Representative Quitugua.

Representative Quitugua: Mr. Speaker, I have observed this since I came into office that a lot of parents are calling here for us to help them to call the Department of Public Works, or the Mayor's Office to fix their roads because the buses cannot come in. There is a disabled student living inside that road that the Public School System refused to even send the Special Education bus because the road is really bad. When we started paving these secondary roads, we rarely receive request for assistance for their roads, and that save the government millions of dollars on payroll for Public Works, for coral, for heavy equipment or parts. Fixing and putting coral on many of these roads year after year, the roads become higher than the houses, and when it rains, we get calls for help. Mr. Speaker, I was even called from China Town because the flood went through right in the middle

of the door...[End of Tape 2, Side A]...[Beginning of Tape 2, Side B]...saves the government money and it save the people from breaking their cars every now and then, and it also helps the disabled kids. In our precinct, I try to make the roads priority where there are kids living inside and the bus coming in. And the very top priority especially if there is a disabled kid in there where the Special Education bus comes in. Under sports, Mr. Speaker, it is very important that we look at sports activities for the kids. In As Matuis, the basketball court there, more than fifty kids – after school are using it. I went there several nights and more than fifty kids were playing. Last Summer when the Oceania Games came, they borrowed the spotlights, and they have not returned them, and now I have been visited by parents from As Matuis that their house have been burglarized two or three times because the kids did not have anything else to do at night. The lights are not there. So now they are roaming around the villages burglarizing homes. So for us, we value this very much and that is why we put an extra effort. This small amount of money takes a long way for the community members especially the kids. The school's parking lot, the Principal requested that his priority is the parking lot because the dust is coming into the classrooms. It is dangerous because of the rolling rocks where the students are parking their cars. The basketball is also just right on the unpaved road. The other school also at Koblerville, when I went there and I got out of my car, my feet went down four inches down because of the mud. So that is the priority right now for the Principals. I never go to the school and tell them that I am going to pave your parking lot because that is your priority. No. They call and they ask because that is there priority. I follow their priority. Thank you, Mr. Speaker.

Speaker Arnold I. Palacios: Representative Palacios, you are one of the author of this bill...

Representative Raymond Palacios: I will just make it brief and not really to respond to Representative Sablan, but even myself – right now I only have two bills and in fact one of them is right in front of me and it will be filed, but what can I do. If any of us believe that there are more important projects out there, so why do we not introduce that bill and support it. These are bills introduced by other members who think that it is important to them – I will support that. Like I said, I introduced two bills, but if you believe and feel that there are other very important projects out there, then introduce the bill and I will gladly support it. Thank you.

Speaker Arnold I. Palacios: Clerk, call the roll. I think we have enough on this bill.

Representative Babauta: Point of information, Mr. Speaker.

Speaker Arnold I. Palacios: State your point.

Representative Babauta: I just want to share with the principal authors of this legislation that we have Saipan Local Law 15-23 that mandates a ten percent reduction on every projects that is anything above \$50,000.00. So be mindful of that.

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

The clerk called the roll on the motion to pass H. B. NO. 16-165, SS1 with the following result:

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 (excused)
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	yes
Representative Heinz S. Hofschneider	yes
Representative Raymond D. Palacios	yes
Representative Justo S. Quitugua	yes
Representative Joseph C. Reyes	yes
Representative Christina M. Sablan	no
Representative Edward T. Salas	yes
Representative Rosemond B. Santos	absent (during voting)
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 I. Palacios: With 17 members voting “yes”, H. B. NO. 16-165, SS1 hereby passes the House.

Representative Hocog: Privilege, Mr. Speaker.

Speaker Arnold I. Palacios: Representative Hocog, state your privilege.

Representative Hocog: Thank you, Mr. Speaker. I would like to ask the Chair that myself and Representative Aldan be excused for the rest of the day for a very, very important and exclusive meeting before I depart to Rota, if my vote is not needed.

Speaker Arnold I. Palacios: Before I entertain a short recess, let me recognize Representative Benavente.

Representative Benavente: If there is no objection, can we go to Miscellaneous part of the Order of Business?

Speaker Arnold I. Palacios: Is it long?

Representative Benavente: Very short statement, Mr. Speaker.

Speaker Arnold I. Palacios: Okay let us go down to Miscellaneous.

### **MISCELLANEOUS BUSINESS**

Representative Benavente: Thank you, Mr. Speaker. Mr. Speaker, after our meeting with the President’s – I guess representative that recently visited specifically Mr. Cannoughton, and I guess after his other meetings, he appeared on MCV yesterday evening, in which he said during that interview that, oh, the Resolution was good, the Legislature is really good, they are really not opposed to the proposal, they just have several concerns. That kind of statement confused me, and I guess, Mr. Speaker, I was mistaken to think that their trip here was to assess. We were told that we would have a team from the White House to come here and do an assessment, but I guess it is really an assessment on getting support for this proposal. Now, after listening to that interview, and now, thinking about the meeting that we had with him, I realized that he was kind of – he had a selective

hearing mode where he was more interested in answering concerns and responding to concerns rather than listening to our sentiments, our feelings, and the decisions that we have made. I thought that the second Resolution anyways – I realized that the first one was not as clear, but my vote on the second Resolution was clearly that the House and the Senate by majority members voting to adopt that Resolution was in complete opposition to this proposal.

Speaker Arnold I. Palacios: If the two Representatives wishes to leave now...

Representative Hocog: Thank you, Mr. Speaker, for allowing us to leave.

Speaker Arnold I. Palacios: You are hereby excused.

Representative Hocog: Before we leave, I would like to follow up with Representative Benavente – that is why all along I have been asking the members, be careful with the Federal Agencies. Thank you.

Speaker Arnold I. Palacios: Representative Benavente, I know that the President's representative was here since Monday. We had our meetings, and they also had meetings, even an open house with the community as well as the media. Yesterday the Governor asked the President and I, and was gracious enough to invite Representative Torres to meet Mr. Cannoughton and the other federal officials from NOAA and Fish & Wildlife. We met on sort of a close-up meeting with them, and it is my profound believe that what we finally come to an agreement was that the proposed designation or the conservation measures to be taken in the Northern part of our EEZ has not been defined. Further discussion about a conservation area would be forthcoming. That is my understanding of what his commitment was yesterday.

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

Speaker Arnold I. Palacios: Continue.

Representative Benavente: Even though, Mr. Speaker, I think that we need to revisit the members then and talk about that because that was not the position of the House. We did not suggest that we would listen to possibly re-designating...

Speaker Arnold I. Palacios: I think we can go back and talk about that. I think the Joint Resolution said at this time – that is very operative and we were not ready to say “yes” to the proposed monument as it was being floated around, but we are open for discussion on any framework or any plan. Representative Torres, you want to add more?

Representative Stanley T. McGinnis Torres: Thank you, Mr. Speaker. You know, the first time that I heard the officials from Washington here in this Chamber, I thought that they came with sincerity and honesty, but during yesterday's meeting with the Governor, I found them to be – they are here to present their position and so insisting that they proceed. I also found them to be presenting a done deal as more leaning toward favoring the PEW proposal. So I conclude that this people are lying to us. It is just plain simple lying to us. Thank you.

The Chair recognized Representative Benavente.

Representative Benavente: I raise this concern because – I guess I mention this because that is how I feel after listening to Mr. Cannaughton and after meeting with him that this is clear, and that one of the problems that we have is that, unlike communities in California or the Mainland, where if they wanted to continue this protest, clear opposition by the people, they get on a bus and go to Washington D.C. and stand before the White House and continue with the protest. We are very limited with what we can do right now. That is all that we can do or say, and that is just pass a Joint Resolution saying that we oppose it, have the Governor sent a letter saying that we oppose it, but even after he says, well we would not do anything unless the leaders of the CNMI agree to it, what part of “no” do you not understand when the leaders of the CNMI have already expressed their position. The concern or worry that I have is that, President Bush is leaving in two months, and when he leaves, he is going to Texas and go to his ranch and not worry about what the Chamorros and the Carolinians, and those that live in the CNMI have to say about his actions. I feel very hopeless that there is nothing more that we can do. Yesterday as I was discussing this with other people, they had actually suggested some other ways, and this is something that I do not think I would do myself, but it is something that we can maybe do. We get on a boat, go to Mendinilla and stand there until President leave and not signs this monument. I guess because of the fact that we are feeling kind of helpless right now, and limited as to what more do we have to sent our clear message that we are opposed to this whether they would listen to us, I just want to mention that and get it off my chest. Thank you.

Speaker Arnold I. Palacios: I walked away from that meeting yesterday being assured that there will be further discussion on how whether or not this monument and what terms it will be done. Like I said, I walked away with the impression that further discussions will continue. In fact, if you recalled in our meeting, I requested for the scientific reports from the many assessments that were done by NOAA or other institutions. With that, let me recognize Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. What I find interesting about this issue is that Guam now has jumped into the topic and are also pretty upset because as they claimed, the deepest part of Marianas Trench is in their jurisdiction, they are not being consulted also on the issue most especially Guam Delegate Madeleine Bordallo who chairs Congressional Committee that has oversight on this issue. She even came out and said on record that it is a circumvention of U.S. Congressional authority that there should be an oversight from a minimum U.S. Congress, and that it is clear just by those statements that there is no dialogue between the United States White House, the CNMI and Guam.

Speaker Arnold I. Palacios: Thank you for that observation and that is the continued remarks by many of us in our meeting with the Washington Federal Officials. Let me recognize Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I would like to register my own observation as well from Mr. Cannaughton visit and the visit with the other delegates from the Department of Interior and NOAA. First was that I thought that they were quite clear about their objectives. Mr. Cannaughton said a number of times that he was interested in developing a framework for government to government discussions as to how a marine protected area in our region could be developed, and I think that he did listen. He listened to everybody including the people with objections, and I would submit to the members respectfully that it is not enough to just say no, no, no, no. If it seems apparent that something is likely to happen that the federal government wants to take steps to protect federal waters, which they presently control, then we would be serving our constituents better to weigh in on that discussion and offer constructive feed back. So what I heard

them say was that they were interested in accommodating our concerns about submerged lands, accommodating our concerns about access to the islands, accommodating our concerns about fishing rights, particularly for subsistence. What I heard was that, they were interested in engaging in this dialogue which we have been clambering for. We constantly complaint in this Chamber about the federal government not being willing to come to the table and negotiate with us government to government about a meriot issues, and they came here, and I have to say, Mr. Speaker, that I was frankly disappointed and honestly embarrassed by the attendance of the members of this Legislature. We had a White House official who reports directly to the President and top level officials from the Department of Interior and NOAA, and they came to talk to us government to government as we have been requesting, and if fractions of members where there, a lot of us vented and left, and did not bother to listen in which we have been asking them to do, to listen to their full responses to our inquiries.

Speaker Arnold I. Palacios: Representative Sablan, I thought there were a lot of members here, maybe not the Senate, but...

Representative Sablan: No, it was not a full house.

Speaker Arnold I. Palacios: I think perhaps that was my fault that some members kind of wandered off after they expressed themselves.

Representative Sablan: I would not fought you for that, but I think that it speaks volumes about us, and I what I heard from other people who were there was that if this gentlemen came to any other State Legislature, every single member would be there for the entire time. But having said all that, if we are still concern that they are not listening, then I would like to bring to the members attention the fact that the Council for Environmental Quality is still accepting comments on any type of framework – what that should look like, if you do not oppose it then articulate why and submit that in writing because they are still accepting that until the 26<sup>th</sup> of this month. Thank you.

Representative Hofschneider: It is a critical issue, Mr. Speaker.

Speaker Arnold I. Palacios: It is a critical issue but...

Representative Hofschneider: May I say a few words, Mr. Speaker?

Speaker Arnold I. Palacios: Continue, Representative Hofschneider.

Representative Hofschneider: Just to close the discussion, Mr. Speaker.

Speaker Arnold I. Palacios: Okay, Representative Hofschneider.

Representative Hofschneider: I remain attentively listening and focused on the proponents and opponents of PEW, and I still do not get what is the fundamental opposition, the disagreement. Is it the time, is it philosophically that we disagree in creating a monument? Or we disagree that a monument should be done by others? Or we disagree that the control, irrespective of whether we call it a monument or a Military Base – Submerged Base? Do we disagree on the fundamental idea...?

Representative Benavente: Clarification, Mr. Speaker, or point of information.

Speaker Arnold I. Palacios: State your point.

Representative Benavente: Mr. Speaker, I realized that – and I decided to wait to bring this matter up to Miscellaneous rather than discuss it in the House Communication because we did not want to go back and forth and debate on this matter. My point of information is that, those questions being raised by Representative Hofschneider was the same questions he raised during the deliberation on the Resolution, which was all answered, and was also answered during the meeting with Mr. Cannoughton – very perfect when the Floor Leader spoke, when the Vice Speaker spoke, and many others spoke in opposition. It was very clear so let us not question that or let us not debate. Thank you.

Speaker Arnold I. Palacios: It is a very important issue for us to begin to express ourselves again, and if we continue to do that, I think that we should allow members to express ourselves because like I said, we were suppose to get out of here at 4:20 p.m., but I credit you, Representative Benavente because this is an issue that even if you bring it up under Miscellaneous...so I will allow Representative Hofschneider to finish and the Vice Speaker to also express his thoughts. Representative Hofschneider, continue.

Representative Hofschneider: In speech pathology, Mr. Speaker, it is the tone-nation that asked whether your statement is a question or whether your question is a debate of nature. I did not premise my tone as countering what every member that has spoken before me. My tone-nation was in the sense that I premised it by saying, as I said and I listen, I am merely making my personal statement under Miscellaneous that I still personally do not see the fundamental disagreement. That is a statement under Miscellaneous. It is not an answer to a question or a statement by any member previous to myself, but let me just finish, Mr. Speaker. If I conclude, Mr. Speaker, that sovereignty of the people of the Northern Marianas is based on the very principal etch in our Covenant and our Constitution about preservation, and the continuing of traditions and culture, then the argument should be put forth based on that. No one has articulated whether the Covenant is being clearly protected in opposing PEW or advocating for PEW. Posterity for posterity reasons alone does not benefit people at all. If the preservation of the area, Mr. Speaker, in my opinion is to be supported, then we only need to look outside our boundaries. The nation of Kiribas is the latest one, “whole mark of success in monument” they had a thriving tuna industry that was making over \$50 Million dollars a year through licensing of tuna harvesting. Now, those people are much poorer than we are, but they are blessed with pristine islands, reefs, corals, and fish that no one has ever seen. In lieu of the losses that they anticipate by the creation of the monument in their area, they were compensated \$80 Million dollars. The issue, Mr. Speaker, I believe is, in the minds of our people especially the Manamko that someone has pointed out, is an expression of frustration from generation of being administered, undermined, and lied to, and that there are so much mistrust that we cannot even be honest amongst one another that there is some good in the concept, the notion of preservation. Micronesians are probably the remaining living example of how people live with nature. No concrete on Satawal or the atoll islands, yet, they have continued to exist for many thousands of years, harvesting sea turtles, fish, and everything that surrounds them. At the same time, teaching the next generation of what it means to preserve, to harvest. It is politicians that look at the vision of making money, taking opportunity, and decimating the marine economic potential. So I think, Mr. Speaker, in my opinion with this issue, we need to be perfectly honest too so that this aura of mistrust between Washington and ourselves can iron itself out. But I honestly feel that there is a cultural misgivings of being administered by the Spanish, Japanese, the Germans, the Americans today, in so much as we were given to govern ourselves, we failed to a greater extend on that. So I

think we need to conclude that Managaha Sanctuary is a very good example of what we can as people here can do. So, let us agree on one thing, that a creation of protection for conservation should benefit the people. How do we do that to benefit and extend the benefit of that? Do we allow subsistence fishing for our own people? Because that is the only way I am going to support any monument. The worst that can happen...[End of Tape 2, Side B]...[Beginning of Tape 3, Side A]...in conclusion, Mr. Speaker, this is my opinion again under Miscellaneous for the record so the people do not have any misgivings on where I stand about PEW in that I know personally what it means to have blood flowing in your body that is a minority. I am part Yapese, and I am proud of it, and I am trying to reach back to what my culture, my blood, can teach me about current affairs because I value that today. If you do not feel for your people, and I respect, do not get me wrong, I respect tremendously for standing up and opposing PEW, and I respect tremendously for standing up and supporting PEW. These are crossroads in our modern days, and I think examples of how we can mutually benefit with PEW or the Federal Government excluding PEW and benefiting the people, conserving and continuing the traditions, why can we not all be proud of who we are. I mean, there are only 30,000 of Chamorros and Carolinians in this world. What is so bad about being proud of it? But we have lost the touch to live by example of conservation. That is why they are stepping in and saying, you have diamonds, jades and jewels in your area, and recklessly administering it or protecting it, and we are going to help. I think that is the virtue that we should listen more whether we allow PEW or Federal Government to do for us and oppose them and do it ourselves. I think that we need to ask ourselves the fundamental question.

The Chair recognized the Vice Speaker.

Vice Speaker Deleon Guerrero: Mr. Speaker, respecting everybody's views both pro and opposing the thing, one thing is clear that when we were given the information that this individuals would be coming here to do an assessment, most of us came into this room thinking that they were coming to listen to what we felt, what our position was, only to find out as the meeting progress that that was not necessary the case. Mr. Cannoughton admitted that he was an advocate. He admitted that he came to try to consult with us to create a frame work. Mr. Speaker, one does not need to have a college degree to read between the lines that what he was coming for was to get our input for this co-management. It was not to find out whether we supported it or opposed it. That was very clear. He admitted that. That was the flaw. That was what Representative Stanley Torres was trying to say when he felt misled that they came here to listen to what our position was. I too felt that. Knowing that he came here with that agenda, Mr. Speaker, now I am feel that this maybe a done deal, and despite statements by Mr. Cannoughton that this it has not been created yet, I think if you read between the lines, what he is saying is, he wants to listen to our concerns and how those concern would be addressed in this co-management. So, I do not think that the question is whether we should have it or not. His question is, are you going to work with us and provide you concerns or not? That is a very scary thought. Yes, there is mistrust, there are concerns by the people reflected through its representatives, and some of the questions are, why does this decision have to be made now? Why are we given months to be able to have to address this? Why can we not be given more time? Why can we not explore other possibilities such as the sanctuary program? Why does it have to be the Antiquities Act? He kept making referenced that the Antiquities Act is the preferred method. Why? You have to ask yourself why? I do not blame our Representatives for being suspicious. If you think about it, the reason of the Antiquities Act is because it is the fastest way. President Bush is ready to sign. How can we have any meaningful comments, dialogue or participations when as soon as President Bush signs it, another administration would more than likely be the ones to meet with us and consult with us. There is no assurance that we can get by this Administration, by the person who will be signing this proclamation of anything that we are going to

be asking for because he is not going to be in office. We have very legitimate concerns that would be better addressed if we were given some reasonable period of time to be able to allow the dialogues to continue. We keep repeating this, none of us are against the idea of conservation, but again, you become suspicious when they use things like protecting the biodiversity, hotspots, and the coral around the islands, but then they want to protect 115,000 square miles. My Uncle told me that that is a bottomless sea, and what are they going to protect outside of these islands? It makes you think. I will now say this, I am sorry, with President's Bush's track record on the environment, I personally feel that this is political. None of us has said that our suspicions have political motives, but it is. This is President Bush leaving now. In my eyes, I see this blue legacy or ocean legacy is a plus for him to leave behind, perhaps wash away some of his environmental, and we cannot prove it, but his record speaks for itself, but to use the guys of conservation, for him to clear his mind and his conscience is not right. Something is wrong with that picture. If he is really serious about the purpose which is conservation, then let us give it some time. To push it right now just makes us more resistant to his proposal. That is all. Thank you.

The Chair recognized Representative Palacios.

Representative Palacios: Just like what Representative Torres and Deleon Guerrero just concluded, it is a done deal, Mr. Speaker. All of those PEW's supporters, those letters, those signatures, to me, are just part of the program to show us that yes, we are trying to work or something like that. Like I said, this is not about PEW anymore. It is not about us who are opposed to the monument. I think President Bush has made up his mind. You know why I said that? I am surprise because of the Military build up – the timing is just a cool incidence. If they are really serious, or if the President is really serious, why did he not do it eight years ago? Why just now? I do not know what your sentiments or feelings are, but believe me, Mr. Speaker, until such time President Bush decided not to, then I stand corrected, other than that, it is a done deal.

The Chair recognized Representative Salas.

Representative Salas: I guess Representative Benavente did not realize that this was such a hot topic, but Mr. Speaker, I am a supporter of this monument and everybody knows that, but I really believe that it is not a done deal. Mr. Cannoughton came here to do an assessment, and everybody knows that. Prior to him, Allan Toms was here, and as a result of Allan Toms comments to Mr. Cannoughton, and probably meeting with the President, they decided to send this person down here who really did not have to come. I would like to note that this is a person that is very busy and he is way up there, and he usually only spends half a day if not a day at other places, but he decided to come down here for four days so he can really get the take from our people, the pros and the cons, and then he would then deliver the message to the President. I had an opportunity to meet with him because I attended a forum and other meetings, and he did ask me the composition of our Senate and our House, and I told him that there are 29 members. He was quite surprised that at the meeting members were present, but then throughout the meeting majority was gone. I am not too sure how many was left here at the time this D.C. official was here. I really believe that it is not a done deal otherwise he would not have to come, and he is still gathering, and if I am not mistaken, he would probably be back in another ten days or so to meet with the Executive Branch and also the Legislature. My understanding is that, he is no longer going to be meeting with the PEW Foundation, but he is going directly to the leaders of the CNMI. That is what my understanding is as to what he will be doing. He will be coming back and dealing directly to us.

Speaker Arnold I. Palacios: That is what my understanding is. When they reviewed that there was a lot of information that NOAA has gathered over the years that he had just seen, perhaps none of us has ever seen, even our own scientific community, now NOAA is willing to share with us, and he says he will be sending some of his officials to give those presentations. That is very valuable. If anything should come out of this, I think it would be well worth the discussions that we had over the last six months.

Representative Salas: Mr. Speaker, I just have one final comment. We also have to understand that this is not the only area that has been designated. There are other areas that they are looking at. So this is an area that they want probably, but this is not the only area.

Speaker Arnold I. Palacios: Let me tell you what those other areas though. Nobody lives on them. Let me recognize the Floor Leader.

Floor Leader Camacho: Just so that this important issue does not go unmentioned, if you think what is it that the people of the Commonwealth want, and what is it that Mr. President want, and what is it that the PEW wants, and if we were to say, okay the CNMI cannot take of 1/3 of its waters up north, and we need to preserve, and we need an agency or a government that is bigger than the CNMI to come and take care, if you could think about that, hypothetically, you can say, I am sorry Mr. Bush, but you are not the best person qualified. Let us say, give it to Japan, and let Japan be in charge of 1/3 of the waters, would Mr. Bush still agree to that because it serves the same goals, or is it because he wants to have his name that I am the author of this marine monument. What is it that we are trying to accomplish here as people of the CNMI? Would they move out of the way and say okay if you are willing to preserve 1/3 of the waters up north and make it a CNMI marine monument, then we do not need to go any further than that. We are dangerously very close to losing our quorum, Mr. Speaker, maybe we can move forward to an adjournment if you...

Speaker Arnold I. Palacios: I will entertain that motion.

## **ANNOUNCEMENT**

None

## **ADJOURNMENT**

Floor Leader Camacho: Motion to adjourn, Mr. Speaker, subject to your call.

There being no objection, the motion to adjourn was seconded and carried by voice vote.

Speaker Arnold I. Palacios: The motion is carried. The House stands adjourned subject to the call.

The House adjourned at 5:02 p.m.

Respectfully submitted,

Victoria Guerrero  
Journal Clerk

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**APPEARANCE OF LOCAL BILLS**

None