



House Journal

SECOND REGULAR SESSION, 2008

Twelfth Day

Thursday, November 13, 2008

The House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature convened its Twelfth Day, Second Regular Session on Thursday, November 13, 2008, at 9:44 a.m. in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

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

A moment of silence was observed.

The Clerk called the roll and nineteen members were present one absent.

Speaker Arnold Palacios: We have established a quorum. For the record, Representative Deleon Guerrero will be coming in shortly.

ADOPTION OF JOURNALS

NONE

INTRODUCTION OF BILLS

H. B. No. 16-188: To mandate the Department of Public Safety to remove dead animals from public highways and roads and thereafter contact the Mayor's Office for its proper disposal; and for other purposes.

Offered by: Rep. Joseph N. Camacho

Referred to: Committee on Judiciary and Governmental Operations

H. B. No. 16-189: To establish a Uniform Assignment of Rents Act to bring consistency to commercial real property transactions for the creation, perfection, priority, and enforcement of a security interest in rents; and for other purposes.

Offered by: Rep. Joseph N. Camacho

Referred to: Committee on Commerce and Tourism

H. B. No. 16-190: To repeal 1 CMC § 8362(e); and for other purposes.

Offered by: Rep. Justo S. Quitugua and three others

Referred to: Committee on Ways and Means

Speaker Arnold Palacios: Are there any other bills? Representative Stanley Torres.

Representative Stanley Torres: I am not introducing anything, but I wish to make a statement. I want to clarify and justify my absence during the House session on Rota.

Speaker Arnold Palacios: Can we hold off to that until we get to the House Communication of our Agenda? Okay. Are there any other bills for introduction this morning? Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. I have an unnumbered House Legislative Initiative that I would like to introduce this morning. A House Legislative to amend Article VIII Section 1 of the Constitution of the Northern Mariana Islands to provide for elections consistent with the election of the Non-Voting Delegate. This is offered by me and several others, thank you.

H. L. NO.16-22: A House Legislative to amend Article VIII Section 1 of the Constitution of the Northern Mariana Islands to provide for elections consistent with the election of the Non-Voting Delegate.

Speaker Arnold Palacios: I have an unnumbered bill to introduce. A Bill for an Act to amend 1 CMC § 7403 and 1 CMC § 5101 thru 5143. And for those who have not yet co-sponsored, I certainly welcome. This has to do with the Emergency Disaster Declaration issue.

H. B. No.16-191: To amend 1 CMC § 7403 and 1 CMC §§5101-5143.

Offered by: Rep. Arnold I. Palacios and fifteen others

Referred to: Committee on Judiciary and Governmental Operations

INTRODUCTION OF RESOLUTIONS

H. R. No. 16-63: A HOUSE RESOLUTION RELATIVE TO ENDORSING THE STRATEGIC DEVELOPMENT PLAN FOR THE ESTABLISHMENT OF THE MICRONESIAN CENTER FOR A SUSTAINABLE FUTURE, AND ADMINISTRATIVE, RESEARCH AND DEVELOPMENT CENTER FOR THE MICRONESIAN CHIEF EXECUTIVES SUMMIT AND THE MICRONESIAN PRESIDENTS' SUMMITS.

Offered by: Rep. Joseph N. Camacho

Floor Leader Camacho: This is in reference to the Micronesian Chief Executive Summit, I believe we had several of that here, in the CNMI. They are holding one in Palau this coming week so I appreciate we entertain this matter, thank you.

Speaker Arnold Palacios: I will order that resolution be placed on the Resolution Calendar.

H. R. No. 16-64: A HOUSE RESOLUTION RESPECTFULLY REQUESTING THE OFFICE OF THE PUBLIC AUDITOR (OPA) TO CONDUCT A CLOSE-OUT AUDIT OF THE OFFICE OF THE RESIDENT REPRESENTATIVE TO THE UNITED STATES FOR THE CNMI BEFORE THE TERM OF THE RESIDENT REPRESENTATIVE EXPIRES ON JANUARY 2, 2008.

Offered by: Rep. Ray N. Yumul

H. R. No. 16-65: A HOUSE RESOLUTION TO CREATE A SMALL BUSINESS DEVELOPMENT AND ASSISTANCE TASK FORCE TO ASSESS AND ANALYZE THE CURRENT ECONOMIC FACTORS THAT ARE LEADING TO THE RECENT AND ONGOING DECLINE IN SMALL BUSINESS REVENUE IN THE COMMONWEALTH, TO FORMULATE A

STRATEGY TO ASSIST LOCAL BUSINESSES IN INCREASING CURRENT REVENUE STREAMS AND TO ASSIST IN THE DEVELOPMENT OF NEW REVENUE GENERATING PROSPECTS.

Offered by: Rep. Ray N. Yumul

Representative Yumul: If there is no objection, I would like to place this on today's Resolution Calendar for adoption. Thank you.

Speaker Arnold Palacios: So ordered, the two resolutions will be on the Resolution Calendar. Ready.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 16-238: (10/31/08) Certification for vacant positions at the Division of Procurement and Supply, Department of Finance.

GOV. COMM. 16-239: (10/31/08) Certification for a vacant position at the Department of Public Health.

GOV. COMM. 16-240: (10/31/08) Certification for vacant positions at the Tinian Mayor's Office.

GOV. COMM. 16-241: (10/31/08) Certification for vacant positions at the Joeten-Kiyu Public Library.

GOV. COMM. 16-242: (10/31/08) Certification for a vacant position at the Department of Public Health.

GOV. COMM. 16-243: (10/31/08) Certification for a vacant position within the Department of Finance.

GOV. COMM. 16-244: (10/31/08) Informing the House that he signed into law H. B. NO. 16-123, HD1 (To exempt CNMI airports, hotels, hotel resorts, or golf course resorts from the prohibition of alcoholic beverage sales on Election Day). [Became **Public Law 16-18**]

GOV. COMM. 16-245: (11/4/08) Executive Order 2008-20 - Declaration of a State of Emergency: CUC's Imminent Generation Failure and the need to provide Immediate Reliable Power during Repairs, Continuation #3.

GOV. COMM. 16-246: (11/7/09) Submitting his final report with regards to the State of Disaster Emergency for the Commonwealth Ports Authority (CPA).

GOV. COMM. 16-247: (11/7/08) Informing the House that he signed into law H. B. NO. 16-118, HD1 (Retirement: Administrative Provisions for Certification of Disabled Retirees). [Became **Public Law 16-19**]

GOV. COMM. 16-248: (11/7/08) Informing the House that he signed into law H. B. NO. 16-151, HS1 (\$32,000 Appropriation for Tinian NMC student transition costs). [Became **Public Law 16-20**]

GOV. COMM. 16-249: (11/7/08) Informing the House that he signed into law H. B. No. 16-171, HS1 (To appropriation \$120,000 from the fund balances under Section 3(b)(8) of SLL 14-11). [Became **Public Law 16-21**]

GOV. COMM. 16-250: (11/7/08) Certification for a vacant position at the Department of Public Lands.

GOV. COMM. 16-251: (11/10/08) Emphasizing the need for close cooperation between the Legislature and the Executive Branch with regards to solving the ongoing public utility crisis.

Speaker Arnold Palacios: For the member's information in reference to Gov. Comm. 16-245. I have a letter to the Executive Director of CUC regarding the continuing State of Emergency for Saipan particularly, referring to the repairs and rehabilitation of Power Plant I. I will be sharing the letter to everyone by the end of the day. Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. This is in reference to Gov. Comm. 16-251. I noted in the Governor's letter to you and the Senate President that he had requested that the CUC Director report to the Legislature and to the public this week. I suppose, this would be a status report on CUC. I was concerned about CUC's recent cancelation of the RFP for Engines VI and VII at Power Plant I. I believe that these are the two engines that we were requesting federal assistance for and that federal assistance that OIA was requiring a plan for among other things, but a long term plan. And so I would like to know if there has been any response from Mr. Muña to your office about exactly when we would be getting this update. And if you also have information about the RFP that was just cancelled if there are any plans to reinstate that and if there has been a response from OIA with respect to CUC's request for funding.

Speaker Arnold Palacios: Thank you, for that inquiry. Again the letter, which has been signed by myself this morning I just did not have the time to give it to the Clerk to disseminate it to the members. But somewhere in between when we go on recess, if I have the chance I will get that letter and share it with everyone. It does address the issue with Power Plant I, and inquiring what the plans are. In view of the cancelation of the RFP for the immediate rehabilitation and all those other issues. I requested that we be provided with those basic information relative to Power Plant I at the earliest date possible within 10 days. I will perhaps sit down with the Chair of PUTC to see if we could schedule a legislative meeting with Mr. Muna so that we could be fully apprise of the existing situation and the plan going forward in view of the cancelation of the RFP. I appreciate your thought on the issue and I think everybody is just as concerned with the continuing issues with Power Plant I. Representative Salas.

Representative Salas: Mr. Speaker, in regards to the RFP it might be interesting to find out how the two companies that made the proposal is really quite a difference in the number. I believe one was like \$6 million the other one \$1 million, so that is really quite a disparity.

Speaker Arnold Palacios: Correct. Usually those kinds of stuff can and do happen, when you have an open RFP. It is a proposal for rehabilitation but, again like I said once we ask the Executive Director to come in to meet with us he will probably be in the position to explain that fully and a lot more detailed to everyone than I can explain. Representative Hocog.

Representative Hocog: Yes, Mr. Speaker, relative to that subject I will like to advise the members that I do have the answers, but I will formally provide the committee and the members with the result of the cancelation of the RFP. Thank you.

Speaker Arnold Palacios: Thank you. Are there any more comments or statements? Ready.

SENATE COMMUNICATIONS

SEN. COMM. 16-93: (11/6/08) Returning H. J. R. NO. 16-15, HS1, HD1 (Establishment of a Veterans Affairs Benefit Office) which was adopted by the Senate without amendment on November 6, 2008. [For info]

SEN. COMM. 16-94: (11/6/08) Returning H. J. R. NO. 16-20 (Establishment of a Legislative Task Force on Federalization) which was adopted by the Senate without amendment on November 6, 2008. [For info]

SEN. COMM. 16-95: (11/6/08) Returning H. B. NO. 16-186, HD2 (To amend § 2 of PL 13-48) which was passed by the Senate without amendment on November 6, 2008. [Before the Governor]

SEN. COMM. 16-96: (11/6/08) Transmitting for House action S. J. R. NO. 16-7, entitled, “A Senate Joint Resolution Congratulating President-elect Barack Hussein Obama II on his election as the forty-fourth president of the United States of America,” which was adopted by the Senate on November 6, 2008. [For action]

SEN. COMM. 16-97: (11/7/08) From the Senate President appointing members of the Senate to the Legislative Task Force in accordance with H. J. R. NO. 16-20. [For info]

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. I would like to make a motion to place S. J. R. NO. 16-7 on the Resolution Calendar, in reference to congratulating President-elect Barack Obama.

The motion was seconded.

SEN. COMM. 16-96: (11/6/08) Transmitting for House action S. J. R. NO. 16-7, entitled, “A Senate Joint Resolution Congratulating President-elect Barack Hussein Obama II on his election as the forty-fourth president of the United States of America,” which was adopted by the Senate on November 6, 2008. [For action]

The motion to place S. J. R. NO. 16-7 on the Resolution Calendar was carried by voice vote.

Speaker Arnold Palacios: Are there any more comments or statements? Ready. If I am not mistaken, Sen. Comm. 16-97 is in regards to the Task Force on Federal Immigration issues. I would like to advise the members that I have also appointed the House members for this Task Force apprising of the Chairman of FFR, Representative Benavente, the Floor Leader, and Representative Dela Cruz. Ready.

HOUSE COMMUNICATIONS

HSE. COMM. 16-80: (10/29/08) From Representative Hofschneider to CUC Executive Director Tony Muna requesting that the corporation provide a date for a concomitant reduction in power rates due to the projection for continued decrease on the cost of fuel.

HSE. COMM. 16-81: (11/10/08) From the Speaker to the Senate President on the appointment of House members to the Ad Hoc Legislative Task Force on PL 110-229.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

NONE

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

NONE

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT./AGCY. COMM. 16-56: (10/24/08) From Acting Attorney General Gregory Baka responding to Representative Sablan's OGA request concerning Covenant Section 903 lawsuit funding.

DEPT./AGCY. COMM. 16-57: (10/30/08) From BOE Chairperson Lucy Blanco-Maratita and Commissioner Rita A. Sablan informing the House that they support the House's version of Budget Act, H. B. No. 16-169, HD9.

Speaker Arnold Palacios: Representative Apatang.

Representative Apatang: Mr. Speaker, can we go back to House Communications?

Speaker Arnold Palacios: I am sorry. I did not mean that. Representative Stanley Torres.

Speaker Arnold Palacios: Representative Stanley Torres.

Representative Stanley Torres: Mr. Speaker, and members, I would like to clarify and justify my absence during the House session on Rota. If my memory serves me correct, I mentioned that going away from your home on the eve of All Saints day and All Souls Day is a bad omen. The bad omen was that there was an incident on Rota of the slaughter of fruit bats a few days before our session call on Rota. It was discovered later after the session day. And the good omen on my part is that I did not go because I might be serve a fruit bat on my dinner table, otherwise, I will be in the slammer and not attending today's session.

Speaker Arnold Palacios: So is that what that stick is about? Is it about the omen?

Representative Stanley Torres: That is the omen the issue of a bad and good omen. Thank you.

Speaker Arnold Palacios: Okay. Are there any more on House Communications? Representative Hocog.

Representative Hocog: Just to get the statement by my good colleague corrected. The incident of the poaching of fruit bats is, after the House Session. So there is no correlation with that and the House session in Rota. I do not know who among the members who attended the House session in Rota ate fruit bats. But I guess, I respected my good colleague in defense of his absence in Rota, I told the people that when they asked why Representative Stanley Torres is not on Rota I told them that I am sorry I did not know that my good colleague is so devoted to the All Saints Day and All Souls Day. Besides, I have to respect him because he is a good fatherhood provider in the family and he has to get all his family together during this special occasion. Fortunate enough, Mr. Speaker, before what we call the celebration of All Saints and All Souls Day. Further excuses of not coming to Rota is immaterial, it is that they just do not want to come.

Speaker Arnold Palacios: Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. This is not in regards to the Rota session. I just want to ask whether or not anybody heard anything in regards to Hse. Comm. 16-80, the reduction on CUC rates. Thank you.

Speaker Arnold Palacios: Representative Hofschneider.

Representative Hofschneider: Well after the letter Mr. Speaker, CUC reduced the rates, but I think that another reduction should be following. This morning crude oil went down to its twentieth year low and that is below, \$57 a barrel. So my concern, in addition to not to divert to the CUC, but the pump price. The gasoline prices in the stations have not significantly lower their prices consistent with the spot market in the world. We are about a \$1.75 above the wholesale pricing that is realistically, being charged. So there is a little bit, of appearance of price maintenance at its level needless to say, is dangling on price gouging without an appropriate step by the suppliers. There is no other way to explain it to maintain that pump price, nationwide pump pricing is \$2.29 a gallon.

Speaker Arnold Palacios: Thank you. Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. On that, issue there continues to be a lot of concern not just among the members but also in the community concerning this matter of what is going on with the price of fuel. There are many allegations and I feel that there is a lot of unanswered questions. I feel that this is something that we, as elected Representatives of the people, need to get to the bottom of and accurately inform the community as to exactly why it is not going down. I am sure there are reasons, but we need to get those answers out to the community. I know the Chairman on PUTC is a very busy man now a days, because he handles the budget as well, but we need the committee to be assigned to look into this matter and report back exactly what is going on, and when are we going to see, if there is a date, reductions and how the pricing works so that we can finally understand it. I have been in the Legislature for almost twenty years now and this question comes out almost every year in every term so Mr. Speaker, for the leadership to do just that. Thank you.

Speaker Arnold Palacios: Rather than ask the PUTC, I am going to ask the Chairman on Ways and Means and hopefully with Commerce and Tourism to get together and see if can schedule something. Perhaps a joint letter of inquiry to both Shell and Mobile regarding this particular issue and hope that you can schedule a meeting with both companies to give us a briefing and a full explanation of how this pricing issue is being done. The community is certainly wondering about what is going on. So Chairman Yumul, and Chairman Reyes, I certainly appreciate an immediate action on this, which is in great importance to the community.

Representative Reyes: Thank you, Mr. Speaker. I am honor to be appointed. Actually I was about to volunteer but we will get back to you.

Speaker Arnold Palacios: Representative Stanley Torres.

Representative Stanley Torres: Thank you, Mr. Speaker. Just so that your committee is to meet with the oil supplier keep in mind and maybe ask Mobile how they made \$50 Billion profit in three months. Thank you.

Speaker Arnold Palacios: Representative Stanley Torres, are you in one of these committees?

Representative Stanley Torres: Did I hear you appoint me?

Speaker Arnold Palacios: I am just wondering, I thought you were in Ways and Means. Alright, well certainly, I think that the meeting will not confine itself to the members of these committees. Once we have schedule the meeting it would be appropriate that we invite all the members to the meeting in the House Chamber. Representative Dela Cruz.

Representative Dela Cruz: Thank you, Mr. Speaker. With respect to the Committees task to undertake this study, may I also ask these Committees to write to the Attorney General's Office. As you know there is a Division in the Attorney General's Office, the Consumer Counsel. I think that is the appropriate government agency that we should ask and follow up. I do not know if that division is vacant at this time because of the shortages of Assistant Attorney General but be that as it may, I think that is the right route to take. Thank you, Mr. Speaker.

Speaker Arnold Palacios: Thank you, for that recommendation. Will the two Chairmen take note of that, I think that is an important step to make? Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. On a different subject now, I just wanted to express my increasing alarm at some of the recent actions taken and statements made by the Department of Labor. We saw that in the papers today that they raised fees quite significantly, I think twice this year now and again just yesterday. And new regulations have been adopted very recently and there seems to have been some kind of break down of internal communication even within the Department where the frontline Labor personnel did not even know about the new fees and implemented them hours later that same day when they were supposed to go into effect November 1st. And so businesses and workers were quite understandably shocked by the new policy and it is not just limited fees apparently. I would

like to also note, Mr. Speaker, and members that the Department of Labor did indicate that they would come back to the Legislature with the full report on September 30 about the implementation of Public Law 15-108 and any changes to the statute or new regulations that they would recommend at that point. And I do not think that meeting has ever transpired and I would like to get some information from the Chair and maybe from the members of the relevant committees if there has been any communication from the Department of Labor about providing this briefing that was promised at the beginning of this year.

Speaker Arnold Palacios: Okay, I will ask the Chair to give you a briefing after the session on this particular issue.

Representative Sablan: I would also like to note, Mr. Speaker, that the Labor's response to some of the serious concerns that Representative Salas and I had that with respect to the implementation of the new Labor Law their response was quite evasive and quite uninformative. So just these recent actions really raise my concerns even more.

Speaker Arnold Palacios: Okay, and if necessary we can call the Department of Labor back in to find out more.

Representative Sablan: They were supposed to come in on September 30.

Speaker Arnold Palacios: Well, we will allow the Chair to see to it. That is certainly disconcerting news. When I was watching the news yesterday the way they implemented the new regulations. Representative Hofschneider.

Representative Hofschneider: Before you recognize me, I think Representative Deleon Guerrero, under privilege.

Speaker Arnold Palacios: Welcome back, let the record show that Representative Deleon Guerrero is now present. Representative Hofschneider, recognized.

Representative Hofschneider: Yes, listening to the remarks by Representative Sablan on increasing fees and there are multiple increases. I recall that during the Froilan Administration they attempted to increase the fee to a point where they retracted it. Simply because fees, as you increase may in fact become unnecessary unauthorized taxation. And so it would be, I think in the best interest of the Legislature who ever is assigned to this to look into the total impact of those increases over time and whether those increases in terms of "fees" are now becoming exorbitant not only that but may in fact be translated to undue taxation on people. Thank you.

Speaker Arnold Palacios: Thank you, for that point I think that is very important. Representative Santos please note those, thank you. Ready.

OTHER COMMUNICATIONS

MISC. COMM. 16-56: (10/24/08) A copy of a letter from SCC President James Arenovski to Mr. James L. Connaughton with regards to the establishment of a marine sanctuary in the waters of the NMI.

Speaker Arnold Palacios: Representative Hocog.

Representative Hocog: Thank you, Mr. Speaker. This is regarding the comments made by Acting Attorney General Baka encouraging a fleet of attorneys to come to the CNMI and practice their skills over here. Mr. Speaker, in the school of law a student who has gotten their degree on a range from one through ten, fifty attorneys...

Speaker Arnold Palacios: Representative Yumul and...

Representative Hocog: Let me gather my thoughts back.

Speaker Arnold Palacios: I apologize for that.

Representative Hocog: I guess, Mr. Speaker, and members the comment made by Acting Attorney General Baka encouraging all kinds of attorney to come and join the Attorney General's Office is probably a good idea. But he needs to be very careful in providing...*(End of Tape 1 side A)*

(Start of Tape 1 side B)

Representative Hocog: In-house and the members that came out of law school that fifty percent that not good lawyers and the other fifty percent are good lawyers. And to use the Commonwealth, Mr. Speaker, as the guinea pig for all these studies and become an interesting place to work and an interesting environment to start your practice in the CNMI. Are we a guinea pigs of lawyers Mr. Speaker, or what? This is kind of an insult on the matter that the Acting Attorney General came out on the news advocating this kind of employment in the CNMI. We are not guinea pigs here. I just wanted to raise that concern Mr. Speaker that is not really a good advertisement for the CNMI. Thank you.

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

Representative Babauta: Thank you, Mr. Speaker. With that being eloquently said I wish on behalf of the Minority members to welcome Mr. Jeff Warfield to the Legislative Branch and particularly assigned to the House of Representative also Mr. Tajeron.

Speaker Arnold Palacios: I was going to get to that but thank you. You are very observant former Speaker and Minority Leader. Welcome to the House of Representatives, Mr. Warfield. Representative Stanley Torres.

Representative Stanley Torres: Mr. Speaker, thank you for announcing the addition of two attorneys for the House. Because I thought that the Attorney General are providing us with pro bono legal assistance. Now that I am hearing differently so I think, I am coming up with some questionable statements to deliver sometime this morning regarding the Attorney General's Office.

Speaker Arnold Palacios: Okay. It is not pro bono. Ready. We will take a two-minute recess.

The House recessed at 10:18 a.m.

*RECESS**The House reconvened at 10:30 a.m.***REPORTS OF STANDING COMMITTEES**

S. C. R. No. 16-49: Reporting on **H. B. No. 16-6**, entitled: “To authorize the assessment of parking meter fees, to require segregation of fees collected by senatorial district, and to authorize local appropriation of those fees.” *Your Committee on Ways and Means recommends passage of the House Bill in its present form.*

S. C. R. No. 16-50: Reporting on **H. B. No. 16-110**, entitled: “To officially establish a CNMI Veterans Cemetery; and for other purposes.” *Your Committee on Federal and Foreign Relations (USFA) recommends passage in the form H. B. No. 16-110, HD1.*

S. C. R. No. 16-51: Reporting on **H. J. R. No. 16-4**, entitled, “To create a joint focus group within the Legislature to study the Guam military build-up and to help prepare the Commonwealth for the military expansion in the Marianas.” *Your Committee United States and Foreign Relations recommends adoption of the Joint Resolution in the form on H. J. R. No. 16-4, HS1.*

Speaker Arnold Palacios: Representative Benavente, recognized.

Representative Benavente: If there is no objection, we had a short discussion on Item 11, Other Communications.

Speaker Arnold Palacios: Okay.

Representative Benavente: Mr. Speaker, without going into the letter of that communication my concern is that because of the fact that this matter continues in Washington, D.C. with the President’s wishes to designate the Marine Monument. I feel that we should not let our guards down locally. I feel that we need to continue with a stance that we are taking with the opposition of this matter. I do not know if anyone have seen the news coverage on KSPN, when it was stated that Vice President Cheney actually spoke publicly against the proposal and First Lady Laura Bush supported it and maybe we have an opportunity here to introduce a resolution acknowledging and thanking the Vice President for his position in support for us. My point here is that because this is happening in Washington far away from what we see here that we should not let our guards down and that those of us who are opposed to it, let us continue to figure out ways to continue this opposition movement. Thank you.

Speaker Arnold Palacios: Thank you, for that comment Representative Benavente, you are the Chairman of FFR, if you could be so kind as to take on some of the specific recommendations that you made. Representative Stanley Torres.

Representative Stanley Torres: Yes, for information purposes, the Marianas Variety printed a one full page to that regards, Representative Benavente.

Speaker Arnold Palacios: Thank you. I would like to go back to my recommendation for the two Chairs regarding the fuel prices. I instruct the two Chairs to please get together immediately, these is some sense of urgency and try to come back with a report immediately and set up a meeting with Mobile and Shell. I hope that, we can wrap up the issue with a report in about two to three weeks. Ready to go on. Floor Leader.

Floor Leader Camacho: Mr. Speaker, thank you. A motion to adopt S. C. R. NO. 16-49: Reporting on **H. B. NO. 16-6**.

The motion was seconded.

S. C. R. NO. 16-49: Reporting on **H. B. NO. 16-6**, entitled: "To authorize the assessment of parking meter fees, to require segregation of fees collected by senatorial district, and to authorize local appropriation of those fees." *Your Committee on Ways and Means recommends passage of the House Bill in its present form.*

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

Representative Sablan: Thank you, Mr. Speaker. I just wanted to ask the committee, if DPW (Department of Public Works) and DPS (Department of Public Safety) had been consulted during the review of this bill. I do not know if they have submitted comments but they are not attached to the report and I wanted to get some clarification.

Speaker Arnold Palacios: Representative Yumul.

Representative Yumul: What was the question again, Mr. Speaker?

Speaker Arnold Palacios: Can you restate the question, Representative Sablan?

Representative Sablan: Sure, I was asking if DPW and DPS had been consulted or at least asked for comments during the review of this bill.

Representative Yumul: This legislation was around since the Fifteenth Legislature. In fact, it was during the later part of the prior Administration that actually installed these meters. Because of the lacking of authority as to who is to manage and collect the deposits made into these machines the good, Representative Tebuteb, took it upon him to work this issue up. We did consult in prior Legislature the inputs from both Department of Public Safety (DPS) the Mayor's office and Department of Public Works (DPW). And at this point we just want to get this program running and we want to be able collect revenues because the equipment is not doing anything at this time and it is really a big discouragement to see a good revenue generating activity not be implemented.

Speaker Arnold Palacios: Okay. Representative Tebuteb, do you want to add on to that?

Representative Tebuteb: Part of the funding I believe, established these meters part of the Beautification projects also had provided funding for the DPS and DPW to do training and I believe

they have sent, if I am not mistaken three or four people from the two respective Departments to train on this particular issues on parking meters.

Speaker Arnold Palacios: Continue, Representative Sablan.

Representative Sablan: Thank you, for that clarification. I do support the intent of the bill I was just concern and perhaps I am misunderstanding but, on page two of the Committee Report it notes, that the funds can be leveraged to obtain additional funds for projects and also would be subject to appropriation. I am misunderstanding then on page two of the actual bill where it says that, “the fees shall be used for enforcement related to parking meter administration”.

Speaker Arnold Palacios: Representative Tebuteb.

Representative Tebuteb: Correct.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: So which is it? Are they to be used for...

Representative Tebuteb: It would be the bill.

Representative Sablan: Okay, so the fees are only to be used for enforcement related to parking meters.

Representative Tebuteb: Basically, the Department will promulgate those rules.

Representative Sablan: Maybe I am not asking this clearly. I am asking about the use of the fees. Because the committee report says that, the fees can be appropriate and that they can be leveraged to obtain additional funds. But then the bill says that the fees shall be used for enforcement unless, I am misunderstanding that.

Speaker Arnold Palacios: Okay. Representative Hocog.

Representative Hocog: Well the question raised by Representative Sablan, Mr. Speaker, can probably best answered, that the bill is providing a separate collection as a result the implementation of this meters per Senatorial District. And once these fees are collected and become local funds for any Senatorial District that the Saipan Legislative Delegation be it Rota or Tinian can appropriate those funds as specified in the bill either for the enforcement of meters or to be used for beautifications and other purposes as the Delegation sees fit in the use of this funding. I guess that will probably clear the question of Representative Sablan. Thank you.

Speaker Arnold Palacios: Representative Benavente.

Representative Benavente: Mr. Speaker, I am looking at page two of the Committee Report. And looking for the part where it says that these funds shall be appropriated, and I do not see. Representative Sablan said, that is in the Committee Report and it says other wise in the bill.

Speaker Arnold Palacios: Let me clarify that. On the second page of the Standing Committee Report under Analysis, part (e). In the Committee Report under “E. Cost Benefits : These funds can be leveraged to obtain borrowed funds.... That is the original question it is the funding purpose what it could be used for that is the initial question that Representative Sablan raised.

Representative Benavente: It was actually on page one, where it talked about the fees being appropriated by respective legislative delegation then not page two of the committee report. So I understand now. Thank you.

Speaker Arnold Palacios: Representative Salas.

Representative Salas: Just out of curiosity, Mr. Speaker, I know that CPA (Commonwealth Ports Authority) has some parking meters installed. I just wanted to know how that program is working. I know that some of those meters are inoperative, so did the Committee ask CPA how that is working?

Speaker Arnold Palacios: Representative Tebuteb.

Representative Tebuteb: There is no relationship between what the parking meter in CPA, I am trying to understand Representative Salas’ concerns. If the Committee has looked into the program at the CPA?

Representative Salas: Yes, just to find out how is it working only because they do have parking meters there and some of it is not operative, that is why I asking the question.

Speaker Arnold Palacios: Representative Quitugua.

Representative Quitugua: For information on the parking meters at CPA, especially in the Domestic area. Those were seized by CPA when the Delegation’s from Rota and Tinian had asked CPA to stop the metering because they come back and forth and they would have to put in so much. So I remember that time when the Delegations were really pressuring CPA to stop the metering at the Domestic area. So that is why it was stopped. Thank you.

The motion to adopt S. C. R. NO. 16-49: Reporting on **H. B. NO. 16-6**, entitled: “To authorize the assessment of parking meter fees, to require segregation of fees collected by senatorial district, and to authorize local appropriation of those fees, was carried by voice vote.

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you again, Mr. Speaker. A motion to adopt S. C. R. NO. 16-50: Reporting on **H. B. NO. 16-110**.

The motion was seconded.

S. C. R. NO. 16-50: Reporting on **H. B. NO. 16-110**, entitled: “To officially establish a CNMI Veterans Cemetery; and for other purposes.” *Your Committee on Federal and Foreign Relations (USFA) recommends passage in the form H. B. NO. 16-110, HD1.*

Speaker Arnold Palacios: Discussion on the motion? Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. Just for the record, in the member's copy of the Committee Report it does not have the signature of Chairman Victor Hocog, but he has since signed the original that is with the Clerk, and so please take note that S. C. R. NO. 16-50 and S. C. R. NO. 16-51 and as well as the Special Committee Report 16-1 was signed by all the members of those Committee. Thank you.

Speaker Arnold Palacios: Thank you. Are there any further discussions? Ready.

The motion to adopt S. C. R. NO. 16-50: Reporting on **H. B. NO. 16-110**, entitled: "To officially establish a CNMI Veterans Cemetery; and for other purposes, was carried by voice vote.

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you again, Mr. Speaker. A motion to adopt S. C. R. NO. 16-51: Reporting on **H. J. R. NO. 16-4**.

Then motion was seconded.

S. C. R. NO. 16-51: Reporting on **H. J. R. NO. 16-4**, entitled, "To create a joint focus group within the Legislature to study the Guam military build-up and to help prepare the Commonwealth for the military expansion in the Marianas." *Your Committee United States and Foreign Relations recommends adoption of the Joint Resolution in the form on H. J. R. NO. 16-4, HSI.*

Speaker Arnold Palacios: Discussion on the motion? Ready.

The motion to adopt S. C. R. NO. 16-51: Reporting on **H. J. R. NO. 16-4**, entitled, "To create a joint focus group within the Legislature to study the Guam military build-up and to help prepare the Commonwealth for the military expansion in the Marianas, was carried by voice vote.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

Special Committee Report 16-1: Reporting on **S. B. NO. 16-34**, entitled: "To amend 1 CMC Section 6103(a) of the Election Law; and for other purposes." *Your Special Committee recommends passage of the Senate Bill in the form of S. B. NO. 16-34, HD1.*

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you again, Mr. Speaker. A motion to Special Committee Report 16-1: Reporting on **S. B. NO. 16-34**.

The motion was seconded.

Special Committee Report 16-1: Reporting on **S. B. No. 16-34**, entitled: “To amend 1 CMC Section 6103(a) of the Election Law; and for other purposes.” *Your Special Committee recommends passage of the Senate Bill in the form of S. B. No. 16-34, HD1.*

Speaker Arnold Palacios: Discussion on the motion? Ready.

The motion to adopt Special Committee Report 16-1: Reporting on **S. B. No. 16-34**, entitled: “To amend 1 CMC Section 6103(a) of the Election Law; and for other purposes.” *Your Special Committee recommends passage of the Senate Bill in the form of S. B. No. 16-34, HD1*, was carried by voice vote.

Speaker Arnold Palacios: Should we go to the Resolution Calendar or the Bill Calendar? For your information and I apologize for not letting know this, we will have session the whole day after our break for lunch. So we will go on then.

UNFINISHED BUSINESS

NONE

RESOLUTION CALENDAR

H. R. No. 16-62: TO RESPECTFULLY ENCOURAGE THE BOARD AND THE EXECUTIVE DIRECTOR OF THE COMMONWEALTH DEVELOPMENT AUTHORITY (CDA) TO DENY GRANTING ADDITIONAL BENEFITS TO EXISTING QUALIFYING CERTIFICATE TO SAIPAN LAULAU DEVELOPMENT, INC.

H. R. No. 16-63: RELATIVE TO ENDORSING THE STRATEGIC DEVELOPMENT PLAN FOR THE ESTABLISHMENT OF THE MICRONESIAN CENTER FOR A SUSTAINABLE FUTURE, AND ADMINISTRATIVE, RESEARCH AND DEVELOPMENT CENTER FOR THE MICRONESIAN CHIEF EXECUTIVES SUMMIT AND THE MICRONESIAN PRESIDENTS’ SUMMITS. (REP. JOSEPH N. CAMACHO)

H. R. No. 16-64: RESPECTFULLY REQUESTING THE OFFICE OF THE PUBLIC AUDITOR (OPA) TO CONDUCT A CLOSE-OUT AUDIT OF THE OFFICE OF THE RESIDENT REPRESENTATIVE TO THE UNITED STATES FOR THE CNMI BEFORE THE TERM OF THE RESIDENT REPRESENTATIVE EXPIRES ON JANUARY 2, 2008. (REP. RAY N. YUMUL)

H. R. No. 16-65: TO CREATE A SMALL BUSINESS DEVELOPMENT AND ASSISTANCE TASK FORCE TO ASSESS AND ANALYZE THE CURRENT ECONOMIC FACTORS THAT ARE LEADING TO THE RECENT AND ONGOING DECLINE IN SMALL BUSINESS REVENUE IN THE COMMONWEALTH, TO FORMULATE A STRATEGY TO ASSIST LOCAL BUSINESSES IN INCREASING CURRENT REVENUE STREAMS AND TO ASSIST IN THE DEVELOPMENT OF NEW REVENUE GENERATING PROSPECTS.

H. J. R. No. 16-4, ENTITLED, “TO CREATE A JOINT FOCUS GROUP WITHIN THE LEGISLATURE TO STUDY THE GUAM MILITARY BUILD-UP AND TO HELP PREPARE THE COMMONWEALTH FOR THE MILITARY EXPANSION IN THE MARIANAS.

S. J. R. No. 16-7, ENTITLED, “A SENATE JOINT RESOLUTION CONGRATULATING PRESIDENT-ELECT BARACK HUSSEIN OBAMA II ON HIS ELECTION AS THE FORTY-FOURTH PRESIDENT OF THE UNIFIED

STATES OF AMERICA,” WHICH WAS ADOPTED BY THE SENATE ON NOVEMBER 6, 2008. (SEN. COMM. 16-96)

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to adopt H. R. NO. 16-63, the Micronesian Chief Executive Summit this is basically congratulating them and encouraging their summit.

The motion was seconded.

H. R. NO. 16-63: RELATIVE TO ENDORSING THE STRATEGIC DEVELOPMENT PLAN FOR THE ESTABLISHMENT OF THE MICRONESIAN CENTER FOR A SUSTAINABLE FUTURE, AND ADMINISTRATIVE, RESEARCH AND DEVELOPMENT CENTER FOR THE MICRONESIAN CHIEF EXECUTIVES SUMMIT AND THE MICRONESIAN PRESIDENTS’ SUMMITS.

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

Representative Sablan: Thank you. I just received this Resolution this morning Mr. Speaker. I just wanted to ask for a few minutes before we vote.

Speaker Arnold Palacios: One minute recess.

The House recessed at 10:43 a.m.

RECESS

The House reconvened at 10:53 a.m.

Speaker Arnold Palacios: We are back to our session. Representative Sablan, I hope that was ample time for you.

Representative Sablan: Yes, I do support the overall Resolution. I just wanted to ask though, is this supposed to be a House Joint Resolution since the Be It Resolved clause is referenced the Commonwealth Legislature as a whole rather than just the House of Representatives?

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: I apologize, Representative Sablan, because they are meeting early next week we are trying to meet the deadline so that we can show our support to this worthy organization. If there is a reference in regards to and we welcome obviously the Senate to join us with this, but because of the time constraint, we will not have enough time to make it a House Joint Resolution. Perhaps we can ask the Counsel that if that was an inadvertently included in that to be removed.

Speaker Arnold Palacios: Let me ask the Clerk and the Legal Counsel to make those corrects. Legal Counsel is that okay?

LC Villagomez: No problem.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: If there is no objections from the members, I just found some typos and perhaps I can just go over them with Clerk after the session.

Speaker Arnold Palacios: I appreciate that. Ready for the question?

The motion to adopt H. R. NO. 16-63: Relative to endorsing the strategic development plan for the establishment of the Micronesian Center for a Sustainable Future, and administrative, research and development center for the Micronesian Chief Executives Summit and the Micronesian Presidents' Summits, was carried by voice vote.

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you again, Mr. Speaker. A motion to adopt S. J. R. NO. 16-7 in reference to President Barak Obama.

The motion was seconded.

S. J. R. NO. 16-7, entitled, "A Senate Joint Resolution Congratulating President-elect Barack Hussein Obama II on his election as the forty-fourth president of the United States of America," which was adopted by the Senate on November 6, 2008. (Sen. Comm. 16-96)

Speaker Arnold Palacios: Discussion on the motion? Ready.

The motion to adopt S. J. R. NO. 16-7, entitled, "A Senate Joint Resolution Congratulating President-elect Barack Hussein Obama II on his election as the forty-fourth president of the United States of America," which was adopted by the Senate on November 6, 2008, was carried by voice vote.

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to adopt H. J. R. NO. 16-4 in reference to the joint group on Guam Military Build-up.

The motion was seconded.

H. J. R. NO. 16-4, HS1 entitled, "To create a joint focus group within the Legislature to study the Guam military build-up and to help prepare the Commonwealth for the military expansion in the Marianas.

Speaker Arnold Palacios: Discussion on the motion? Ready for the question.

The motion to adopt H. J. R. NO. 16-4, HS1 entitled, "To create a joint focus group within the Legislature to study the Guam military build-up and to help prepare the Commonwealth for the military expansion in the Marianas, was carried by voice vote.

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to adopt H. R. NO. 16-64 in reference to the audit to the Washington Representative's office in order to wrap it up.

The motion was seconded.

H. R. NO. 16-64: Respectfully requesting the Office of the Public Auditor (OPA) to conduct a close-out audit of the Office of the Resident Representative to the United States for the CNMI before the term of the Resident Representative expires on January 2, 2008.

Speaker Arnold Palacios: Discussion on the motion? Representative Babauta.

Representative Babauta: Thank you, Mr. Speaker. Mr. Speaker, this is a very good gesture on the part of the House. However, if I may remind the members that the Washington Representative have initially, in the past, I believe two months ago have written to the Public Auditor and that of the Administration to initiate an inventory of the NMI facility in Washington, D.C. Thank you.

Speaker Arnold Palacios: Good observation. Representative Benavente.

Representative Benavente: Mr. Speaker, I would like to air out my concerns. That as with other government agencies and I know that the Washington Representative is a little different and that it is different now, because of the fact it is closing out. There are already procedures that require what we are asking the Public Auditor to do. I feel that we might be overstepping our boundaries in going and asking for something like this. I just raised that as an issue, as a concern that I have and I yield at this time.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Thank you. Just following up on Representative Benavente's concerns. I was particular concerned by part of the Resolution on page two. That asks that the Office of Resident Representative and the Executive Branch take no action until the audit report is complete. Perhaps the authors of the Resolution could explain that, but it seems to me that if the closing out is already underway and they already have procedures in placed and as Representative Babauta has noted they have already requested the assistance of the Public Auditor. What would be the necessity of this Resolution?

Speaker Arnold Palacios: Would the author like to explain? Representative Yumul.

Representative Yumul: I yield.

Speaker Arnold Palacios: And thank you for that statement, Representative Babauta. It is good to hear that the Executive Branch is requesting the Public Auditor.

Representative Babauta: Point of clarification.

Speaker Arnold Palacios: State your point.

Representative Babauta: It is the Office of the Washington Representative that did the request officially. And at the same time the Office also requested the Administration to initiate the dialogue with their office as to regards to the facility that is held entrust for the people of the Commonwealth by the Washington Representative.

Speaker Arnold Palacios: Thank you and those comments are certainly appropriate. I do not see the inappropriateness or unreasonableness of this Resolution. It is consistent with what the Washington Representative is asking and what the Executive Branch is planning to do. I think the gist of the Resolution, if I am not mistaken and the author can correct on this is, to provide for a full assessment of inventories of the assets that we have. The office is closing out.

Representative Babauta: Point of information.

Speaker Arnold Palacios: Go ahead, Representative Babauta.

Representative Babauta: I assume the mover and author of this Resolution, Mr. Speaker is, the fact that the Commonwealth appropriates for the office itself. I would assume that the Resolution is justifiable with respect to the Legislative empowerment of appropriation. Thank you.

Speaker Arnold Palacios: Thank you, for that clarification. Representative Hofschneider.

Representative Hofschneider: I think the question lodged by Representative Sablan alludes to the disposition of properties as reference in the resolving clause of the Resolution. If I recall in this Chamber in the discussion of the resources, the Secretary of Finance indirectly implied that, they have in fact asked for an appraisal on the property, the house itself that the Commonwealth hold title to in anticipation of making that decision whether to sell it or keep it. And that is the reference to that resolving clause is, to not do anything in the disposition of properties until the audit has revealed to the extent cost benefit of the Commonwealth.

Speaker Arnold Palacios: Okay, are there any further discussions? Ready. For the last time, Representative Sablan.

Representative Sablan: Well I did not hear from the author of the Resolution, as I requested for clarification on the take no action part of the Resolution. Also I wanted to just clarify some of the dates on this Resolution, on page one, the term of the Resident Representative. Does it in fact expire on January 2nd, and does the term of the new Delegate in fact begin on January 3rd? My understanding had been that those terms would expire and begin respectively on inauguration.

Speaker Arnold Palacios: Before I recognize Representative Yumul take a brief recess for change of tape. *(End of Tape 1, Side B)*

The House recessed at 11:03 a.m.

RECESS

The House reconvened at 11:03 a.m.

(Start of Tape 2, side A)

Speaker Arnold Palacios: We are back to our session. Representative Yumul, recognized.

Representative Yumul: Thank you. Resident Representative Tenorio had sent a copied letter to the Speaker, Wash. Rep. Comm. 16-5, dated May 14. Embedded within this communication he states that attached is a revised budget for the office representing the funds needed for operations from October 1, 2008 through January 2, 2009.

Speaker Arnold Palacios: So in effect, you are referencing that he will officially close operations on that date?

Representative Yumul: That is what I am to assume. The second is a Friday.

Speaker Arnold Palacios: Okay. Let me clarify that. I just got a note from the Legal Counsel, which says, Public Law 110-229 states, terms of Delegate commences on the 3rd of January after election. So it is consistent.

Representative Yumul: Right. Thank you.

Speaker Arnold Palacios: Okay.

Representative Benavente: Point of information.

Speaker Arnold Palacios: State your point.

Representative Benavente: On the first page where it says “January 2” it says “pursuant to Article VI, Section II, so if we are asking whether those dates are real dates, it is actually.

Speaker Arnold Palacios: It is I just stated that the Legal Counsel stated that Public Law 110-229 triggers the date. Ready.

The motion to adopt H. R. NO. 16-64: Respectfully requesting the Office of the Public Auditor (OPA) to conduct a close-out audit of the Office of the Resident Representative to the United States for the CNMI before the term of the Resident Representative expires on January 2, 2008, was carried by voice vote.

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to H. R. NO. 16-62: in reference to CDA and QC and LauLau.

The motion was seconded.

H. R. NO. 16-62: TO RESPECTFULLY ENCOURAGE THE BOARD AND THE EXECUTIVE DIRECTOR OF THE COMMONWEALTH DEVELOPMENT AUTHORITY (CDA TO DENY GRANTING ADDITIONAL BENEFITS TO EXISTING QUALIFYING CERTIFICATE TO SAIPAN LAULAU DEVELOPMENT, INC.

Speaker Arnold Palacios: Discussion on the motion? Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. I have House Substitute to replace H. R. NO. 16-62. Copies are being distributed at this time.

Speaker Arnold Palacios: Short recess.

The House recessed at 11:07 a.m.

RECESS

The House reconvened at 11:15 a.m.

Speaker Arnold Palacios: We are back to our session. We left off on H. R. NO. 16-62, Representative Yumul has introduced a House Draft 1 on this Resolution. Do I hear a second to the motion.

The motion was seconded.

H. R. NO. 16-62, HD1: TO RESPECTFULLY ENCOURAGE THE BOARD AND THE EXECUTIVE DIRECTOR OF THE COMMONWEALTH DEVELOPMENT AUTHORITY (CDA TO DENY GRANTING ADDITIONAL BENEFITS TO EXISTING QUALIFYING CERTIFICATE TO SAIPAN LAULAU DEVELOPMENT, INC.

Speaker Arnold Palacios: Discussion on the motion? Ready. State your clarification, Representative Benavente.

Representative Benavente: The motion right now is an amendment. After we adopt that amendment then we can go back into the discussion of the Resolution.

Speaker Arnold Palacios: Correct. Actually, I have seen different ways on that. If we adopt the substitute, it is actually over. (LAUGHTER) So we will adopt this and once it is adopted, it is over. I remembered a Resolution in the Thirteenth Legislature when you were in the audience and you cracked up when I was trying to object and the resolution had gone already. Discussion on the motion? Representative Hofschneider.

Representative Hofschneider: First, Mr. Speaker that is the problem with four Speakers on the floor. I think that the Resolution is singling out one developer and it is going to sort of microscopically put that developer in public scrutiny. However, I think that we need to get things into perspective, and that is, starting with the Legislature meeting and adopting or approving the lease itself beginning with that. And looking at the approved lease agreement for this company generated a lot of arguments for and against the somewhat appeared excessively low lease agreement. And on top of that, now we have

consideration for tax abatement through the QC (Qualifying Tax Certificate) all under one continued argument and that is, because this is an airline that owns the development that the tail end benefit is derived from them enriching the Commonwealth through more flights into the Commonwealth. And those are all emeritus in themselves, but let us not forget that the fundamental policy of Public Lands is still intact. And one of the highest consideration of the fundamental policy of Public Land is, the management and disposition is to hold the person or the body in charge of management and disposition of Public Lands to its highest fiduciary. When you have a raw land that was appraised, at 3 cents a square meter, and then you have a fully mature developed property that went through the Body here and through Public Land through a lease process that is far below the raw land value, and then on top of that you are trying to avail yourself of a Qualifying Tax Certificate. In the end, you ask yourself, you cannot separate and afford to separate the fact that Public Land is specific in purpose Airline Industry, Tourism Industry is a separate, however, enjoined and looking at a bigger picture it is the same. The fiduciary is on the Public Land side. Availing yourself of QC, the Airline should have come in and have done that. Looking at the rationale of this Resolution is pretty much summed up by saying hold on, we gave you a lease that is far below the raw land appraised value for a mature development that was sold to them, and then because of the expansion. Let us recall the Shimzu, the original owner, was required to build under the master plan that was adopted by this Body way back then, never did. Déjà vu, is what I can say, Kanpacific when the original lease was expiring they started to construct at the tail end of the lease, the Hotel. And they used that to convince the Body, the Legislature, to approve an extension of an additional fifteen years. That is still within the confines and the authority of the Legislature and Public Lands, the problem with that notion and understanding is, the people have lost the benefit. It is not only on the land lease as prescribed in the disposition and management of fundamental policy of Public Land, but the derivatives of a business proposing to, from the get go Hotels, all these windfalls job opportunities, suppliers, consumers, this spinoff was the problem. For twenty years the CNMI people lost the opportunity only at the tail end of the lease. So Mr. Speaker, I think that there is a bill coming up I believe, and I know some were lobbying to get moving I believe it is coming out of Commerce, I will support that bill. But we need to make a sense of it all, what has the QC impacted to the General Fund, nobody in this room has a clue. How many have received? What is the total tax impact to the General Fund? We are scratching our head whether to take the rebate and balance the budget, provide for a Austerity Friday's and Holiday's to balance the budget, whether to shutdown certain small Agencies and Programs to balance the budget. And on the left-hand we are giving a freebie of 100% abatement. What kind of economics are we talking? Thank you, Mr. Speaker.

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

Representative Benavente: Thank you, Mr. Speaker. Representative Hofschneider said that, this Resolution is singling out one investor. It really is not, because the message here is even stronger than the wordings in this particular Resolution. And that message Mr. Speaker is, how do we deal with investors. Are we being consistent? Especially in these times of economic hardship where we really need to be finding ways to entice, invite to bring in investors. Especially investors like, KUMHO, Asiana Airlines has been and will make a major impact in our Tourism Industry, our only industry in the Commonwealth that is our economic lifeline. The message is that, we are not stable, today we offer the QC, tomorrow we are telling the Agencies, no. We should not be doing that. That message should not come out of this Body. One of the things that I have learned recently, with the investment of the LauLau Bay is that in their plans, not only are they planning to build this multi-story hotel facility, but

there are also plans to build Villas around and make other improvements in the Golf Course Resort itself. Where then we can invite some of the Asian Tournaments here so we can have those events here. Those are very important Mr. Speaker, and if granting the incentive (QC) that is asking for by the company that would bring us that, then I say, we should do it. When the QC was enacted, it has a process, it says, that the Department of Finance or Revenue and Taxation review the proposal, come up with the numbers, the CDA Board will review these numbers and come up with a recommendation for the Governor. A recommendation for the Governor, Mr. Speaker, that itself, tells us that it is not just about numbers, because it cannot be about the numbers. If we are so concerned about abatement and the fact that we are going to lose money, but losing money from what? If those Villas are not going to be built, where are we losing money? If those investments do not come, where are we losing money? Even if we did not collect BGR (Business Gross Revenue) Infrastructure Tax, Excise Tax and yet we build this Hotel, where the Asian Airlines in this case fly in at this point, eighteen flights per week that would help the Hotels, restaurants, the tour industry, and the economy. I think that is where there is some misunderstanding, in whether we are losing out funds here that we could be providing in our revenue and budgeting to our public service, but it is not. There is the reason that after careful consideration by the CDA Board who makes this recommendation to the Governor is because and the Governor now has to make that tough choice at some point, some risky decision. That is what he is elected to do is to make risky decisions in which he feels he needs to bring in and invite in these investors and developers. Again, Mr. Speaker, my biggest objection to this Resolution is the message. We have had issues in the past of federalization or losing Immigration and the unstable situation locally and other things that has faced us and that has challenged economic development in the Commonwealth. This I would say, would be another challenge for investors by passing this Resolution, I ask the members, let us not. Thank you.

Speaker Arnold Palacios: Representative Hocog.

Representative Hocog: Thank you, Mr. Speaker. Today is Thursday, correct, and probably Mr. Speaker, it is good to change the food of deliberation this morning in respect to this Resolution and I opt at this very moment Mr. Speaker, to speak in my native tongue and the experience that we have encountered and fail by such an investment opportunity. *Pues taiguini esti Mr. Speaker, hinasso-ko na gi anai i developmenton i LauLau. Anai manman-guifi para u ma fahan i developmento gi tatte, guaha mas guinifi-niha nai para u ma na mas bonito, ma na gatbo i lugát anai ma entensiona para u ma na fan flores mas kuationo nai para u kineni magi i bisita. U mega esti Mr. Speaker na bai nai, na hita i taotao Marianas yan i lehislatura meggai tiempo yan beses na ma na fan setbi dangkulo na kunsidarasion pot i entension ni tafan la'la' gi bandan i turista. Seninbatgo Mr. Speaker, i esperensiao anai ma guifi esti ni ma na mas gatbo yan u mas dangkolo i developmento gi tati gi LauLau i mina Kinsi na Lehislatura ma suppotta talo arendun tano. Yan ombres guaho esta pago na ora u kuekuesion i valedatña iyo na apruebasion i Lehislatura. I guinifi, Mr. Speaker nai ni para u ma chule' i developmento ile'lek-hu na i kompania esta guaha ma disidi kuationo developmento para u ma enfusa halom ya ti ma ekspek-ta na para u fan man gaogao mas misirikotdia ki esta i manmakubre ginen anai ma gaogao i arendo para po ma ekstendi talo kurenta años. Gi pago na tiempo ta sapopota developmento para po fan man ayuda gi halom Marianas, lao debi lakkue Mr. Speaker gi hita ta komprende na maila tafan a'ayuda yan taimanu iyo ilekña i atkadi Luta na estaba i tilipas loddo' mampos ma na haspok hit nai, lao nai mu a'apan i hanom siempre i tilipas loddo' en'aire yan umesgen sampa'pa yan u malak i tilipas dalalai. Pago na tiempo, o Mr. Speaker nai, debi ta komprende na i man'ma ayuda esta siha i esti na developmenti man'ma gaogao dibidi ta chule' un pati para hita yan*

un pati para siha. I arendun i tano i 'le'lekhu mampos esta i publiko manñgekuentos pot sigi'hit'ta man man'na'i aprebasion arendo ya i natibo man ma'madede'si sa ti ma go'gosa enao siha na'mingag'ni i tres oriu na iyota guini gi tano ni po fan la'la i natibon esti na kominidat. Ti hutungo hafa mas ma ke'ke gaogoa, loa hu sapopota Mr. Speaker, i po fan man ayuda i investor anai para u na la'la i ekonomia nai. Megai man ma'sangan na yangin ta na'i esti siha na'aprebaleho ha konihit magi mas megai na benifisio lao, tiempo yan tiempo Mr. Speaker, malo'fan esta pago ti ta li'li'e esti siha i man ma'antisipant na min'naoleg para hita nai. Siña i po fan man ayuda huggan man'man ayuda lao debidi ta atan lakkue, Mr. Speaker yan members, kuantu esti na ayudu ha intrega guatto i tano yan i taotao, ko balansia? Sa ombres i fuengkas i Marianas pago ti na ke'ke balansa sa ti balansa gi nisisidat yan i gui naha para ta distribute huyong gi prinsipat siha na dipattemente yan i eyensia ni para po asetbi i kominidat. Guiya esti siha Mr. Speaker, nai iyo i yin checho yine'-asi gi hinengin giya Marianas na memegaiña man gaigi hinengin Katolisismo rilihon Katoliku yan ma na takfina i yine'hasse yan mina-asse ki para u ma hasso i hafa para u patmadesi na pinadessi. Pues ile'lek-hu nai na yangin esta ma na'i gi pago esti na desarrollo ramentaña para u na la'la gue, hafa mas na ramenta ha'hanisisita para u na la'la gue mas. Lao gi lina'laña ko mangaigne hit na man a'angkas para tafan hita la'la o se'a guiya-ha po la'la yan munga-ha nu hita nai, Pues esti gui debidi-ta balansia esti Mr. Speaker. Anai ma na'i nai i setifico nai po na kulifika para u ayuda mas i desarrollo guini gi tano-ta ma-intrega kontodu i mon-hayan esta desarrollo ma-chule' yan kontondon iyo engklusio ma na'i para en ayuda i nuebu na desarrolloña para u munga-nao famadesi mas. Yangin ka'da-ta chogue esti tafa'ba'ban ma-mai'sa hit. Yangin tafa'ba'ba-hit guini ni en famati'tinas disision tafa'ba'ba i taotao ni ta represe'senta. Pues hafa malago-ta para ta sigiha-hit ha man'ma na'i misirikotdia ya ta sigiha-hit mona ña'lang i tilipas dala'lai asta-ki anglo' yangin anglo' Mr. Speaker siempre guaha malak i dialysis. Ya i'le'lek-hu i ostisia guini i bai en ayuda-hao esti ni mon-hayan ma na'i hao ni mala'gomo ana'i en-disidi para un fato magi hafa mohon pago un siña en ayuda ham? Bai hu chule' eksperensiao Mr. Speaker yan members gi Rota Resort. Ha'taka yo iyo na project ginen hu tu'tuhon kuattro años Mr. Speaker antes di ma guadok fondasion i desarrollo ha'taka talo yo dos años i media ginen matu'tuhon para u mana funa'yan. Yan gi enao na tiempo Mr. Speaker i para u fan-nangga' i desarrollo kuattro años na para u sigi-ha mangasta gi tinisario esta mohon debidi u paketi gui yo suha. Lao i minetgot i sensia nai ni para u na guaha desarrollo ha sungon yan i hagon i hagas ni nanggaña ya ha na fun'hayan. Iyo na desarrollo Mr. Speaker, ti man gao'gao QC gi na tiempo, guiya man na'i halom ayudu para po fan ayuda gi halom i komunidat. Esti gui mohon ta ekspe'pek-ta pago nai. Na gi hulo' i mina'sapet i makkat na pinadesi giya Marianas u ekspepek-ta esti man dangkulo kompania na ilek'ña na meggai' salape-niha yan ma'ayek i tano Saipan na para po fan la'la' i business ni para po fan ayuda debi mohon Mr. Speaker, adiset di-hita tafan na' na'i mas misirikotdia debi mohon u alok esti-gui pot i man yu'asse' miyo bai entriga hamyo esti-gui para bin fan ayuda gi Marianas ni po fan la'la' i taotao. I le'lek-hu na nisisariu tafa-tinas disision anai para guaha kabales na libettát en a'ayuda. Yangin para ta pati simenteyu esti Mr. Speaker talo' i kada hago, hago, guaho, man ñalang i taotao Marianas ti chago'go'. Pues impottante na ta kunsidera lakkue ayuda na ha imeresi lao debi ta na tákkilo' i hafa esti na ayudu para u bira tati gi halom esti na komunidat. Si Yu'us Ma'ase'.

Representative Hofschneider: Point of clarification.

Speaker Arnold Palacios: State your point.

Representative Hofschneider: Yes, Mr. Speaker, *hu saluda iyo i amigo-hu nu si Representative Hocog. Kumekelekña Mr. Speaker, iyo i ti siña ta li'e benifisio publiko yangin bula man daflok gi ureya.*

Speaker Arnold Palacios: Okay. Representative Santos.

Representative Santos: Going back to the Resolution. I do understand where Representative Yumul is coming from and we did discuss this in length even in Rota. But I am still not convinced that a House Resolution is the best way to approach this. Just to inform the Chairman, Representative Yumul that, I have a draft bill with CDA to revamp or overhaul the Qualifying Certificate Program. And if we can hold on to that and ask the good Representative to withdraw his Resolution or leave it on the Calendar preferably with withdraw it and work with me on this draft bill. I know that there has been some sort of impropriety of influence by the Administration with regards to amending LaoLao Bay Gold Resort's contract. And my draft bill intends to alleviate as much as possible such improper influences from anybody. Also the intent of the bill is to depoliticize the review and the approval process of applicants for the Qualifying Certificate and with that I hope Representative Yumul withdraws his Resolution. Thank you.

Speaker Arnold Palacios: Are there any more comments? Representative Salas.

Representative Salas: I would like to put my two cents in to and I applaud Representative Santos for initiating this draft because I believe I will support that. There is no doubt that our government was very generous in giving Kumho Holdings Company I guess a great deal when it comes to the land lease. I believe that paying five or six cents a square meter is unheard of in the real estate business. However, I believe that the rental of the public land increases after the fifth year base on the value or the appreciation of the land. So I believe that the amount that quoted is not for the forty years...*(End of Tape 2, Side A)*

(Start of Tape 2, side B)

Representative Salas: Kumho Holdings Company Limited would bring to our Commonwealth. Mr. Speaker, I believe that so far they are holding their part of the bargain. They have almost completed a new clubhouse, Tower Condo is being constructed right now. In addition, their sister company, Asiana Airlines, I believe has added three regular flights to its Korea-Saipan route and will launch a Saipan-Japan flights sometime in December. The three new regular flights from Incheon will result in an increase in the number of flights from four to fourteen times a week. And by the end of the year add additional four flights from Buson. On December 19, 2008, Asiana will launch its Saipan-Osaka flight service three times a week. That means by the end of the year Asiana Airlines will bring a total of, twenty-one new flights to the CNMI. Asiana Airlines will be using an Airbus 322 Airplane with a capacity of 177 passengers for the Japan flights. It is currently using the same airplane for its Korea-Saipan flight, but will change to a Boeing 767 with a capacity of about 250 passengers. Mr. Speaker, as you can see the increase in flights has the potential to bring in a substantial number of tourists. Even at a low factor of 75% per flight or 188 passengers, the CNMI can realize about 3,948 more tourists a week or about 205,296 a year. Imagine, if it was a 100% load factor we will be looking at about 273,000 more tourist a year in which it is greatly needed in the CNMI. I can see the author's point and concerns but I believe that at this point we should not adopt this resolution and send out a very discouraging signal to Kumho Holdings Company. I do not also believe that we should take part in

micromanaging the Qualifying Certificate program. By law, CDA was authorized to administer the program and make final determination as to what types of QC an applicant may have and give the recommendation to the Governor. It is then the Governor's authority to approve or disapprove such recommendations. I believe we should let CDA and the Governor continue what they are mandated to do and let us not interfere in the process. If the QC law is a problem then, let us amend it. Again, I am glad that Representative Santos is taking the lead on that. Thank you.

Representative Deleon Guerrero: Thank you, Representative Salas. Representative Sablan, you are recognized.

Representative Sablan: Thank you, Vice Speaker. I would like to echo my gladness to hear that Representative Santos is taking the lead on this bill. At our meeting with CDA last week, it was quite clear to me anyway that, the problem is not so much that we have an investor asking for reconsideration of these benefits but that the QC program itself does leave such room discretion and for undue political interference. So the larger problem is not this one investor, but the government sending mix signals. The CDA Director and the Analyst who attended this meeting did say, that they have, on several occasions now, recommended improvements to the statute itself that would remove the room for discretion that presently exist in the regulations. There are regulations now that provide guidance in terms on how benefits should be calculated for each individual investor. But those regulations are apparently routinely ignored and at this time for this particular investor's request. CDA cannot even modify the QC until and unless it adopts new regulations and so the problem that I see is that, they are in fact proposing new regulations to accommodate not just this investor but any future QC recipients. So this could potentially open the flood gates. I am very encouraged that there is a bill in the works now being developed with the staff of CDA that would remove what is really the largest problem here which is that, political interference and political discretion. So I would like to ask that we not act on this Resolution that it either be referred to Committee or withdrawn and that we work on amending the statute instead to really fix the problem which is, with the QC Program itself. Thank you.

Representative Deleon Guerrero: Your welcome. Representative Babauta.

Representative Babauta: I will yield.

Representative Raymond Palacios: Thank you, Mr. Speaker. I will just make it very short. The money that we earn within goes back to the coffers, right, but only some, not all, because some of them would definitely exit the CNMI going to other countries, mathematically this is decline in revenue. The money coming from the outside will compensate for the shortfall and probably even more. We are not only talking about one company here, we are talking about a company that is sister with an airline industry. An industry that is responsible in bringing in tourist which is what the CNMI really needs and in fact this is our main that we can generate revenue. We may not be bringing the expected revenue at this point in time, but I believe in the long run once the ball starts rolling I believe that we will be generating a much better revenue and consistently. I also believe that if we can hold this off and wait for the substitute I might also support it. Thank you, Mr. Speaker.

Representative Deleon Guerrero: Go ahead Mr. Speaker.

Speaker Arnold Palacios: I will yield to my junior colleague.

Representative Deleon Guerrero: Representative Ralph Torres.

Representative Ralph Torres: Thank you. Just real quick as to the reduction of lease agreement that Representative Salas have mentioned. Just calculating the \$280,998.00 per annum less than what the original rental is. You calculate that and times it by 40 years that is without the 5% increase every five years or whatever the increase is, \$112 million just on the lease agreement itself. Forty years, correct, per annum, a savings at \$280,000. So you times that and forty years, that is \$112 million, so is that not a savings for the Corporation itself? So that is one thing, and if you are going to take five cents or six cents per dollar that is our land. I think that in itself should be more than sufficient but at any rate they have approved the \$18 million of CDA's QC and I would like to see this Resolution go forward and I support this. Thank you.

Representative Deleon Guerrero: Thank you, Representative Ralph Torres. There is no one else, go ahead Mr. Speaker.

Speaker Arnold Palacios: Thank you. I really was not incline to speak so much on this particular Resolution but, being a member of the Fifteenth Legislature which approved the overarching lease agreement I personally feel compelled to come down from that podium up there and share my thoughts. It was one of my most difficult decision that I have ever made in this hall was the approval of the Kumho Asiana lease. I struggled with that decision up to the minute that I voted, a lot of us struggled with that decision. I questioned at the time, whether or not this was even valid even a constitutional lease, notwithstanding the advice of counsels that it was I had my own opinion then, so I struggled. In the end, I decided to vote for the approval of the lease because I wanted to see the benefits. I remember a very compelling letter from MVA (Marianas Visitors Authority), the day before the Joint Session, which states, that Kumho Asiana would generate \$23 million of tax revenue immediately in 2008 after we approve this lease. That was a compelling argument for the approval of that lease. Representative Torres and many have quantified how much really we have given up. We did give up quite a lot to accommodate this. Here is a fully develop piece of real estate with a 36 Hole Golf Course that was at fire sale. It is a fully developed and one of the best in Micronesia if not the best in Micronesia, it went for \$17 million and then we approved what was then a twenty-seven years remaining on that lease of a forty-year lease, wiped the slate clean and gave this company a forty-year lease. If we are going to talk about concession that is the biggest concession that I have ever made it is a huge concession not just because of the economic issues the fiscal or financial issues but because I had basically voted to extend a forty year lease into a eighty year lease. These concessions about airlines and passengers, those concessions were made when we were going to approve this original lease, that was the whole selling point and I am sharing that with you I also, am not against development, far from that. But the Qualifying Certificate or any tax incentive or tax abatement in any community in this country must insist on a tangible benefit to its community be it employment opportunities, economic spinoffs. I am afraid that our Qualifying Certificate is just a farce it is a fallacy. The statute under which CDA is guided to issue Qualifying Certificates, which is tax incentives for any investor, says that, CDA recommends objectively, by the way, as far as I can remember, CDA is still an autonomous agency it has not been E.O. so it is still autonomous, that is submitted to the Governor and the Governor either approves it, disapproves it, and the applicant either approves it or disapprove it. The last I know all three party has signed off to the \$18 million tax incentive that CDA had originally given them. Low and behold, a month later the same investor said, no, we want our \$27 million instead of our \$18

million. I guess the final figure now has come down to \$22 or 24 million somewhere in between there. This is not the first time investor that did not get what they asked for originally, but because the investor had signed off on that agreement it is bounded by law, by the Qualifying Certificate statute, that is an agreement. What Representative Sablan had stated that we had a meeting with CDA, they are in the midst right now of amending their statute to accommodate modification to an issued Qualifying Certificate, that is where we are. We are basically tailoring the Qualifying Certificate for one investor. You know the Hyatt Regency asked for a Qualifying Certificate when it expanded, but there because there was conditions that they did not agree with that was imposed in the Certificate they decided not to sign off on the Qualifying Certificate. You do not have to open up the paper today it is smacked on the front page, that original investment package to which I voted on in this Hall of Congress calls for two Towers of what was then a condominium now it is called, GolfTel and all original proposals that we read today have been drastically scaled back. It is ironic that while we are struggling physically and financially in the Commonwealth what we agreed to last year, at that worth, and what is transpiring today, regarding this Qualifying Certificate is, inverted. We were assured a level of investment, and we gave them a Qualifying Certificate at \$18 million. Now, it is obvious that the investment is going to be drastically reduced but they want a higher incentive. So that is inverted, it is something, and I agree that we should look at the Qualifying Certificate issue. In fact, we have several legislations, one just wanted to suspend the whole thing. I am not going to try to sway you one way or the other, I have been on both sides of the fence. I made the decision last year to approve the Kumho Asiana lease at a discounted price for forty-years under certain circumstance and conditions. I have no regrets, although, I continue to question myself about that decision. I do not have any regrets because when I made the decision it was based on a objective concept that I believe was in the best interest of the Commonwealth, well, it is rapidly changing today. Thank you.

Representative Deleon Guerrero: I recognize Representative Quitugua.

Representative Quitugua: *Mr. Speaker, yangin ti para u ma recall esti na Resolution nai, pues kumo ti man inistotba i members sa esta lunchtime yahu lakkue sumang'ang dididi' opinion-hu pot esti na Resolasion. Mr. Speaker, desde i Katosi na Legislature iyo siha na man gaigi guini desde Katosi, Kinsi pago' desde iyo-gui na tiempo, ma diskuti ko para u ma amenda i QC pat para u ma na'i tiempo ni para u ma li'e ko macho'cho' o pat ahe'. Anai mato esti i LaoLao Golf Course na lease magi gi Legislature, anakko' esti debati para hu gi kometi upiñon man ma faisen huyong taigui-hi i Chamber of Commerce, i Marianas Visitors Authority, yan otro siha na agencies man ma kondukta lakkue public hearing yan guenao na tiempo Mr. Speaker mampos i suppottasion metgot anai po ma na'i esti na kompania suppottasion yan u atkila i tano publiko giya LaoLao. Kumo mohon man sabio hit guenao na tiempo yan tatungo' na esti man dangkulo na kompania siña u inefekta i salape niha gi stock market iyo gui siempre ni ta hala i break ya ta alok ko yangin ta na'i esti ni para u hatsa esti na kontidan development ti po gusta esti kontidan miyon ya poddong i Stock Market ya inafekta hafa para ta chogue ko para ta klabo esti na kompania guato pago gi acho' laulau ya ta kastiga pot tumonok i salapeña gi Stock Market ya ti siña esta para haksa i hafa ilekña para u haksa gi na tiempo anai ni ma'mamaisen suppottasion. Todos hita ta komoprende na ta nisisita i salape lao Mr. Speaker anai ma pasa i QC ta na'i opttunidad iyo siha i man inafekta na kompania ni po fan halom gini para u ma na setbi hafa na opttunidad siña ma chule gi QC gi presenti na lai. Pues esti na kompania inigui pago bidadaña i po na setbi esti na akto ni para u fañu'le mas ganansia. Ya komo mohon man sabio lakkue iyo i Twelfth Legislature nai ni para u masusede' esti gi Stock Market ilek-hu benti na ti ma pass i QC benti ti ma intrudusi ha i QC lakkue, lao taya nai tumongo' na para u taiguini i Stock Market ombres Amerika na*

gobietnamento i mas riko gi todo'do i tano, man ma'dedesi pago. Hita guini man ma'mancha' hit gi pinadesi ko yangin ta tituhun u malok basta hit sumoppotta esti siha na kompania espeiatmente pago i man gaigi ya ilek'niha pues basta ham lakkue ombres siha munga siha. Ko pat tafan ma'madesi mas pat siha ha po fan ma'madesi. Esti gi debi Mr. Speaker ta atan ko guaha benifisio para u halom gini gi tano'ta gi gobietnota maseha didi'di kine uttimonña ni tilipas dala'lai taigui mahetdot todú yan humoyong cancer yan ma'ma bola sa taya humolom, ni i manglo' ti siña esta humalom. Tinian, Mr. Speaker, man nan'nangga, man inafekta lakkue siempre Tinian gi hafa i disision ta pot QC ya si Representative Aldan benti mas tumungo nu hafa pusision'ña esta i developer giya Tinian, hafa esta ma'a'atan para u ma faisen yan ko para u ma konsigi lakkue iyo oriyinat na minalago niha ni man mamaisen para u fan man ayuda para u ma develop iyoña investment giya Tinian. Taya iyota control ni esti i stock market ha palai' hit mano siña, i gobietnota diki'ki, menos taotao ta, chago'go hit ni man gaigi kontra i fuenkas siha. Mr. Speaker, yahu na bai hu faisen lakkue i author ko siña ha susteni esti na Resolasion ya ta fan ma laknos iyo siha na legislation ni man pe'pending pot QC yan maila ya ta atan sa yangin i lai problema maila ya ta arekla i lai. Sa gi prisenti taya problemaña esti i Kumho, ti guiya i problema ha na se'setbi i lai. Anai ha le'i na hulat gui gi lai hu'malom ya po chule anai mano siña ha chule sa ile'lekña i lai na siña ha chule iyo na kantida. Hafa ta fatinas pago pinalai Tinian ya tu tungo hafa Tinian para u ma'chogue yangin pinalai Tinian man pinalai hit lakkue todo magi. Pues Mr. Speaker talo un biahi bai hu faisen i author ko siña ha susteni esti maseha gi Calendar ya ta laknos iyo siha i man ma introdusi or man na fan dañá kontodo iyo siha para u ma introdusi na legislation pot i QC ya ta atan ya maila ya ta arekla once and for all ya ta na maolek kosaki i man ma'maila or i man ma a'atan yan man ma ha'hasu na investor ginen hiyong ni para u fan hanao magi u fan trankilo na guaha esta areklo yan taya para u inafekta gi talo'lo ni esta ma chochogue mona i hafa para u ma chogue guini gi ya i Northern Marianas. Si Yu'us Ma'ase.

Speaker Arnold Palacios: Thank you. Short recess.

The House recessed at 12:24 p.m.

RECESS

The House reconvened at 12:54 p.m.

Speaker Arnold Palacios: We are back to our session. I now recognize the author of the Resolution, Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. The concern here is obvious that the program in itself is very problematic. Going over the years that QC's has been awarded there is no direction, it is just up to whoever is in a controlling position within CDA and also who is the Governor. When I reviewed the QC that are in effect to date, there is no equal logic applied in either one or another of the QC...

Speaker Arnold Palacios: *Un ratu ha, one second. (End of tape 2 side B)*

The House recessed at p.m.

RECESS

*The House reconvened at p.m.**(Start of Tape 3, side A)*Speaker Arnold Palacios: Proceed, please Representative Yumul.

Representative Yumul: Thank you. The bottom line here is that, we are giving QC's to existing structures within the Commonwealth that have already been erected and because they want to add on the water park or put up a hotel in this case that they want a QC and they wanted for large amounts. I can respect that, but again it is deviating from the original intent. Rota, has not had a QC applicants since the inception of this program, there has been a lot of request for it, but no actual applicant that I know of. Tinian, has one applicant, and that applicant is also struggling. But if we look forward and these big businesses that claims to bring in millions are hurting can you imagine the existing smaller businesses that are on island, we have already seen an exodus of a sizable amount of businesses and there is no relief for them. I understand, Representative Quitugua has concerns about the world markets and the turmoil's. But this is the whole reason why the QC was put into place is to create a safe haven for these investors, that if the world markets are unstable you can come over here and invest and see an overall better return on your investment because certain taxes are going to be abated or refunded for a long period of time, up to twenty five years. PIC, Rota Resort, started bringing their own flights or organizing their own flights, that actually might even qualify for a QC because they are bringing in chartered flights, it is in there, but they have not asked for one. PIC is doing fairly well. Plumeria Hotel shuts down over a year ago, there has been a lot of concerns coming from management but the point is, that is a hotel that went down. Here we are giving QC to Laolao Bay when again, I was here in the Fifteenth Legislature, I too, had large pill to swallow but I was sold, on the promise of flights and revenue dollars coming in only for one fact, the lease. They wanted a new forty-year lease. They wanted a reduced lease payment term. And we gave it to them plain and simple that is tangible. I do not know why we are being sold on the same selling points, it is been used up already, Mr. Speaker, you had mentioned that, and which it is true that 2008, we were supposed to have seen a huge infusion through the so-called multiplier effect and the like, we have not seen that. Our own Retirement System is suffering in the world markets, we have not done anything for them yet. Even if LauLau Bay through Kumho Asiana is suffering our own Retirement System is suffering. That is a very paramount concern. That is why I am going to sit here and I am going to fight this tooth and nail because I will not allow anymore unnecessary leaching away of our precious revenue base it is pretty simple. I respect everybody's comments they are all justifiable, but again, it is really difficult for me as Chairman of Ways and Means and to see a QC get fumbled around probably against the law the way it was constructed it was supposed to be nonpartisan, straight forward applicant and CDA and autonomous agency. The reason why the Governor has to sign off before it is presented to the applicant is because, he needs to double check with the Department of Finance, the Secretary himself, on the impact. Because he will judge, whether or not the projections for the next fiscal year can be increased because of that future collection that may come in. Like some of us that have said, it was Representative Quitugua, we have attempted so many times since the Fourteenth and Fifteenth Legislature to try to amend the QC but it has not gone anywhere. Thank you.

Speaker Arnold Palacios: Representative Deleon Guerrero.

Representative Deleon Guerrero: I will not make it long but I do need to throw in my two cents as well. I will not repeat all the relevant comments that were made but let me just get to the point. I, myself in the during the Fifteenth, was struggling to decide when we were going to grant the lease and it was a very difficult decision but it was based on the information that was given, from the Constitutionality of the extension of the lease to the economic benefits that would be provided. I also feel sort of and I do not want to use the word deceived, but the rules have changed. When they asked for it they came here promising a lot. Then on top of the generous land lease deal on top of the extension of the lease on top of that, we knew, or at least I knew that they were going to be applying for QC. And that is the reason Mr. Speaker, I introduced the bill that this House passed and is currently sitting at the Senate to cap the QC. So that we can be generous but to a certain point. I believe that the QC should be used responsibly and that they should perhaps recover their expenses but not more than what they invested, which they did apply for it. I was hoping that the bill would pass before they came in and applied for their QC, unfortunately it is still at the Senate. And they were granted, Mr. Speaker, the QC. Now on top of that they are going to ask for more. Mr. Speaker, I do not think this Resolution can ought to be considered anti-development, I do not think that by saying yes to this Resolution we are sending mixed signals. We supported that project and it did receive the benefits that it requested. All we are saying here is similar to what we have adopted with that bill is to cap it at \$18 million. Also to send the message that the law should be followed and the law should not be circumvented. That is basically the two main points of this bill. They were granted QC benefits and that is it. We can continue to be overly generous and on the flip side of Representative Quitugua’s message of what kind of signals are we giving, the flip side is, we are also a CNMI that can give up everything. We allow benefits to be given and them some and maybe if you keep asking and we will keep giving, but when does it stop. I think that this Resolution is not negative. It will not send a negative message, Mr. Speaker. And as far as the additional benefits about flights coming in. Additional flights comes in if the demand is there, if the demand is not there, they can say they are going to bring in fifteen flights a week but if there is no demand that those seats would not be filled. So let us look at it from realistically and practically. Mr. Speaker, I have more to say but I will rest and let us go for the vote. I move to end debate.

The motion was seconded.

Speaker Arnold Palacios: The motion is to end debate and I think we are ready to vote. We had enough discussion and respect each other’s position on this.

There was a division on the floor to adopt H. R. NO. 16-62, HD1 the Speaker called for the roll.

The Clerk called the roll on the motion to adopt H. R. NO. 16-62, HD1, on Resolution Calendar:

Representative Edwin P. Aldan	yes
Representative David M. Apatang	absent (During Voting)
Representative Oscar M. Babauta	no
Representative Diego T. Benavente	absent (During Voting)
Representative Joseph N. Camacho	yes
Representative Francisco S. Dela Cruz	yes
Representative Joseph P. Deleon Guerrero	yes
Representative Victor B. Hocog	yes
Representative Heinz S. Hofschneider	yes
Representative Raymond D. Palacios	no
Representative Justo S. Quitugua	no
Representative Joseph C. Reyes	abstain

Representative Christina M. Sablan	no
Representative Edward T. Salas	no
Representative Rosemond B. Santos	no
Representative Ramon A. Tebuteb	yes
Representative Ralph DLG. Torres	yes
Representative Stanley T. McGinnis Torres	no
Representative Ray N. Yumul	yes
Speaker Arnold I. Palacios	yes

Speaker Arnold Palacios: By a vote of ten “yes” H. R. NO. 16-62, HD1 is hereby adopted by the House. Can we recess for about an hour and come back at 1:30 p.m.? Is that reasonably, an hour lunch? Before we recess, Representative Stanley Torres.

Representative Stanley Torres: Yes, I would like to let you know that House Legal Counsel Antonette and I will be at the Superior Court at 1:30 p.m. and might be coming back in late.

Speaker Arnold Palacios: Okay I will excuse you. Representative Hocog.

Representative Hocog: Mr. Speaker, I guess you have to excuse your three conferees for their final meeting today at 1:30 p.m.

Speaker Arnold Palacios: Temporarily, yes.

Representative Hocog: Thank you.

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to recess until 1:45 p.m.

The motion was seconded and carried by voice vote.

The House recessed at 12:24 p.m.

RECESS

The House reconvened at 1:54 p.m.

Speaker Arnold Palacios: Ready. There are some members that are going to be gone for a while away from the session. Representative Hocog, Representative Aldan, and Representative Quitugua are in a Conference Committee meeting regarding the budget. As you recall Representative Stanley Torres is at court again. So these members are excused. Floor Leader, we are under Resolution Calendar.

Floor Leader Camacho: That is correct, Mr. Speaker. If we can finish one small item. A motion to adopt H. R. NO. 16-65 in reference to small business taskforce.

The motion was seconded.

Speaker Arnold Palacios: Discussion? Ready. Representative Babauta recognized.

Representative Babauta: Thank you. I just wanted to clarify with the author did he purposely appoint himself to head this taskforce. I think it would be more prudent to allow the Commerce Chair to do this. That is only a comment, Mr. Speaker.

Speaker Arnold Palacios: Ready. Representative Sablan, recognized.

Representative Sablan: Thank you. Mr. Speaker. I would like to hear from the author of the Resolution about the necessity of creating it, an additional taskforce. We have, I think at this point already created two legislative taskforces. I know Representative Babauta was just commenting on the fact there is already a Commerce Committee that could take on these responsibilities and work with existing entities such as, SEDC, the Chamber of Commerce, and other organizations in the community. So I would like to here from the author as to the necessity of creating another legislative taskforce to take on this responsibility.

Speaker Arnold Palacios: Representative Yumul, recognized.

Representative Yumul: As you may not be aware the SEDC is a taskforce that was created by the Governor and they report to the Governor. We have no memberships in that taskforce and it is really designed to be going for economic activities that would better CNMI, but this is for an external coming in looking at long-term prospects and the like. This Resolution aims to create a more closely put together committee that will go in and attempt to arrest the failing businesses and get to the bottom of what is causing them to shutter their windows and close their doors. Most of the community at large that I have spoken to about this is that they just want to be a part of the commenting. They want to help draft certain legislation that can arrest or quickly aid them in the economic situation that they are facing as you know the world markets again are going down, credit is tight and we want to know what the Commonwealth can do to provide assistance to them that is within our powers. The reason why I chose this type of Resolution and I could have easily put together a taskforce through my own initiative as Chairman and issue out a letter to that effect, but this will help insure the people that our going to be on this small taskforce have the proper recognition. They are not asking to be paid they just want to be able to provide input in a few legislations that will be forthcoming. Thank you.

Speaker Arnold Palacios: Representative Sablan, you still have the floor.

Representative Sablan: Thank you. Well I guess I am also just a little perplexed by the structure of the Committee as well. The previous taskforces that were recently created by this Legislature were members composed jointly of both the Senate and the House and appointed by the presiding officer of both. But in this case it would be the Chair of the Ways and Means Committee who is also the author of the Resolution who would have the authority to do so. I guess I do not see why this cannot just be down within your own Ways and Means Committee.

Speaker Arnold Palacios: The way I see it is that he is asking for our blessing.

Representative Sablan: Okay. I mean I support the intent I think small business stimulus plans would be great but we can do that now without creating a taskforce.

Speaker Arnold Palacios: Alright, Representative Sablan, okay. Representative Apatang, recognized.

Representative Apatang: Thank you, Mr. Speaker. I guess there is no problem with the Resolution the Chairman of Ways and Means is not too busy. So I agree that he should Chair this so he can do some work. Thank you.

Speaker Arnold Palacios: Ready. Alright.

There being no further discussions the motion to adopt H. R. NO. 16-65 was carried by voice vote.

BILL CALENDAR

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: I think we are on the Bill Calendar, Mr. Speaker. If I can make a motion to pass on Final Ready H. B. NO. 16-109 reference to Military Relief Fund.

The motion was seconded.

H. B. No. 16-109: A Bill for an Act to establish a Military Family Relief Fund; and for other purposes.

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

Representative Babauta: Has the author officially introduce the substitute? Okay, thank you.

Speaker Arnold Palacios: Short recess.

The House recessed at 2:07 p.m.

RECESS

The House reconvened at 2:10 p.m.

Speaker Arnold Palacios: We are back to our session and we are under discussion on H. B. NO. 16-109 and I recognize Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. I have a House Substitute 1, on H. B. NO. 16-109. Does everybody have a copy?

Speaker Arnold Palacios: You are formally introducing a House Substitute?

Representative Reyes: Yes.

Speaker Arnold Palacios: Do I hear a “second”.

The motion was seconded.

Speaker Arnold Palacios: Is there further discussion? Ready? Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I realize that this bill has been on the Calendar for quite some time and as I recall the first time it was introduced I did say I supported the intent. But I would like to just point out that we adopted the Veteran's Cemetery Committee Report today, which would do one of the things that this bill proposes to do and I would like to bring that to the members attention which was to create the Veteran's Cemetery Revolving Fund. So I suppose when we take the bill itself up at our next session we should take care of that duplication. But I just wanted to clarify that there was some issues the first time that the bill was introduced that were raised with respect to the Veteran's license fees and the Support Our Troops fees. And presently the Veteran's license plates they are charging \$100, is that correct?

Speaker Arnold Palacios: Representative Reyes go ahead and answer.

Representative Reyes: Thank you. Mr. Speaker. I think it is a pretty straight forward bill. It does have an amendment to 9 CMC § 2116 and that is the increase of the fees. It is actually creating another plate the Support Our Troops and that fee would be \$100. Does that answer your question?

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Right. No, there are two we are talking about, right? It is the regular Veteran's license plate and so what this bill would do is double it from what it is now \$50 to \$100.

Representative Apatang: Point of clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Apatang: Mr. Speaker, for the Veteran's License plate is a different license plate. It is for those Veteran's who have served and can produce documentations like DD Form 214. That is the only way you can get that license plate. Now for this license plate (Support Our Troops) is different anybody can purchase it. You can buy one to show your support of the troops or anybody who wants to purchase besides the regular license plate. That is the difference.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Right. Okay, I understand that, but I am looking at line 16 with respect to the Veteran's license plate. Earlier in the year, we passed a law that raised the license plates for vehicles generally from \$25 to \$50. And if I am reading this correctly we are going to raise the Veteran's license plates one more time from \$50 to \$100 and then also create a Support Our Troops license plate and that would be new and that would also be a \$100. The reason I raised these concern is because, this is coming in the context of other government agencies. One, we just read about today in the papers the Department of Labor raising new fees again and causing another stir in the community because these things were not announced before hand. Like I said, I support the intent of this bill, but I am concerned about the reaction that this might create. Because we have already doubled the price of license plates this year with the previous Public Law and if other members share my concern I would like to hear that.

Speaker Arnold Palacios: Representative Hofschneider.

Representative Hofschneider: Mr. Speaker, if this is changing the license plate entirely and requiring people that will have a vehicle to have a license plate and we are demanding, then I totally agree with Representative Sablan. But this is by choice an option. If in your heart you can release yourself with \$100 to put at the back of your car the warmth of your heart to say we support the troops then it will cause you a \$100 to do so, but different from the regular vehicle license plate fees. So this is an option it is like walking up to McDonald's and you have the special for the week which is, a mini chicken sandwich, but you have in your pocket \$10 to spend for a Big Mac, and you are going to chose a Big Mac. But the rule is, this is a choice and an option for you to show your support. And there comes a price with that option and choice, basically is what the legislation is saying. So it is not mandatory on every one and those people who want to put a license plate are not being forced and asked to do so. It is your choice to show yourself and it will cost a \$100.

Speaker Arnold Palacios: As clarified. Representative Sablan.

Representative Sablan: Okay. So Representative Hofschneider has certainly addressed that concern. And then if I am also understanding the break down Representative Reyes, 25% goes into one account 25% goes into the other 50% would then remain with the general fund, that is the intent. Okay. The other thing I wanted to clarify and I think I raised this at the last time to and I am not sure if it was answered. Are families of military personnel currently neglected, is that what it is necessitating the creation of this new fund?

Speaker Arnold Palacios: Representative Reyes.

Representative Reyes: You know, I do not think any family has been neglected it is just that the families here are needing...*(End of Tape 3 side A)*

(Start of Tape 3, side B)

Representative Reyes: I guess you know why, part of this is intended for the cemetery. But I hate to say this Mr. Speaker, but you are not married are you? And if you are not married and do not have a husband or a wife that is deployed and you do not have three kids or what not, then it is hard to tell what kind of an experience one is suffering as one can go through. This is the intent in some ways that the families also, do not get me wrong, we get lonely, especially those that live in fear twenty-four hours a day because my husband or my wife is not here with me and I got three kids to raise. It is a military family relief bill that would provide assistance after their criteria has been established by the Executive Director of the Veteran's Affairs Office.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Okay.

Speaker Arnold Palacios: Representative Yumul, you have experienced that. Go ahead Representative Hofschneider.

Representative Hofschneider: Representative Benavente is telling me no. Joking aside, Mr. Speaker. I have been confronted by several families that the husband has been deployed and often confide that it is hard to seek a fatherly figure around and the support that they need just taking the son to the baseball practice or to the games and doing the chores around the house when the man of the house or even the wife is deployed. I think that if by way of this legislation it will create an outreach program for those individuals that have fathers or mothers deployed would really lessen the absence of the man of the house or the wife for the kids. I think that with a smirk from Representative Yumul, that is why he came back early. Thank you.

Speaker Arnold Palacios: Okay, Representative Sablan.

Representative Sablan: Just a final technical correction I would like to request. Just so that it is consistent that Military Family Relief Fund be used because this account is referred to in different ways. There is the family relief account, military families fund so I just would like for that to be consistent and if we could consider that a technical correction otherwise I am ready.

Speaker Arnold Palacios: Representative Sablan, could you be so kind as to see the Counsel afterwards. Thank you. Ready. Representative Babauta.

Representative Babauta: Thank you, Mr. Speaker, just some clarification here. Is this fund strictly for the Reserve Unit or it encompasses the entire CNMI residents whether you are mainland American, CNMI duly qualified in the active duty?

Speaker Arnold Palacios: Representative Reyes.

Representative Reyes: Yes, Mr. Speaker, it is intended actually for Reservist and National Guard members on the island.

Speaker Arnold Palacios: Representative Babauta.

Representative Babauta: Is there a section here that explicitly says so.

Speaker Arnold Palacios: Representative Sablan do you want to point that out?

Representative Sablan: Sure. I was just showing Representative Babauta Section 2 lines 12 and 14 that specifically references who this is intended for.

Speaker Arnold Palacios: Continue, Representative Babauta.

Representative Babauta: My initial question was, whether this is applicable to the entire active members of the armed forces, whether you are a Reserve or not.

Speaker Arnold Palacios: Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. It is for Reserve component of Armed Forces or National Guard and the ones that are called to active duty. National Guard or Reservist are not deemed

active members of the military they become activated if and when needed, that is when they come active duty.

Speaker Arnold Palacios: Okay. So it is for the Reservists and National Guards if we ever establish a National Guard unit here. Representative Apatang.

Representative Apatang: I want to put an amendment here somewhere where it will service all those families of members of the armed forces who are here in the CNMI and not accompanying their spouses.

Speaker Arnold Palacios: Let us take a one minute break so you can look into that.

The House recessed at 2:22 p.m.

RECESS

The House reconvened at 2:35 p.m.

Speaker Arnold Palacios: We are back to our session. Can we try to see if we can make a decision on this. Before we went on recess Representative Apatang was recommending some amendments. Representative Apatang, are you ready with your amendments?

Representative Apatang: Pass it as is.

Speaker Arnold Palacios: Alright. Representative Salas, recognized.

Representative Salas: Mr. Speaker, I just wanted to let you know that I am here.

Speaker Arnold Palacios: Alright. Representative Deleon Guerrero.

Representative Deleon Guerrero: Thank you, Mr. Speaker. I do not think anybody in this room opposes the intent of the bill, I support the bill. However, with all bills, if we are not diligent it could be subject to abuse. And while the intent is clear Mr. Speaker, that it provides for such assistance as, food, housing, transportation, and so forth, what I am concerned about is that without any clear language assistance could be given out even when the troops come back. And I think the intent of the bill is to support the family when the troops are away but nothing in here states that such assistance should be limited to when members are called to active duty. So I wanted to ask the Counsel to perhaps include language saying, that perhaps under Section 2 on line 14 after “September 11, 2001” something to the effect that “provided however that such assistance shall not be provided after deactivation of...something to that effect. So that they do have language providing for regulations but like I said if there is no language in the law itself saying that, this assistance is for when the troops are away and when they come back theoretically assistance could continue and I do not know if that was given to the author.

Speaker Arnold Palacios: I am not sure if that is correct because if you are on Reserve you are not activated when you get back. And this one is only for activated Reservist and National Guard.

Representative Deleon Guerrero: I understand, Mr. Speaker. All I am saying is you have money coming into this military family relief fund, right, continuously. And it is intended to provide assistance to families when their husbands or wives are called to active duty abroad for families that are here. Well when those active duty members served their tour they come back, I do not see anything that prohibits this family relief fund to continue to give assistance for utility payments or what. I am just saying it could be used for more than what it is intended to do. So without any clear.

Speaker Arnold Palacios: Okay, I understand. Representative Apatang, do you want to offer an amendment?

Representative Apatang: Thank you, Mr. Speaker. I do not think it is necessary that we put some restrictions on this bill. The expenditure authority is the Veteran's Affairs Office and I am sure they will establish a control as far as this relief fund is concern. Now, I do not think that they use this to pay for utility the assistance that we are looking at that can be given to the families whether they are back in the Reservist or back here. We do not have a National Guard so we have the Reservist here the assistance that they can assist the families that have kids that need hospitalization or something like that or food. These are the kinds of relief that we are thinking of and not utility payments that is besides the point. It is in there? We should strike out utility payments.

Speaker Arnold Palacios: Representative Deleon Guerrero.

Representative Deleon Guerrero: Before doing so, I want to get perhaps some clarity from the author if the intent is just that is to provide it to families when they are...

Speaker Arnold Palacios: Point of order.

Representative Deleon Guerrero: If that is the case then perhaps clarity should be provided. I do not doubt that who ever the Veteran's Office Officer is would probably put regulations that would state that but without clear guidance nothing prevents them either from.

Speaker Arnold Palacios: Okay, Representative Deleon Guerrero let me ask Representative Reyes. Can you provide some clarity to question? Is it your intent to perpetuate a relief fund even after the Reservist that have been deactivated?

Representative Reyes: Mr. Speaker, I do not have copy of my bill right now because it is being copied but I think Section 1 of the bill pretty much outlines the intent of what the bill is trying to do. There has been a lot of hardships especially I cannot say National Guards because we do not have that here but just in anticipation of it. But the Reservists the families that go through. I see this twice that the 442nd that got deployed when ever we got together down at the VFW it tears you up really just to see these families cry out for help not only that but especially for the kids.

Speaker Arnold Palacios: Representative Reyes, sorry to interrupt but the clarification that Representative Deleon Guerrero needs is that does these relief extend beyond being activated that is the question if not, then it is clear. *Iyo ha ni ma activate nai, iyo ha no? Yangin man matto tati esta ti* they are not entitled to that, correct?

Representative Reyes: Correct. That is intended because they go back to their private sector jobs.

Speaker Arnold Palacios: So clarified, Representative Deleon Guerrero.

Representative Reyes: But that would be promulgated by the Veteran's Affairs Executive Director. Thank you.

Speaker Arnold Palacios: Alright. We are spending a little too much time on this simple legislation. Representative Sablan.

Representative Sablan: Thank you. I just wanted to offer an amendment. I was noting during the recess with some of the members that we just adopted the Veteran's Cemetery Committee Report which, proposes to create the Veteran's Cemetery Revolving Fund and also to use the Veteran's Vehicle License plates that the fees generated from those plates for the Veteran's Cemetery Revolving Fund. I am concerned about conflicts that are arising between the language of this bill that we are debating now, and the bill that we are likely to be taking up shortly. I would like to offer an amendment to rectify any potential conflicts. If there is no objections, to delete on page 2 of the bill lines 14 through 18 and to renumber that accordingly. Also, what I would suggest is that perhaps the Support Our Troops license plate funds generated should just be used solely for the Military Family Relief Fund rather than divvying up 25% for the Relief Fund and 25% for the Veteran's Cemetery. Because what we recommended in our Committee Report was that all of the Veteran's Vehicle License Plates fees including the registration fees should be used for the cemetery. I like to ask that we keep that intent of H.B. 16-110, and then use the Support Our Troops License plate fees just for the Military Family Relief Fund if the author and the other members do not object.

The motion was seconded.

H. B. NO. 16-109, HS1

Page two to delete lines 14 through 18:

Section 3. Amendment. 9 CMC § 2116(d) is amended to read as follows:

~~“(d) Fee. The fee for the issuance of veteran license plate shall not exceed the fee charged for a similar license plate for the same class of vehicle be \$100. Twenty five percent of the fees shall be deposited in Family Relief Account and 25% shall be deposited in the CNMI Veterans Cemetery Revolving Fund.”~~

Speaker Arnold Palacios: Can you restate your motion?

Representative Sablan: On page two, delete lines 14 through 18 just to be consistent now with the other Veteran's Cemetery bill. And then also to just remove the creation of the Veteran's Cemetery Revolving Fund in this bill and allow for us to do that on H.B. 16-110 with respect to the Veteran's Cemetery.

Speaker Arnold Palacios: Discussion on the amendment motion? Representative Apatang.

Representative Apatang: Thank you, Mr. Speaker. Actually the bill that was passed this morning I believe it is that we are trying to secure some funding from the federal.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: For the Veteran's Cemetery, no, that is entirely locally.

Speaker Arnold Palacios: Representative Apatang.

Representative Apatang: It is a local bill? For the Veteran's Cemetery? But do you know how much money that the cemetery needs to be maintained?

Speaker Arnold Palacios: Short recess.

The House recessed at 2:45 p.m.

RECESS

The House reconvened at 2:50 p.m.

Speaker Arnold Palacios: Representative Sablan to clarify the amendment.

Representative Sablan: Thank you, Mr. Speaker. So this is a motion to amend H.B. 16-109, HS1, to delete references to the creation of the CNMI Veteran's Cemetery Revolving Fund. And that would include on page 2 of the bill Section 3, lines 14 through 18. And also on page 3 on the bill to delete the creation of the Veteran's Cemetery Revolving Fund and allow for 50% of the Support Our Troops License plate revenues to be generated into the Military Family Relief Fund.

The motion was seconded.

H. B. NO. 16-109, HS1

Page two to delete lines 14 through 18:

Section 3. Amendment. ~~9 CMC § 2116(d) is amended to read as follows:~~

~~“(d) Fee. The fee for the issuance of veteran license plate shall not exceed the fee charged for a similar license plate for the same class of vehicle be \$100. Twenty five percent of the fees shall be deposited in Family Relief Account and 25% shall be deposited in the CNMI Veterans Cemetery Revolving Fund.”~~

Page three:

To delete the creation of the Veteran's Cemetery Revolving Fund and allow for 50% of the Support Our Troops License plate revenues to be generated into the Military Family Relief Fund.

Speaker Arnold Palacios: Ready.

The motion to adopt the floor amendment offered by Representative Sablan was carried by voice vote.

Speaker Arnold Palacios: Ready for the question. Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. On page two line 26 the author wants to remove the word “Hafa Adai” and to replace it with “Support Our Troops” however that might not be necessary because it is already redundant. The ribbons on either side already says “Support Our Troops” the numbering is “SOT 001”. If you can recall if you ever noticed the Veteran’s License plate still has the “Hafa Adai” up on top and then just a inset down a couple of inches it says “Veteran” I think that would be more appropriate.

Speaker Arnold Palacios: Okay so what is your amendment motion?

Representative Yumul: The amendment is on page two strikeout lines 26 and 27. And then on page three renumber 3 to number 2. After the words on line 3 “Ribbons” remove the period and insert with the written words in inset “Support Our Troops.”, and also include “Support Our Troops” set below “Hafa Adai”. I so move.

The motion was seconded.

H. B. NO. 16-109, HS1, HD1:
Page two delete lines 26 and 27:

~~(2) In place of the words “Hafa Adai” the words “SUPPORT OUR TROOPS” in blue letters shall be substituted;~~

~~(3) (2) On the next line, centered on the license plate, will be the license plate number in blue color bordered on each side with yellow ribbons with the words in inset “Support Our Troops.” See the attached illustration.~~

Speaker Arnold Palacios: Representative Yumul that is a fairly extensive amendment. Minor? Are there any further discussions on that motion? Ready. Next time a bill comes up and it is not ready then we will have to put it back to the Committee. We have spent almost two hours on this particular bill. This is the Final Reading for this legislations. Discussion. Representative Tebuteb, recognized.

Representative Tebuteb: I really like to ask Representative Yumul to withdraw that amendment.

Speaker Arnold Palacios: Or at least repeat it. Representative Salas.

Representative Salas: I wanted to ask him to repeat it. If I understand him correctly he still wants “Hafa Adai” on top and below that will be “Support Our Troops” just shift it down, right. And then continue to have the “Support Our Troops” in the ribbon. So “Hafa Adai” will still be there.

Speaker Arnold Palacios: I guess we will just vote on that Representative Tebuteb.

Representative Tebuteb: I can vote on that.

There being no further discussion on the amendment motion offered by Representative Yumul was carried by voice vote.

Speaker Arnold Palacios: Are we ready? Clerk, please call the roll. We are voting on H.B. 16-109, HS1, HD2.

The Clerk called the roll on the motion to adopt H. B. No. 16-109, HS1, HD2, on First and Final Reading:

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

Speaker Arnold Palacios: With seventeen members voting “yes” H. B. No. 16-109, HS1, HD2 passes the House on Final Reading. Representative Yumul, I would like to ask that you get together with the Clerk to clarify and very specific with your last amendment, okay.

Representative Yumul: Yes.

Speaker Arnold Palacios: Representative Stanley Torres, recognized.

Representative Stanley Torres: Yes, Mr. Speaker. Can I ask the indulgence of the members that we go back to the House Communication. I have a statement to make that needs to be registered as a House Communication.

Speaker Arnold Palacios: Representative Stanley Torres, before we do that you know we have a fairly extensive bills on the Bill Calendar, I will allow it but I hope we do not go beyond the five minutes.

There being no objection on the floor, the House returned to the House Communication of today’s Order of Business.

Speaker Arnold Palacios: We are back to House Communication. Representative Stanley Torres, recognized.

Representative Stanley Torres: Mr. Speaker, I have distributed copies to all members a privilege statement for you and my colleagues here. This is regarding the nominated candidate for the Attorney General, Mr. Gregory Baka and his assistant Anthony Welch. I submit it as read in the Session. Thank you.

Speaker Arnold Palacios: Okay, without objection we go back to Bill Calendar.

There being no objection on the floor, the House returned to the Bill Calendar of today's Order of Business.

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to adopt on First and Final H. L. I. No. 16-4, CD1, reference to Article XII and extension of leasehold interest to 75 Years.

The motion was seconded.

H. L. I. NO. : A House Legislative Initiative to amend Article XII, Section 3 of Constitution of the Northern Mariana Islands in order to change the term permitted for transfer of a leasehold interest in private lands.

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

Representative Tebuteb: Thank you, Mr. Speaker. I know we have three members in the Conference Committee right now on Ways and Means and I was asked that when this Initiative comes up that we could have a short recess to have them be part of this very contentious and fundamental issue, if possible.

Speaker Arnold Palacios: What we can do is that we can call them when we are ready to vote? No? Okay. Short recess.

The House recessed at 3:00 p.m.

RECESS

The House reconvened at 3:01 p.m.

Speaker Arnold Palacios: Representative Tebuteb.

Representative Tebuteb: I have been advised by the Counsel to make a very simple amendment on the Committee Draft 1 and that is Section F.

Representative Benavente: Privilege, Mr. Speaker.

Speaker Arnold Palacios: State your privilege.

Representative Benavente: Mr. Speaker, members from this body and more importantly Representatives from the island of Tinian and Rota who has serious concerns with this issue. Has asked that they participate in this deliberation.

Speaker Arnold Palacios: Representative Benavente, I had asked the Sgt. at Arms to go fetch them.

Representative Benavente: But Mr. Speaker, I believe they should be allowed to listen to the full deliberation of this matter.

Speaker Arnold Palacios: Short recess.

The House recessed at 3:02 p.m.

RECESS

The House reconvened at 3:14 p.m. (End of Tape 3 side B)

(Start of Tape 4, side A)

Speaker Arnold Palacios: Representative Tebuteb, you had the floor before we went on recess. You were saying something about the Legal Counsel. Short recess.

The House recessed at 3:45 p.m.

RECESS

The House reconvened at 3:45 p.m.

Speaker Arnold Palacios: We are back to our session. Representative Tebuteb, recognized.

Representative Tebuteb: Thank you, Mr. Speaker. This is just a technical matter that the Committee overlooked. It is on page two of the Initiative, CD1, that is Article XII, Section 5, line 19 and 21. Just leave the "fifty-one" but we need to leave the "one-hundred" and have that strike that out to indicate that it was amended.

II. Article XII, Section 5 of the Northern Mariana Islands Constitution is hereby amended to read as follows:

"Section 5. Corporation. A corporation shall be considered to be a person of Northern Marianas descent so long as it is incorporated in the Commonwealth, has its principal place of business in the Commonwealth, has directors ~~one-hundred~~ fifty-one percent of whom are persons of Northern Marianas descent and has voting shares (i.e. common or preferred) ~~one-hundred~~ at least fifty-one percent of which are actually owned by persons of Northern Marianas descent as defined in N.M.I. Const. art. XII, § 4. Minors, as defined by applicable laws of the Commonwealth, may not be eligible to become directors of a corporation. No trusts or voting by proxy by persons not of Northern Marianas descent may be permitted. Beneficial title shall not be served from legal title."

Speaker Arnold Palacios: Okay, that is technical. Is that all?

Representative Tebuteb: On that, should I do it in a motion or just leave that as technical.

Speaker Arnold Palacios: Okay. Is everybody clear with that technical amendment? Okay. We will just insert the one-hundred and cross that out to show that is where the changes were made. Discussion on the Initiative itself. Representative Tebuteb, you still have the floor.

Representative Tebuteb: Thank you, Mr. Speaker. I would like to summarize on what the Committee did with regards to this Initiative. As you, all may know there was also a Senate Initiative authored by Senator Crisostimo that was referred to the Committee. It was offering 55 years to 80 years and included Section 3 that we are looking at. So what the Committee decided to do was to merge it. We have also explored the fundamental provisions of Section 805 of the Covenant and that is the mutual consent agreement relative to the land restrictions. What we have also carefully looked at and there are a number of things. Which is, what it also “explicitly expressed” in that section that it is “entirely up to the people of the CNMI” the responsibility of determining. And put in three basic factors and the three basics on the precautions and operative terms in that analysis of this section. And those three basic elements within that precaution and operative terms are what we are looking at now. One is the long-term real estate property. The second is, the acquisitions, such as the military acquisition for national defense and if they further would require additional land if need be that there is a possibility to apply the imminent domain on that particular acquisition term. The last, is the definitions of persons of NMD (Northern Marianas Descent). That is one of the things that the Committee has revolved around other than the other two areas within that section, the long-term, which is the 55 to 75 years now being proposed, the acquisitions, and especially those persons of NMD. As you, all may know that there was an AG opinion with respect to the Initiative. I believe it was SLL11-1 on our CNMI Constitution better known as to who can vote on land matters. The Committee explored this during discussions and that we recognized that this is a very complex, sensitive and emotional issue that we were discussing to the point on what does the Committee feel and want to do. There was a strong “yes” and “no” within the members and so, the Committee decided to put this on the floor for the members to decide. We have also cited in the Committee Report other historical notes. To some degree we also related some stories experienced by other countries relative to land. Such as, the 1830 Removal Act, the Hawaiian Indigenous Land Rights and to some extent the Chamorro Land Rights in Guam. The Committee also recognizes the differences between a Legislative Initiative and a Popular Initiative. A Legislative Initiative, once it passes the Legislature it does not go to the Governor but to the people to ratify and requiring only 50% a simple majority. Versus a Popular Initiative where it requires a higher threshold of the voters registered, and therein lies, again the AG’s opinion on who will and who can vote on land matters or vote as your fundamentals rights for that matter. We also considered potential impacts relative to the direction before on how we are going to go about this. Whether we want to pass it or not relative to the 2011 decision that, the people will be faced with. I think the linking word that says about the 25 years is “that the CNMI must before 25 years have the sole responsibility on the fundamental rights on that” and then after the 25 years, the operative word as, “may”. We have also noted numerous constitutional challenges in the CNMI Courts as well as the US Courts. I believe the highest went as far as the Appellant Ninth Circuit Court. The Committee felt that we will respect individual committee members points, positions, and opinions. Lastly, Mr. Speaker and members, the measurement of how do we know that our people fully understand the pros and the cons of this very contentious and

compelling issues, the iota. So how do we know that our people are already educated given the fact that we are heading into 2011. Thank you, Mr. Speaker.

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

Speaker Arnold Palacios: State your point.

Floor Leader Camacho: Point of information, I apologize. Just to add to the Chairman the issue was in regards to ownership was brought all the way up to the United States Supreme Court, which basically, in effect upheld the ruling in the Ninth Circuit. So it has been tested in the US Supreme Court.

Speaker Arnold Palacios: Thank you. Before we continue with deliberations, I want to say that I would like to recognize members and try to hold to your five minutes in the first round and then we will go back again. Perhaps in the second round we can deviate just a little bit. I know that this is an issue that most, if not all members would like to share their point of views and their perspective. The floor is now open for discussion on the passage of H. L. I. No. 16-4, CD1. Representative Benavente.

Representative Benavente: Thank you. Mr. Speaker. One of the problems that I continue to have with the required action necessary in this Legislative Initiative is that it seems like there is a little confusion as to what exactly we are doing here. It is almost implied that by voting yes on this that we are supporting the amendment of Article XII from 55 to 75 years. Even the community and the way I feel anyway is perceiving that is what the actions we are taking right now on this deliberation, but really it is not. The proposed Initiative is so that if once passed by the Legislature will go to the people for the people to make that decision. The people will be the one making the decision on as to whether they wish to amend the provision of the Constitution, the limits private leasing from 55 years and changing that to 75 years. Having said that I realize that in the different ways to change the Constitution, one, through a Legislative Initiative, the other, through a Popular Initiative, the process is different. And so that the steps being taken by the Legislature should not be to the point where, let us just go ahead and vote on this because anyway it is the people's decision, no, I am not suggesting that. Because I believe that the Constitution granted this type of referendum this type of amendment to the Constitution given the process that it takes and I am not going to go into that because it is kind of complicated. But it is different from a Popular Initiative. It has a different way of approval or disapproval. So I would agree and I will respect that this should be taken as if we are considering a piece of legislation. Where even though in the back of my mind the ultimate decision is by the people that we should vote on whether we want to present this to the people or not. Again, as with a legislation we go through the process and that process is an assignment to the Committee, a Committee deliberation, public hearings are held and that should give then the guidance of the members of the Legislature to support or not support the Initiative which will again to the people for the final approval or disapproval. Mr. Speaker, I am a member of the Committee on Natural Resources and I do not believe that I have missed any of the Public hearings that we have had. Now given that it was not well attended as we have liked it to be I am confident that the hearings that we held on Rota, Tinian, and on Saipan and as a matter of fact it does say in the Committee Report on page five, "that a majority of the comments and testimonies received were in favor of supporting H. L. I. No. 16-4. So Mr. Speaker, if we think about that process and we think about our responsibility as members of the Legislature and in representing our people and following that process then I think that the comments in those hearings should be taken into serious consideration. I know that each one of us also has a different way in making this decision and one is, whether you go

out on your own and you visit your community and get the feelings of your community or constituents and by all means that also should be done. Once again Mr. Speaker, as a Representative of Precinct I and of the people of the Commonwealth now it is my opinion in meeting and talking to individuals that while there are opposition to this idea that majority of the members of the community supports the amendment of 55 years to 75 years. That Mr. Speaker, is what would give me the reason then to support this initiative and allow the people to vote in the next General Election to make that change. I would yield at this time. I have some other things to say but I will yield to the second round. Thank you.

Speaker Arnold Palacios: Thank you. Representative Babauta are you ready to share your thoughts.

Representative Babauta: I will yield to our minority leader.

Speaker Arnold Palacios: Before I recognize Representative Hofschneider. It seems like there starting to be more minority factions in this body. Representative Hofschneider, recognized.

Representative Hofschneider: To start Mr. Speaker, I do not want you to minus my time for pointing out something that is bothersome in terms of the language. I am not a lawyer so I refer this to the Legal Counsel. On the Initiative page two as amended Committee Draft 1, line 25, beginning with the sentence “Beneficial title shall not be served from legal title.” Do you mean “severed” or “served” if served? Can the Legal Counsel explain to me what is “served” in the context of that sentence because it repeats itself in the Committee Report? In the Committee Report, Section F. Amendment, the last sentence is carried through to the amendment provided in the legislation. So it carried through the same word, I need a clarification as to the purpose of that word “served” versus “severed”.

Speaker Arnold Palacios: Legal Counsel.

LC A. Villagomez: I looked at the CD Rom of the Constitution that we have from Law Revision the word “served” is there. I looked at the CNMI Code Book that has also language from our Constitution the word “served” is there too. But then I went back and looked at the actual Committee Report from the Second Constitutional Convention the Amendment 36 and I looked at the language there. And the language in the in the Committee Report shows that it is supposed to be “severed” so I believe it could have been a typo from the Law Revision Commission that codified both the CD Rom and also the Code Book. But the language from the Committee Report that was ratified the word should be “severed”. So the sentence should read “Beneficial title should not be severed from legal title”. And that is shown in Amendment 36. So I would suggest that we go ahead and amend this language too because the proper word is “severed” and like I said it is just a typographical error on the part of the Law Revision Commission when it codified on the CDRom and also on the CNMI Code.

Speaker Arnold Palacios: Representative Hofschneider, clarified, proceed.

Representative Hofschneider: No, clarified versus actually effecting a change is different, Mr. Speaker.

Speaker Arnold Palacios: I know.

Representative Hofschneider: If the codification carried through “served” and in the Committee Report and the Second Constitutional Convention intended to use “severed” then we need to change that. That is my point and that is clear, Mr. Speaker we need a change in language obviously. Mr. Speaker, I am going to start now. Now, eight years I oppose this Initiative and I have been very consistent as to the reason why. Since the exception of the Constitution of the Northern Marianas about Article XII “Land Alienation” to today, the last eight years, we generated only in the last eight years enough discussion for people out there to really get engaged in understanding what is Land Alienation and is it benefiting them. Prior to the last eight years, Mr. Speaker, this institution we call the Commonwealth of the Northern Marianas and that includes the people the public sector, and the private sector has failed to educate the people about the purpose of Land Alienation. For all intent and purposes, it is written in the Covenant, it is written in the Constitution, and often a sketchy discussion, debate is generated principally by special interest groups not necessarily the people that matters the most. And for the last eight years I have been opposing any changes until I know that in my heart there is debate in the community about the real purpose of Land Alienation and for them, individually to ascertain whether Land Alienation is worthy of keeping, worthy of changing, worthy of completely deleting it all together. It has generated enough interest, enough confidence in my heart and in my mind to pose the question now, out to the people like Representative Benavente, said. We are merely a vehicle to present it out to the people for the people themselves to vote or ratify it. The only difference in a Popular Initiative and a Legislative Initiative, is the affirmative vote is lower through a Legislative Initiative, fifty plus one. And having said that, Mr. Speaker, and members, I think we can debate about the merit of the economic conditions and the reasons behind why we should attempt to pose this out to the people, by extending it from 55 years to 75 years. And there are many good examples and many bad examples and we do not have to believe my word. All you need to do is spend the time to go down to the Registry the court records and look for yourself. These issues have divided families, have pitted brothers and sisters against their parents. On many occasions, I have heard and read documents allotting to greedy, despicable middlemen, that cheated the landowners, giving the landowners, for example, \$50,000, turning it around and selling it for \$5 million. I am not making these up, it is in the court records. Now, I bring the attention of the members to page two, beginning line 15, Section 2 Article XII, Mr. Speaker, in the Second Constitutional Convention they changed for good reasons that the “Corporation” language as previously imposed or contained in the Constitution generated most of these legal battles. There are such things as corporate veils that you cannot penetrate behind the corporation to really find out where the money is coming from. And that has generated enough arguments and disenchantments in our people as landowners. I am very disappointment that to appease the Senate we included this section and resorting to fifty-one percent, forty-nine percent Non-Northern Marianas Descent interest. “Beneficial title shall not be severed from legal title”. When a person plunges in the money behind the corporate veil, guess what, from here to Timbuktu he is holding technically more powerful in the argument of providing the money to purchase the land only to know that the fifty-one percent Northern Marianas Descent do not have the money. Mr. Speaker, I know that it is an extremely contentious issue out there and there are many people that say, you know it is my property and it is my right why should the government the public have a say on how and how much I should dispose of the my property who the heck are you. On the other hand, Mr. Speaker, our most important purpose here, is not so much for the protection and the rights of those people who are educated are not ignorant and are capable for providing for themselves. But our outmost importance here is to consider those of ignorance those who do not know their rights, that is why we are here. I would recommend, Mr. Speaker, that I will file this bill simply because this Article XII, Section 5, including corporations and reverting back what the Second Constitutional Convention has already taken

out to protect the very people, the Northern Marianas Descent from further divisiveness. I read through the Committee Report, Mr. Speaker, and no where in the Committee Report did it reference the reason or the logic to bring back to life fifty-one percent forty-nine percent other than what I heard this afternoon from the Chairman about taking the Senate version and combining it, honky dory. But the bottom line is you need to make sure that there is no impact, no negative consequences in this...*(End of Tape 4 side A)*

(Start of Tape 4, side B)

Representative Hofschneider: I rest for now but I am honestly not happy with this and I will recommend that we kill it.

Speaker Arnold Palacios: Thank you. Representative Raymond Palacios.

Representative Raymond Palacios: Yes, I wholeheartedly support the lease extension. But just like what Representative Hofschneider had mentioned that during the public hearing on Rota, Tinian, and on Saipan, there was no mention of this Section 5. And to go ahead and pass this bill as a member of the Natural Resources Committee, I feel obligated and ashamed for the public that came to comment on this initiative and just to see it right now that it is included. I just feel that it not fair for those people. They might think that we are making a fool or mockery out of them that why did we not mention anything about this. The only reason why they support it is that they believe that extending the lease extension will benefit our ailing economy. But this Section, this is very scary to the members especially the Natural Resources members. This concern here is very vital especially for those people that have attended the public hearing. Thank you, Mr. Speaker.

Speaker Arnold Palacios: Thank you. Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. There is nothing wrong with members of a Committee attempting to combine different sections of very similar bill. I do not see anything wrong with that per say. But I am concerned as Representative Palacios has already pointed out about the fact that we did have public hearings on the original initiative which I also supported bringing to a vote and that was only pertaining to the proposal to extend the lease terms to from 55 years to 75 years. And I think that rather than kill this initiative as it is, if members feel so strongly about this second Section which pertains to NMD descent of corporations then let us take that part out. I do feel a great deal of concern about presenting both these types of amendments on the same initiative to the public. When, a) we had a public hearing that only addressed the lease term issue and then b), now if this initiative goes as in its present form voters would have to agree to amend both Sections of Article XII and I think that it is an unfair question to put to the people. This is already a contentious issue. We have had a hearing on lease terms. We can go ahead and have another hearing on the corporation but I think that the question should be addressed separately in another initiative. So I would like to offer that amendment for members to consider.

Speaker Arnold Palacios: Before you do that, let us for the first round just allow other members.

Representative Sablan: Sure, so I guess having said that I would support this initiative if we would remove that particular Section. But if it is the wish of the members to proceed with this as it is, I cannot support this in good conscience.

Speaker Arnold Palacios: Thank you. Representative Santos.

Representative Santos: Thank you, Mr. Speaker. Focusing only on Section 3 and Section 5, I agree is a whole other issue. But when looking at the initiative the whole premise here is to strengthen the economy in the CNMI which is a legitimate concern for everyone here in this room. And we also need to admit that the economy is also determined by external factors. In 1997, we had the Asia economic crisis, our tourism market was drastically reduced by that and then we had the SARS disease in China then we had the 9/11 and then now with the economic crisis in the United States. That is where the economy is determined whether we are up or down and it is a vicious cycle. Sometimes we cannot help it we just got to flow with it and hope for the best. But speaking of the CNMI's economy it is true that we rely entirely in tourism we try to diversify our market in welcoming the garment industry. Prior to the federal minimum wage it did great, it brought millions of dollars but even prior to the implementation of federal minimum wage WTO changed the ball game so they started pulling out then the federal minimum wage kicked in they pulled out even more. So it went from about thirty garment factories to now maybe three. And what I am trying to say with the garment factory is, I am sure they got into lease agreements with private land owners up to 55 years. That lease agreement of 55 years did not hold them here. They did not say I go this contract for 55 years I need to fulfill that. They looked at profitability it has nothing to do with that 55-year lease contract that they signed. Let us just keep that in mind, 75 years, 99 years, a dynasty it does not make a difference it is what makes the profits that determine how a business is conducted. I will stop for now.

Representative Deleon Guerrero: I think the Speaker wanted to have as many people register they comments, so Representative Ralph Torres you have the floor.

Representative Ralph Torres: Thank you. I guess I will just go down the points on what I believe of Article XII. First of, the Japanese market brought in the value of the CNMI in the mid 80's to the early 90's. Their market brought the value up. When the market crashed, the value went down and since then it was never brought up. We also looked at all the hotels and the Golf Courses that were built during that during that time. They knew it was 55 years and in fact, the Golf Courses are 40 years. The most recent one is Laolao Bay, which spent \$17 million estimating \$55 million dollars of infrastructure, and that lease is 40 years. So if we are going to go back and talk about the economy, the economic reasons of extending to 75 years the garment industry is another one. I believe that when they spend \$60 to \$70 million dollars they are projecting to get revenue back within 10 to 15 years. So in terms of lease agreement I do not believe that is a reason for Article XII to be increased to 75 years. Duty Free Shoppers (DFS) is another reason, their lease agreement is 55 years and they spent \$14 Million building it knowing the fact that it is only 55 years. The other thing for the most part families breaking apart, it has nothing to do with whether it is 55 years or if you are going to sale it or it is increased to 75 years. I believe that almost every family at least the clan has land issues one or the other. The lease agreement itself being 55 years is never the issue whether the family is broken it is how they approach that lease agreement. When the dollar sign comes in you have a different attitude regarding how you approach your family members. But at any rate I would like to see this Article XII stay the way it is.

Representative Deleon Guerrero: Representative Reyes.

Representative Reyes: Thank you, Mr. Speaker. I have not seen anything really that shall indicate that Article XII is a problem or land ownership or land alienation or whatever you call it. The 55 year lease here had worked I think Representative Santos earlier stated, that the economy is dictated by external factors. I do not think land lease of 40 or 50 years is a problem. We have people coming in to Tinian for an investment of \$300 Million they do not have a problem with 55 years. I feel that although it will not bother me much on extending the lease, but I firmly believe that 55 years is still good and it should not change especially, on the initiative itself, Section 2, I have seen some abuses of that and as a result that is really why I am not in support of this because of Section 2. I have seen abuses of that Section several years ago and there are some cases that were filed some time ago on this. Thank you.

Representative Deleon Guerrero: Representative Dela Cruz.

Representative Dela Cruz: Thank you, Mr. Speaker. Contrary to some of the members here one of the things that we look at is we try as much as possible to represent the people of the Commonwealth. What we are embarking on today and it seems to me like it is leading towards deprivation of our residents the Commonwealth people to make a decision. There are twenty-nine members in this Legislature versus the thousands out there that we have not heard of. We have heard opinions positive and negative on Legislative Initiative 16-4. The Committee Report does not really state what the consensus of the people during the public hearings. I did not see that. We are now trying to make a decision for the people of the Commonwealth and I agree this is probably one of the toughest decision that we can make. During the Fifteenth Legislature a similar Initiative as well as earlier Legislatures had surfaced on this same particular issue. The economy, yes, has sunk to an all time low. Some of us had mentioned that external forces dictate the economy and I can agree with that. But let me just say that SARS has passed, September 11th has passed, and where is the CNMI's economy? Have we recovered from those incidents? I do not think so. Do I think that people are educated enough now on the issue of Article XII, private land ownership, I think they are. Some members had mentioned that it is also our responsibility to assist our people, people that are not well versed in leaseholds. I truly believe in that. But depriving the people that were served out there to make that important decision, it is contrary to being elected officials. How many times have we given a chance to hear the people out there make a decision on their assets, on their private property? Not very much. There has been few initiatives introduced maybe a couple of them passed for the people out there to decide, but the issue this particular initiative I would say, is one of the most tantamount initiatives ever introduced and continues to be introduced. So that our people can decide for themselves what they want to do with their own private property, it has nothing to do with public lands. This is your own personal property and we are denying these people to make that decision. There is actually three items on this Initiative. One, whether we pass it or not, two, whether it be ratified by the voters out there, three, between the lessor and lessee. So there is no guarantee whatsoever that people will start terminating their 55 year lease and entering into a new 75 year lease. There is no guarantee to that. Mr. Speaker and colleagues, I for one truly believe that this economy will not cover in the very near future. Is H. L. I. 16-4 something that can assist in the recovery of the Commonwealth and the Commonwealth's economy? I think so, I think it will help. Of course there are other things that can try and bring up the economy that we have, the Military Build up on Guam the spill over, but all we can do is pray and hope that we see that spill over to revive a little of what economy we have. Again, personally I think this is one that can help. And if the people out there need help in making decisions we should be there behind them, we

should help we represent them. Mr. Speaker, I want to continue but I would like to give the other members also a chance, so thank you.

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

Representative Babauta: Thank you, Mr. Speaker. I will be short Mr. Speaker. Both Representative Hofschneider and Representative Benavente echoed the desire of, I would say probably, and several members of this House that wanted to changes in the Constitution because of many various reasons over the past several years not necessarily, because we wanted to see change today. I join the two former Speaker in supporting Initiative 16-4, but there is a catch to this Mr. Speaker. Expanding the lease term to 75 and at the same time convoluting the real intent of the initial initiative is, tantamount to what Representative Hofschneider is recommendation we might as well trash it. But at any event Mr. Speaker, because we have went so far since the introduction of this initiative and to the extent of conducting extensive public hearings and as Representative Benavente earlier echoed, majority of the people supported the original intent. At that being in mind, Mr. Speaker, I move to delete page two, Article II in its entirety.

Speaker Arnold Palacios: Representative Babauta, could you hold off on that until we go around. I have asked Representative Sablan to hold off on that as well until.

Representative Babauta: I will maintain my motion and reserve.

Speaker Arnold Palacios: Maintain it.

Representative Babauta: Okay, thank you.

Speaker Arnold Palacios: Okay. Representative Apatang, recognized.

Representative Apatang: Thank you, Mr. Speaker. I am just going to say that I do not think that the economy has something to do with Article XII issue. We just have problems with economics here. Look at the United States, there is no such thing as Article XII, but there are many problems right now. Banks are being shut down, businesses are closing down, our 401K is going down the drain, in fact, we lost about \$200 this morning on the 401K, our investment, but it has nothing to do with Article XII. It just that the economic situation in the world is a major problem. So we can sit here and debate on this issue all day it is not going to help. If we decided to pass this thing, it is going to take years and years before it starts something. So let us not kid ourselves that it is going to help somebody out there. It is true you can see families are fighting about land issues here. Everybody wants to get their share of land. Everybody wants to be rich. But this is not the answer right now. So let us vote, Mr. Speaker, I do not know what we are waiting for.

Speaker Arnold Palacios: The reason why I am not calling for the vote is that I believe that this is a monumental task in front of this Legislature. And I believe I need to give every member a chance to express their beliefs, and share their thoughts. This is not a matter of authorizing of selling of used cars.

Representative Hofschneider: Point of clarification.

Speaker Arnold Palacios: State your point.

Representative Hofschneider: Just to point out some of the obvious things I think are being misinterpreted, briefly. With the exception of the fifty-one percent language, Mr. Speaker, the real change is not only the 75 years as I originally introduced is really the additional language on page two, beginning with line 10, “shall be void” to “may be voidable”. That is a significant and substantial change for the courts. And the other aspect of the original Initiative as I introduced is really beginning line 11. You do not have to increase 75 years. We can strike it out let it at 55 years but allow owners and lessors to mutually terminate an existing 55 year and transact a new life. Right now, you cannot do that. So really, the options are opened if 75 it is almost a generation and a half or two generations of people you can remove that. I am not encouraging that because, that is one of the key ingredients in terms of our regional marketing. Palau, has just adopted a 90 years. So on page two, line 11, is a significant change to the current language in the Constitution where existing leases gives an opportunity to land owners if they both mutually agree, they will benefit. So those are the two points that I want to make and emphasize that the difference is not necessarily from the 55 to 75. But there are transactions that are in court now and the Supreme Court cannot rule one way or the other but voided from the beginning. Because somebody violated the Constitution and transacted it thereafter of the two sells and I do not have to name names here, but I think we all know. And these people do not have anything to do with violation of the Constitution.

Speaker Arnold Palacios: Representative Salas.

Representative Salas: Thank you so much, Mr. Speaker. Mr. Speaker, I, I definitely would like to see that this Initiative is placed on the ballot for our voters to decide. For myself, I cannot deny that a lease of 75 years is not more attractive than a lease of 55 years. The 75 years to a business person coming into the CNMI is more attractive than 55 years. And I worked under two Japanese company, one at a hotel and the other who owns real estate. And one of the biggest concerns they had was that they always thought that 55 years was too short and that anything beyond that would be a greater value for them. There are a lot of businesses out there that would like to possibly renovate their establishment but they hold back because of the term of the lease. Some of them had entered into subleases where they only have 15 years to go and if they were to re-lease and they only have 55 years, obviously, to them it will be better if it is extended longer. So my opinion is that, 75 years is more attractive than 55 years. This Section here, Article XII, I actually approach that subject with the Chair and I myself would like to remove that. Again I would like to encourage all the members to at least put this out, let us pass it and put it out for a vote for the people to decide. Thank you.

Speaker Arnold Palacios: Representative Hocog.

Representative Hocog: Mr. Speaker, *ti todo u hungok man ma'matinas nu agumento pot esta Article XII lao siña lakkue bai u faisen siha i members ya bai maguatdia mona pot esti na akto. Nu amemenda Mr. Speaker esti na Seksiona para ta na fan siña i investors man halom ya para ta alok na natibu siha ya u gai direcho man mañule tano gi hilo i kapitilista ni para u ma intrega magi gi Marianas. Koa dinanchi esti na estigui ta ke'ke chogue?*

Speaker Arnold Palacios: *Ma ekste'tendi i lease term.*

Representative Hocog: Yes, *gigon en ekstende enao nai fuera di enao en edste'tende i ariendu i para u gai'iyō seha kabu ma fa'na'an esti sinkuentai uno pot sientō nai para u ma kualifika para u ma kunsidera komo natibon i Notre Marianas. Dinanchi' esti?*

Speaker Arnold Palacios: That is correct. *Enao na Section nai dos enao na...(End of Tape 4 side B)*

(Start of Tape 5 side A)

Speaker Arnold Palacios: Okay, proceed, Representative Hocog.

Representative Hocog: *Pues esti gui Mr. Speaker, nu pomopoka tarabia titanosu nai. Ya hafa esti na famagu'on i kumat'katga haga' uno pot dies i sais-kuatto na haga' natibu na ti man siña ma alok na siudadanon i islas giya Marianas. Pago i ni gota ni ungota para u katga pot kuetbleña na para u signifika na propitariu gui natibu gi tano islas Marianas ko dinanchi esti i na ta ke'ke chogue guini Mr. Speaker? Ta chochomma opottunibat i famagu'on'ta siha i famagu'on i famagu'on famagu'on'ta ni man asagua yan intripulao na nasion na taotao ya sigiha ni na takpapa' i gradun i hagaña gi halom i ta taotaoña. Yan ni uno pot ochu Mr. Speaker ti siña na ta alok iyo natibu guini yan ti siña mañule' tanoña sa siha ma fañagu guini lao ti kabales kualifikao gui gi anai ma uttdena iyo uno pot kuation na haga' para u dine'klara na taotao natibu hao. Kao dinanchi esti i ta ke'ke chogue guini? Kao i salape Mr. Speaker para u tinilaika i statu'an i taotao ni para ta alok natibun Marianas gi? Ya para u parehu yan ayu siha na taotao i ni man gai haga uno pot kuation na gi halom i sientō na gradu para u parehu kualifikao i opottunibat ni para u fan gai direcho pot salape'.*

Representative Hofschneider: Point of clarification, Mr. Speaker, with all due respect.

Speaker Arnold Palacios: State your point.

Representative Hofschneider: This is about land lease term. It has nothing to do with lenience and degree of Northern Marianas Descent.

Speaker Arnold Palacios: I understand but I think the good Representative is referring to the Committee Substitute I believe.

Representative Hofschneider: That was inserted?

Speaker Arnold Palacios: Right and he is questioning.

Representative Hofschneider : I ask forgiveness.

Speaker Arnold Palacios: Okay.

Representative Hocog: I am questioning the validity of the amendment that is in this bill now. Is this right direction to undertake to qualify an individual and investors who is not even qualified under. That is the question that I have, Mr. Speaker, is if a financially sound individual will come to the CNMI does that give him the rights of inheritance and the rights of ownership. We have already made a mistake by saying that adopted children that is of Non-Northern Marianas Descent to be a Northern Marianas

Descent. You know, we have already that mistake that booboo. Here again, we are making another big booboo. Now if we are really Mr. Speaker, eyeing for investment opportunity 55 years and 75 years, what is the magic? If I am a landowner I will rather settle with my 55 year lease then extending it to 75 years, why, even my generation will stand to profit 25 years earlier if the lease expires on 55, so what is the magical term of 75? Now are we talking, if this bill will allow somebody by owning fifty-one percent to become a Northern Marianas Descent and be considered to rightfully have a fee simple title of what the Constitution originally does not permit, why the limit of seventy-five percent, why do we not open for a fee simple and that will answer investment opportunity? Is that correct? Secondly, even if we liberated the Article XII issue it is an individual decision whether I sell my property or lease my property. You want to get rich, sell it. You want to remain poor, do not sell it. But this is the confusion Mr. Speaker that creates in my mind I do not know about the others. Thank you.

Speaker Arnold Palacios: Thank you. The Speaker needs a thirty second recess.

The House recessed at 4:22 p.m.

RECESS

The House reconvened at 4:29 p.m.

Speaker Arnold Palacios: We are back to our session. Let me recognize Representative Deleon Guerrero.

Representative Deleon Guerrero: Thank you and members for all of your enlightening comments. I have been apart of this decision making on this issue for the past four terms and I have never deviated so do not get your hopes up, because I do not think I am going to deviate today either. But I will say, that I, myself like Representative Benavente had said he attended all of the public hearings and so did I as well and I am not going to rebut his statements that there were a lot of comments that were made in favor of this Initiative. But because this issue is a monumental decision like the Speaker had said I will support bringing this issue to the people but not through a Legislative Initiative, not when the threshold requires only fifty plus one approval. If this were a Popular Initiative if it is such an important issue to the people and the people push for a Popular Initiative, then let there will be heard. Let it come within the community and not through the Legislature. Let it pass through two-thirds then I think we can stand of that decision. But just to allow this I will call this a loophole for both Houses to pass it then only a fifty percent plus one approval to adopt this measure is not my way of supporting it. Thank you.

Speaker Arnold Palacios: Thank you. Representative Tebuteb.

Representative Tebuteb: Just to clarify...

Speaker Arnold Palacios: Let me clarify for all the members. The first crack that Representative Tebuteb is not counted against him. It was so that he could present the Initiative and the Committee Report as Chairman as Natural Resources. So I will allow him his first crack to set his personal perspective.

Representative Tebuteb: Thank you, Mr. Speaker. I will try to stay within the five minutes although it may not be enough I request that I go the second round if I may. I know there have been some referrals relative to the ninety-nine year lease for Palau and I would like to clarify that. The ninety-nine year lease term is for public land and not private land. The private land remains at 55 years. I can pretty much guess that the three former Speakers are in favor of amending Article XII for very good reasons and even during the discussions in the Committee, we had grappled with how best to address this within the Committee level and so we decided how to approach this. We also talked about the Article XII effects on the economy. We all know that when the economy was good Article XII, was still emplaced. Now it is speculated that because of the bad economy and part of it is also Article XII. One of the more compelling issues that I have in regards to Article XII is the measurement as indicated earlier on how do I know that all our people are fully aware of both sides of this issue. How many people during the public hearing know what differences are between a Legislative Initiative versus a Popular Initiative entails. The Committee and myself is fully aware that the initiative that was presented and received comments from the public is basically on the Article XII the lease extension not necessarily on who can vote on it, yes, you may say that it is your land and you have the right to do whatever you want to. Perhaps we should remember that before we came the land was here, after we go the land will still be here. That will be a personal reason in trying to convince yourself that it is my land and it is rightfully so, my land. There are other issues that I would like to go into, but I will refrain and wait until my second chance. Thank you, Mr. Speaker.

Speaker Arnold Palacios: You still have two minutes left.

Representative Tebuteb: Then I will take those two minutes then. Remember the disgraced lobbyist, Jack Abramoff that the CNMI had paid millions of dollars to do some lobbying work for the CNMI we were happy about that. I guess partly because Article XII was not an issue. Some of the comments that the disgraced lobbyist had made to the Native Americans, good names in his own terms, called them monkeys and robbed them of their money relative to the casino. In the other side of the ocean, we have our own leaders who are so happy because we have a champion in Washington, D.C. to stave-off and lobby on our behalf the issues that we were facing most of which is related to the garment industries here, who we all know how much they have profited under the terms of what is available to them under the Constitutional Statute. On the other hand, the CNMI was facing the poor side of the Puerto Rico Dump. We were happy that the money generated through that came in but we also felt, I am talking about the leadership of the CNMI on that end because here we have a lobbyist who is our champion at the same time the land issue I believe okay. I will yield for now, Mr. Speaker.

Speaker Arnold Palacios: Thank you. Representative Aldan, you will be the last of the lot.

Representative Aldan: Thank you, Mr. Speaker. For the other members that have been here during the Fifteenth Legislature, Mr. Speaker, I believe they know my stand on this issue. I have been supporting for the revamp of Article XII, specifically 15-7. Tinian right now is going through a major economic investment. I know that after meeting some of these investors, there was a reason why the preference of public land than private land is because of the terms. Some of them are saying that they would rather invest in private land if the time of lease are extended up to 75 years and that is why I am in support of that bill in the beginning. This Initiative is really going to help our economic needs here in the CNMI. As far as the incorporated amendment that is proposing, Mr. Speaker and members, fifty-one percent for local. I do not really understand how would fifty-one percent is this saying that if Lao Lao was

supposed to build next year and this amendment was incorporated and it has pass the election, does it mean Lao Lao has to be owned fifty-one percent by an NMD? Let us say if it is a private land. A perfect example, the Bridge Investment in Tinian which all of the property is privately owned fifty-one percent of the corporate have to be owned by NMD? To own the land? But still the corporate has to be financed by the big company. That is my only objection on this one, Mr. Speaker. I rest, Mr. Speaker.

Speaker Arnold Palacios: Let us now go onto the second of discussions. I think we would be ready to entertain any amendments. Before we do that, let me recognize Representative Reyes.

Representative Reyes: Mr. Speaker, *guaha value lai gi both sides lao uno iyoko worries nai yangin hayi para u ma bota esti na initiative kao i taotao tano ha pat kontodo i taotao sanhiyong. Lökkue yangin man ma bota i taotao sanhiyong siña guaha lökkue challenges gi koti. I do not know Siña-ha ma ba'ba i peta ni bula lawsuit. Ti Popular Initiative esti na i Legislative Initiative nai siña yangin i question guini kuantu na taotao sanhiyong guaha esta ni siña na ma outvote hit yan i indigenous siempre siña ha, you know, suffer the consequences, lao i major concern lökkue guini Mr. Speak i possibilities of lawsuits gi hayi para un fan man bota. Enao ha iyoko concern para u register.*

Speaker Arnold Palacios: Thank you. Before I go onto the second round if there is no objection to let me be allowed to share my thoughts from up here.

There was no objection raised on the floor.

Speaker Arnold Palacios: I have been here for seven years and every Legislature that I have been elected to and sat in this chamber. This Initiative in different forms but basically the same have been introduced. I look back to the previous Legislature I came in Thirteenth and there was an Initiative in the Twelfth Legislature if I am wrong I stand to be corrected but I think there was another Initiative in the Eleventh Legislature on this particular issue and as far as the Third Constitutional Convention. And one very striking fact comes out the same people that are lobbying for this change back then is the same people that are lobbying this change today. That is an observation that I think merits us to consider. The issue of giving the people the chance to vote on this I take a different perspective to that and take exception to that train of thought the “let the people decide”. The people elected us to this office not just to be a process. They elected us to make and face monumental issues deliberate it and make those hard decisions. That is why there is a threshold of a super majority requiring the issue of land alienation. It is not a simple two third majority. It is not a simple majority. It has a super majority threshold. The people who elected me, I take a totally different stand. I believe the people elected me to make that decision and it is not just a matter of “yeah well I am going to defer it to the people and say yeah okay I am going vote so you guys can that decision”. If that is the process that we believe we are in here we are nothing more than just processing documents. So I am making this monumental decision and I have been very consistent over the years. And Representative Hofschneider, and Representative Deleon Guerrero is correct and I share that same sentiment that this issue is very sensitive, it has pitted members of the same families against each other resulting in numerous lawsuits in our Courts some going up as far as the Supreme Court. If the proponents over the past fourteen years and by the way they started this issue. When the economy was booming, when the Commonwealth's economy was the envy of every community in the Pacific Region, when Nikko Hotel recovered its investment in seven years with a 55 years lease, when the Grand Hotel recovered its investment in seven years, when the Hyatt Hotel recovered its investment in seven years and was sold three times,

Article XII was not the issue. What is at issue today is the same issue that I gravel and struggle with. I look back at Representative Stanley Torres who is one of the institutions of this Branch, Representative Icon, Representative Babauta, Representative Hofschneider, and Representative Benavente a three time Speaker of the House, have addressed the same issue and continues to come up and at the end of the day as far as I am concern that is why the threshold is very high. It is really outrageous that we have a threshold for gambling that is which I believe a higher threshold then the land. I would like to raise another issue with you. In the Fifteenth Legislature we had asked, it was a long deliberation if you recall some of you that were in the Fifteenth Legislature we called in then Executive Director Greg “Kilili” Sablan and the Attorney General to pose the question on a Constitutional amendment Legislative Initiative 11-1 Article VIII of the Constitution which requires that of only those of Northern Marianas Descent as defined in our Constitution may vote on land issues. That is my position and that was the position of many members, but it was also a position of other members that, no, that anyone who qualifies to vote on this issue may vote. The question was posed and there are lawyers out there let us be frank about this that have been on Article XII’s back since they hit the shores of our island and they cite the Cayatono Rice issue. I pose the question to the then Director Sablan and the AG’s office, if we approve this today who would be voting to ratify it the question was then, anyone that qualifies to vote. The instruction that came out from the Attorney General Gregory then, he advised Kilili that anyone that qualified to vote will be and should be allowed to vote. Where the Floor Leader is sitting was where Mr. Greg Baka stated that the Attorney General’s position would be anyone that can vote, is qualified to vote where ever you come from. If you are a US Citizen and have met qualifications under our Election Laws, you may vote. I strongly differ from that position. Is there going to be a lot of lawsuits you bet. But it is a concern of mine that our Attorney General is going to instruct our Election Commission because if he submits a legal opinion that becomes the statute at that time and the instruction will be carried out. I am very concerned about that issue just as Representative Reyes pointed out. I know my time is up and the Floor Leader continues to haggle about it, so I will rest my case. Floor Leader Camacho, do you want your five minutes.

Floor Leader Camacho: I agree very much with you, Mr. Speaker that the position that only Northern Marianas Descent can vote on Article XII issue. That is very clear in the CNMI Constitution. I spent two years of my very sad life studying this back in Law School. And there are cases up to the United States Supreme Court that says, there is one exception to the one man one vote rule, and that is when an issue predominantly affects a certain group of people in particular...*(End of Tape 5 side A)*

(Start of Tape 5 side B)

Floor Leader Camacho: That was a case out of California and yes, there will be lawsuits. If Mr. Gregory Baka, or the Attorney General, the Governor himself or any other person who likes to vote on Article XII and he is not a Northern Marianas Descent I will personally and I am barred here in the CNMI Court, Federal Court, the Ninth Circuit in the United States Supreme, I personally file a tax payer lawsuit and injunction and for violating my Constitutional right for them to vote on Article XII when they have no right to do so. And I yield to you, Mr. Speaker.

Speaker Arnold Palacios: Okay, it is almost five o’clock. I will now consider the amendments, Representative Hofschneider. You are going to yield to Representative Babauta? I just recognized Representative Babauta, you have the floor.

Representative Babauta: Thank you, for informing the members that you only recognize me. (Laughter) That being said I would like now to offer my oral amendment to strikeout line 15 to 25 on page two, in particular Number 2, Section 5 of Article XII and renumbered accordingly. I so move.

The motion was seconded.

H. L. I. No. 16-4, CD1
Page two lines 15 to 25:

~~**II. Article XII, Section 5 of the Northern Mariana Islands Constitution is hereby amended to read as follows:**~~

~~**"Section 5. Corporation.** A corporation shall be considered to be a person of Northern Marianas descent so long as it is incorporated in the Commonwealth, has its principal place of business in the Commonwealth, has directors fifty one percent of whom are persons of Northern Marianas descent and has voting shares (i.e. common or preferred) at least fifty one percent of which are actually owned by persons of Northern Marianas descent as defined in N.M.I. Const. art. XII, § 4. Minors, as defined by applicable laws of the Commonwealth, may not be eligible to become directors of a corporation. No trusts or voting by proxy by persons not of Northern Marianas descent may be permitted. Beneficial title shall not be served from legal title."~~

Speaker Arnold Palacios: Discussion on the motion.

There was no discussion and the motion to adopt the floor amendment offered by Representative Babauta was carried by voice vote.

Speaker Arnold Palacios: We are back to our main motion and I recognize Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. Mr. Speaker, the Saipan Economic Development Council ("SEDC"), was originally established by former Governor Pedro Tenorio "Teno" during the mid-term of his Administration, 1998-1999. If any one of us remembers when we hit peak in our economic boom which was 1997. Following 1997, 1998, and 1999 we started experiencing the downturn in the economy and the pain that we were suffering in trying to make ends meet and trying to continue public service, that was ten years ago. I attended those economic development council meetings, Mr. Speaker, as the Speaker during that time. Then when we got elected into the Administration with Governor Babauta we had felt it necessary to continue the Saipan Economic Development Council and I attended the monthly meeting that we had with this group. This group consisted of top executives not just the local managers of small businesses here but top executives of the major companies in the hotel industries not just the local managers and top executives from the major banks that are in the region and not just on the island of Saipan. These individuals came together once a month during those times and were task by former Governor Pedro Tenorio and then with our Administration to find ways to help with the economic situation the downturn in the economy they were volunteers. We came together and all the issues were discussed, sometimes two to four hours but once a month. One of the first recommendations that this economic development council came up with, was to review this issue with Article XII, as it was an issue with the banks, Mr. Speaker, and once again the top executives of the major banks on the island brought this matter up, because in their opinion the investments necessary at this kind of an economic downturn, the 55 years was not enough. It was their recommendation Mr. Speaker, not mine and not anybody else here. It was a recommendation of the Economic Development Council and the sad thing about those years was that our complaint every

month every time we meet was that the Legislative Branch hardly participated. So the Legislature did not take part in these meetings, did not hear the arguments, but still as the Lt. Governor and as the co-chair of the Economic Development Council I hand carried about seven, eight years ago when Representative Hofschneider raised and mentioned this earlier the proposed initiative that would change the 55 to 75 years and yes, it is true, every year since then, I pushed this and every year it got held up in the House where it was not supported. But in fact, Mr. Speaker, the answer and I know that it is not the only answer, but part of the answer of our economic situation is Article XII. Again this did not come from me it came from the driving force of our economy, the business community here on our island. This is not the only reason why we need to consider this change it is because it is not just the economy, it is how it is affecting individual landowners, and we heard this during the public hearings, Mr. Speaker. We heard of some really sad stories. There is a situation in Tinian where a landowner needed money so bad to follow his ill child to the Philippines for medical referral, offered a 100x100 lot for a round trip ticket to the Philippines. I guess what the situation there is that because of the 55 years lease maximum, businesses are not able to offer the right value, the right price for the properties that they would like to invest in. And so this individual who wanted a \$500 round trip ticket sold his property for basically \$500 where he could have sold his property for \$10,000 even \$5,000 to someone else that would have bought it if it was 75 years and not 55 years. This is the situation. So it is not just about the economy the consideration here and the reason why I am so passionate in support in this change is that it is affecting our community. You know, Representative Hocog had said something earlier and I caught that right away, he said, "if you want to be rich sell it". You know, the situation of our local people right now, if they sell it they get poor, because they are only able to sell it to a few individuals but yet they are losing their property because they have sold it. We are trying to protect Article XII so that we protect the local landowners and have them keep their land for the rest of their lives, it is not happening, Mr. Speaker. The local people are in fact losing their property they are selling it and they are selling it at very cheap price because that is the only way they can sell it and with the economic challenges the families on the island it is happening regularly now. They are having to sell their property for a round trip ticket to the Philippines, they are having to sell their property for \$10,000 when it is worth a \$100,000 if the investor or other individuals would have been able to get it for more than 55 years. I wanted my second chance only to argue that when comments are made, the economy was the same as it was back then, it really was not. If you remember Shimizu did not want the 15 year lease when they wanted to lease the Lao Lao Bay, they were perfectly satisfied with 25 years at the time, it was not an issue. But it became an issue after 1997. And just some information in 1997 our peak in tourism was almost 800,000 and way above 7,000 a year. We went down during the "Teno" Administration and into our Administration at below 400,000 arrivals and there was the economic pinch that we were feeling at the time. Mr. Speaker, we are I believe \$9 Million short in passing a budget that would provide public service that is our responsibility. We are tasked with making ends meet by continuing to provide funding necessary to provide public service. And where do we get that money, we get that from an economy, from revenues generated by the business community in islands. We need to support these business communities to make that economy work to be able to bring the revenues back up so that we can continue with that public service. I wish we had a third round but my time is out. Thank you, Mr. Speaker.

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

Representative Hofschneider: Thank you, Mr. Speaker. In continuation of the argument, the economic argument, of extending it to 75 years. May I read an interesting article on real estate and the situation

here in the Commonwealth from Barron's magazine dated September 15, 2008, it started with a subtitle "An acre with an Oceanview sold this year on Saipan for \$135,000, try getting that kind of property for that price in Malibu or Palm Beach". It started the article by saying the market is clearly on the mend thanks in no small part to Uncle Sam's plan to station some 8,000 marines in Guam. Then it went further and said the median price comparing Guam and the CNMI and other territories. A 2,000-squar-foot house by the water sells for about \$500,000 about 40% less than in the Virgin Islands, this is in Guam. Now the meat of the article is the inhabitants of Guam's neighbor to the north, the island of Saipan in the Northern Marianas, should only have to worry about typhoons and bugs. A resort locale for the Japanese, Saipan has been ravaged by everything but the Biblical plagues. The Northern Marianas have suffered the loss of airline flights to and from Japan, a collapsed economy, a weak government and allegations of international money laundering. The result, real estate is so thoroughly deflated that Saipan is probably the cheapest property market under the U.S. flag. In 2007, land and built-out property was selling at about 10 cents on the dollar. The 310-room Nikko Hotel, once one of the major resorts on the island was sold recently for \$3 million, says Roy Alexander, who is a local realtor. He further adds that owners give it away and for residential real estate, I did exactly the caption of the \$135,000 property comparing it to Malibu and Palm Beach. But it went further and pointed to the problem, you cannot actually buy property in the Northern Marianas instead you lease it, sometimes for as long as 55 years. According to the island's Constitution, only descendents of native Mariana Islands peoples can own land. This law may be loosened in 2012, anticipatory at a minimum, lease lengths may be extended to 75 years. So they are really focusing and watching what we do here in terms of the attractiveness of the economy here. It is enough, Mr. Speaker and members, that our geographical is an impediment in itself being at a minimum three hours away from one of the most metropolitan areas in the Asia Pacific Rim and we have seen the contribution of the Japanese market both as tourists and investors and no one can deny that all the existing facilities were built during 1989 to 1994 and 1995 and that was during the bubble economy nobody complained about Article XII, they plunked in the millions, but that was during the period of excesses. Now, the market operating on looking at the bottom line for lenders and one of the conditions that hampers lenders is really, mortgage. If you cannot assure the banks to loan and the mortgage so that they can recover in fact and turn it around and sell it to recover the very people who deposit money and are to be protected in terms of using their money for investment and development and opportunities. Then the banks are reluctant to look even at the residents themselves, case in point, we have a problem even with the federal housing programs through HUD because of Article XII. There is very few opportunities for our people to really get into one of the American dream and that is to build a house and call it home and yours. If you look at the overall economic impact, I can only say that I am a fool for not opening my eyes if I am not going to be honest to myself and say, you know in as much as I want to be truly convicted to keeping culture and tradition and keeping the essence of land alienation, then at the most that I can do is give it an extension to 25 years and do away with the argument. What is the argument? Comes 2011, you think that not passing this and giving the investors and those people like "SEDC" an opportunity to fulfill their business plans, comes 2011 we will be seeing a more formidable opposition and opponents than what we are facing here in this chamber, think again. The argument as to who is going to be allowed to vote is irrelevant to me. The constitutionality of that provision that only Northern Marianas Descent may be allowed to vote is as good as any provision that is not tested. Until it is tested and the U.S. Supreme Court says, this minority group of people must be protected it is intended in their Covenant and so forth. But for us to assume that we should not act on this on the premise of fear that it may be hampered or delayed in its implementation and ratification because of people that the Attorney General views that everyone who is qualified to vote should vote and for us to subject ourselves to fear

is even worse than the consequence of amending it to 75 years. Now I do not know how else to convince the people, I have done my part, I have gone out stuck my neck out there and say and articulate why we should give it a chance. If the people overwhelming vote it down then I forever rest they are not ready for it. But the reality is we are confining ourselves to the crap mentality that good ideas are creeping up the bucket and just because it does not suit everyone in general the next crap in the bottom pulls it down then let us not complain about the state of affairs of our economic condition. You cannot remain thirty years ago, you cannot envision and hold to your bosom the very principles about what was thirty fifty years ago. We are just beginning in our infancy in self-government and one of that dynamic is to move along with time and maybe we are too early in the game, three years in fact. The Covenant is very specific, land alienation will be left alone for 25 years. We are not diminishing it or enhancing what we are doing is keeping land alienation extending the lease term so that perhaps there may be some excitement from developers, investors and tourist alike and the most important thing is to think what it can do to relieve those strangleholds from the banks so that are people can in fact contribute to the growth of the economy. This island economy, Mr. Speaker and members is shrinking and shrinking fast you need dollars to be infused from the outside inward. We do not have the capability to print our own money the only resources that we have is land and we can balance it and protect land alienation without injuring the very intended people. If you do not want to lease it nobody is going to force you. If you do not want to sell it nobody is going to force you. But Representative Benavente pointed out some very real fact and that is the deflated pricing of properties in the Commonwealth. Local people selling it to another local who sells it at a fire sale because they are subjected to only a handful of people that can buy it not dictated by the market pricing. In 1989, Mr. Speaker, and up to 1992 some of us in here were enriched by the bubble economy. When beach properties were going at a \$1,000 or \$1,200-square meter how many times do we hear in those period, that did you hear family X became a millionaire close to \$400 million flowed through the real estate during three years period. Now, it is interesting to hear all the arguments about Article XII in support and in opposition and yet reflect back earlier in the session about Representative Yumul's resolution thinking about the 100% abatement of a developer sitting on a public land, what a disparity. It is almost dangling towards duplicitous of the mindset of this body. Lastly, Mr. Speaker and members you hold your principle because you believe in it do not hold a principle governed by political whims. For once in your life, you know put some spine in your back and stand up. Thank you.

Speaker Arnold Palacios: I know that he took more than five minutes I am going to ask us not to be that is an anomaly and please let us try to wrap up because it is almost six o'clock. Who all want to say there last peace, Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I just have several points I wanted to make in response to the comments that were made by some of the members. One is that, circumstances in the CNMI have changed a lot since the 1990's and I think it is probably safe to say that we are never going to go back to those boom times. During times of economic hardship such as what we are experiencing now, it is natural and I think constructive for all of us to reflect on policies that have been emplaced and to reconsider positions that we have held for years on a particular issue. And so while members are right that amending the leasehold terms probably would not fix the economic difficulties that we are experiencing now and it certainly would not do it overnight, I think that it could help. It would encourage existing businesses and residents that have leases that are coming up towards the end of their terms to renovate and improve properties and it would also give perspective investors one more reason to look at the Commonwealth more favorably. Second, and this point has already been made I think by

Representative Benavente but I just wanted to underscore this that just because we extend the potential for leasing to 75 years does not mean that this is mandatory, it does not mean that existing leases will be terminated and start over and they will be set at 75 years but at least we give people the option . And the point has already been made that people now are selling their properties for very small amounts of money they are firehouse sales. And what this would do is that at least expand the pool of potential lessees so that people who do chose to lease and there will still be people who will not lease at all or who will lease for fewer numbers of years at least those people have a chance of getting a better deal. The next point I wanted to make was the issue of potential lawsuits that are likely to arise if we do place this initiative on the ballot, and yes, there are likely to be lawsuits and I think that the question should be settled by the courts and I would submit to the members that it would be better to settle the issue now then to see what happens in 2011 or after that when the really big issue of what we do with the entire Article XII with all land alienation laws in the Commonwealth when that could not come up for a vote. Finally, I wanted to respond to the point that was made about Popular Initiatives versus Legislative Initiatives. It is not at all improper, obviously it should go without saying for us to place this initiative on the ballot as a Legislative Initiative. It has been drafted by elected representatives of the CNMI, it has gone through extensive public hearing, there have been public hearings on all three islands and a comment period for those who were not able to attend those hearings, there is a super majority of representatives in both the House and the Senate that must support the placement of this issue on the ballot and even then a majority of the people who would be qualified to vote on this issue must endorse it for it to become law. So there is already a very high threshold. We are not saying one way or another how people should vote if we decide to place this on the ballot. What we are saying and I would urge the members to consider is that we trust in the wisdom and the intelligence of our people to make this decision one way or the other and that we should at least give them the opportunity to decide on an issue about which we have already had quite a bit of dialogue and debate. Than you.

Speaker Arnold Palacios: Thank you. Representative Tebuteb.

Representative Tebuteb: Thank you, Mr. Speaker I will make it very short and promise I will stay within the five minutes. I will not argue the points and issues already raised by whom I consider a proponents of this initiative because they are all on records. I do know however and I am very firm that if ever this land restriction is extended...*(End of Tape 5, side B)*

(Start of Tape 6, side A)

Speaker Arnold Palacios: Continue please, Representative Tebuteb.

Representative Tebuteb: Thank you. I do know if ever this land restriction is extended to 75 years as being proposed, the next is to do away with the whole thing and just make it fee simple. I believe that these are the crabs who are joining the influences from the outsiders so as the concepts and values of the outsiders outside NMD. Article XII is the essence of our people that land and our people are inseparable. I will reiterate again that yes, you may say that the land is yours and you can do with whatever you want to do with it rightly so, but again perhaps you should remember that the land has always been here. It reminds me of the trail of tears. It is about a persistent American democratic policy of relocating and removing a number of Native American tribes to reservations for the sake of development of the wild frontiers so that they would not be a hindrance along the way of this development. In fact, to date, and on an annual basis the descendants of these tribes retrace the

journeys by those who perished during the long hard winter hundreds were left frozen during the forced march. About the same time across the Pacific Ocean you all know the Chamorros began to resettle these islands 300 years later after the Spanish forced and removed them relocating them to Guam. The atrocities of the Chamorro should never be taken for granted. It also brings field of dreams it is about build it and they will come. The trail of tears as it relates to the Native American people and Oklahoma is true, while the field of dreams as it relates to Nebraska is fantasy by way of Hollywood. But the truth about Nebraska, Oklahoma, and the Great Plains is that there are millions of lands. All of us know that Saipan is mere 72-square miles of land area and 47-miles of landmass, public land let alone private land is way less than that figure. The proponents say extend land leases or better yet maybe forget about Article XII and the investors who come, businesses will prosper and the CNMI will rise from economic gloom to glory. Just about every is based on speculations and possibilities. Yes, amendment is the word but that is mere semantics least we forget. When Magellan was killed by the Filipinos defending what they value they were labeled murders or heathens all in the name of righteousness of western culture. Our Micronesian neighbors down south have a saying, when the Missionaries came they said, let us pray, when we closed our eyes they took our lands all in the name of God. The Spanish came for glory in the name of the Queen only to call these islands, the islands of thieves. Now, we are so quick to be the thieves and deprive our future generations of what is rightfully theirs all in the name of our own glory. The irony in all this discussion is that it was the US Delegates that proposed to include Article XII in the Covenant in a Section by Section Analysis of the Covenant. The Department of Justice expressed the view during the negotiations that the properly drawn land alienation restrictions would be valid under the United States Constitution, some of you question. The numerous attempts to change this protection continue to fail for very obvious reasons. It is so wrong to hold on to something of value something that is qualitative in nature and not treated as a mere commodity. Are we then so right if we treat our land as something that is quantitative in nature and has no sentimental value in the western culture or the business world? Article XII is the last gas to perpetuate the heritage and traditions of our people that has persevered for centuries. Article XII is genuine ingredient of our resilience and destiny it is not broken. So in honor of our founding ancestors and the future generations who will thank us for leaving some of our precious lands, your vote is your vote my vote is my vote. If you have the strength and the courage vote no to this initiative.

Representative Hofschneider: Point of clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point, Representative Hofschneider.

Representative Hofschneider: Because I am the author of this initiative I want to make for the record very clear. That the statement of the Chairman on Natural Resources implies that the mechanics provided in the language in the initiative is attempting to change land alienation, no it is not. Tenureship is all that we are doing, lease term, not injuring land alienation I want to make that perfectly clear. Because his statement can be interpreted that I am tinkering with land alienation and I object to that.

Speaker Arnold Palacios: Okay, so clarified. Representative Hocog.

Representative Hocog: For the last time Mr. Speaker. I guess I made my point clear about the money that would be involved to qualify outsiders to become a Northern Marianas Descent. Now, with the

amendment so noted and the change that this initiative contains and because we are all son of man and not yet son of God, I move to end debate and vote for the initiative.

The motion was seconded.

Speaker Arnold Palacios: Before I recognize that and without objection I would like to just make a two minute comment on something that was brought up.

There was no objection raised on the floor.

Speaker Arnold Palacios: I never question motives nor I question taskforces that were created by either the Legislature or the Executive Branch, but I think Representative Benavente touched on a very sensitive issue that I was involved in very early in my political career, then Honorable Speaker Heinz Hofschneider unfortunately appointed me to be attending the “SEDC” meetings. Yes, I found out that the meetings were sparsely attended by previous members of the Legislature and I did attend two and after I attended the first two I went to the Speaker’s office and informed him that I want to be relieved of that task plainly and I take no crack at any one individual it was very plain from the very first meeting what the purpose of “SEDC” was. In the end my position and decisions to hold to what I feel was very valuable I ended up in some quarters being demonized. The members of “SEDC” are all major holders of leased lands some expiring. So it was no surprise to me that the major push the major agenda of “SEDC” at that time and I do not know if it is still today was to change Article XII. I think the organization has other agendas such as other incentive legislation that they have pushed through in the Legislature and those are good but I think in the end if you look at what it was that they were after that was clear to me what the corporate motive was. Okay.

Representative Benavente: Privilege.

Speaker Arnold Palacios: State your privilege.

Representative Benavente: Mr. Speaker, because of that statement, I feel it is necessary that I comment as well, and I do believe unless pointed out order that it is in order to do it under privilege. I think you misrepresented the job and the task of “SEDC” at the time. It was one of the issues that they were pushing forth but in all the meetings that I have attended a lot of those meetings it never crossed my mind that their sole purpose was to resolve their own challenges their own problems in their leases. In fact, not just in offering legislations the Saipan Economic Development Council actually suggested a lot of changes in the policies in the Administration at that time. So I think it is unfair that we...

Speaker Arnold Palacios: Well, Representative Benavente, I think and because I was appointed to that I wanted to make sure that I did attend two meetings then I asked the Speaker to please assign somebody else because I felt offended, let me clarify that, I felt offended by some of the members when they because basically that was the whole issue I will not name names one or two particular members of that at that time were in fact belittling the members of the Legislature that were present and there were about three of us at that time. I want to make it clear that there was no intent on my part I do not know if the Speaker then reappointed somebody else to represent the Committee on Natural Resources but I certainly did not want to be present at those meetings anymore. Okay, with that we will vote. Clerk, please call the roll.

The Clerk called the roll on the motion to adopt H. L. NO. 16-4, HD2, on First and Final Reading:

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

Speaker Arnold Palacios: By a vote of ten “yes” H. L. NO. 16-4, HD2 fails to pass the House. What is the pleasure of the members? One more bill? Short recess.

The House recessed at 5:42 p.m.

RECESS

The House reconvened at 5:48 p.m.

MISCELLANEOUS BUSINESS

ANNOUNCEMENT

ADJOURNMENT

Speaker Arnold Palacios: We are back to session. Floor Leader.

Floor Leader Camacho: Mr. Speaker, a motion to adjourn until ten o'clock tomorrow morning.

The motion was seconded and was carried by voice vote.

The House adjourned at 5:48 p.m., subject to the Call of the Chair.

Respectfully submitted,

Linda B. Muna
Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

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

SECOND APPEARANCE:

H. L. B. NO. 16-23: A Local Appropriation Bill for an Act for the First Senatorial District to appropriate \$40,000.00 from the local license fees collected for pachinko slot machines and poker machines in the First Senatorial District; and for other purposes. (Rep. Victor B. Hocog)

THIRD APPEARANCE: NONE