



House Journal

THIRD REGULAR SESSION, 2009

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Wednesday, February 18, 2009

The House of Representatives of the Sixteenth Northern Marianas Commonwealth Legislature convened its Eighth Day, Third Regular Session on Wednesday, February 18, 2009, at 9:51 a.m., in the House Chamber on Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

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

A moment of silence was observed.

The Clerk called the roll and sixteen members were present. Representative Ray N. Yumul came in late; Representatives David M. Apatang, Joseph C. Reyes and Edward T. Salas were absent and excused for the day's session.

ADOPTION OF JOURNALS

None

INTRODUCTION OF BILLS

H. B. NO. 16-224: A Bill for an Act to vest the Department of Public Lands and Natural Resources with the management and disposition of a certain public land in Sadog Tasi, Saipan for the development of a public park and for other purposes.

Offered by: Rep. Ramon A. Tebuteb (By Request)

Referred to: Committee on Natural Resources

H. B. NO. 16-225: A Bill for an Act to amend 4 CMC § 1503(a)(5) to reduce the license fee for pachinko slot machines; and for other purposes.

Offered by: Rep. Ramon A. Tebuteb

Referred to: Committee on Ways and Means

H. B. NO. 16-226: A Bill for an Act to authorize the governor to transfer \$3,500,000 of the Outside General Fund Resources; and for other purposes.

Offered by: Rep. Justo S. Quitugua

Referred to: Committee on Ways and Means

INTRODUCTION OF RESOLUTIONS

H. R. NO. 16-76: A House Resolution respectfully requesting Delta Airlines/Northwest Airlines to reconsider its decision on the reduction of flights from Japan to Saipan, the Commonwealth of the Northern Mariana Islands' (CNMI) primary source market on Tourism.

Offered by: Rep. Justo S. Quitugua

Referred to: Committee on United States and Foreign Relations

H. J. R. NO. 16-24: A House Joint Resolution to support and advocate the passage of H.R. 934 now pending before the 111th United States Congress, and for other purposes.

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

Referred to: Committee on United States and Foreign Relations

MESSAGES FROM THE GOVERNOR

GOV. COMM. 16-323: (2/10/09) Informing the House that he disapproved H. B. NO. 16-213, HD5, the Appropriations and Budget Authority Act of 2009. *[Deadline: 4/11/09]*

Speaker Arnold Palacios: Floor Leader, recognized.

Floor Leader Camacho: Thank you, Mr. Speaker. I believe per our earlier discussion, we will leave GOV. COMM. 16-323 on the calendar for the moment and proceed to the Bill Calendar.

Speaker Arnold Palacios: Before we went into session, Representative Benavente requested if we could go to Item 11, Other Communications.

Floor Leader Camacho: No objection.

The House went down to Item 11.

SENATE COMMUNICATIONS

NONE

HOUSE COMMUNICATIONS

NONE

COMMUNICATIONS FROM THE JUDICIAL BRANCH

NONE

COMMUNICATIONS FROM THE CNMI DELEGATE

NONE

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

NONE

OTHER COMMUNICATIONS

Speaker Arnold Palacios: Representative Benavente, recognized.

Representative Benavente: Thank you, Mr. Speaker. I understand every one of the members was given one copy of this particular booklet with a letter addressed to each one of us. I hope that every one has their copy. And if I may, I would like to comment on this particular issue.

Speaker Arnold Palacios: The communication is included for the record as MISC. COMM. 16-62:

MISC. COMM. 16-62: 1(20/09) From US Navy Captain J. M. Wynn regarding the Environmental Impact Statement/Overseas Environmental Impact Statement (EIS/OEIS) for the Military Mariana Islands Range Complex (MIRC) Brief.

Speaker Arnold Palacios: Proceed, Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. During the presentation last week by the Department of the Navy on this MIRC or Marianas Islands Range Complex environmental assessment impact study, part of the presentation included a proposal that would expand the restricted area at Farallon De Mendinilla from three miles to a ten-mile range. Mr. Speaker, I know that you have a resolution in support of the three miles on our coastal waters. Our understanding is beyond that is under federal control and my understanding is that they have full authority to control beyond the three miles currently. I stand to oppose this proposal to expand the three miles to ten miles primarily because the waters around the island of Mendinilla is the best fishing grounds, not just the northern part or the southern part, which is more accessible to the local fishermen, especially the Chamorro boat owners. We can only go up there in calm waters anyway. I have operated and owned a fish market for seventeen years and I know what kind of fish harvest we can get out of just the southern part of Mendinilla. The reason is at the southern part of Mendinilla the reef that extends about ten to twelve miles before it starts dropping off to deeper waters. The flats is one of the best area for white snapper or *mafuti* and they range from the 200-foot outside of the three miles to about 400. So it extends out to about ten to twelve miles before it starts dropping off. Local fishermen and boat owners— and you are 16-, 17-, and 18-footers that would go there overnight and can harvest anywhere from 500 to 1,000 pounds of white snapper. It is really a great fishing spot, and it provides a lot for the local fishermen and the businesses. I understand that we are to be as considerate of the military's needs and the safety of our community. But, the military has been using Mendinilla for many years now, and it was pointed out during the presentation that there has not been any accident that would require this need. I would like to make a statement that I oppose this proposal and request the members of the House to consider that opposition and support each other in the opposition of this proposal. There is going to be a public hearing on Monday, February 23rd, I believe, in which I plan to be present to oppose it. But, I would like to ask members to join me at that hearing, and let us oppose this proposal. Thank you.

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

Representative Hofschneider: Thank you, Mr. Speaker. I support Representative Benavente's contention, Mr. Speaker, and perhaps fitting of this body to have house resolution or joint resolution. The information that was not clear during the presentation is the general idea of just enlarging the radii from three miles to ten miles. The unanswered question really is, is that permanently throughout the year or what is traditionally done today--only during exercises that the military through our Emergency Management Office (EMO) advises all boaters to not venture into the area. So if the contention is to permanently redraw the line to the ten-mile radius, that would be unworkable not only for the fishermen, but also for a lot of the people that do venture up north to take a look at the natural state of the northern islands, including Mendinilla. I think we need to speak in once voice when we present our position on behalf of the people. I also think we need more information whether they are in talking about a ten-mile radius or a ten-mile radial rule during exercises. It is a huge difference. During exercises, as traditionally done, I think it is workable for the safety of the boaters, and fishermen for subsistence fishing. Thank you, Mr. Speaker.

Speaker Arnold Palacios: There were concerns about that proposed exclusionary zone when the proposal was brought up. Let me remind everybody that there is going to be a public hearing on Monday, at the multi-purpose center. I believe they are going to have one on Rota and Tinian also. I would also like to ask the Committee on Natural Resources to which Representative Benavente is a member to take up the issue. As I recall, Mr. Lynch who was presenting the proposal earlier this week stated that this is a proposal and that we sure have ample opportunity to give them our input, our thoughts on the proposal. Thank you for bringing this issue up, because it is critical. Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. I understand that Mr. Lynch actually said that it is a proposal and that they are willing to listen to any other idea, but the proposal presently calls for a permanent safety exclusion area is to be established within the law where the Army Corps may promulgate regulation restricting all commercial and private vessels from entering the restricted safety zone. So the current proposal is for a permanent restriction. I know that you asked that question during the presentation and I think what he meant was that this is the proposal, he is open to the idea of maybe a seasonal requirement rather than a permanent requirement.

Representative Hofschneider: Point of clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Hofschneider: It is just – is the reverse of the Antiquities Act?

Speaker Arnold Palacios: Sort of. Ready? Without objection, I would like to go back to introduction of Resolutions.

There was no objection from the floor, and the House went back to Introduction of Resolutions.

INTRODUCTION OF RESOLUTIONS

Speaker Arnold Palacios: I would like to introduce prefiled H. J. R. NO. 16-24. I believe copies have been passed out to the members.

H. J. R. NO. 16-24: A House Joint Resolution to support and advocate the passage of H.R. 934 now pending before the 111th United States Congress, and for other purposes.

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

Referred to: Committee on United States and Foreign Relations

Speaker Arnold Palacios: If there is no objection, I would like to place this on today's Order of Business.

Representative Sablan: Mr. Speaker, I just noted that there is no signature for legal sufficiency on this Resolution. Was that an oversight, has it been reviewed by the legal counsel?

Speaker Arnold Palacios: We will get to that when we get to the Resolution Calendar. Perhaps the legal counsel will have the time between now until we get to that item of the Agenda to review this resolution. Thank you for that point. Let us take a short recess.

The House recessed at 10:08 a.m.

RECESS

(Representative Yumul took his seat in the Chamber during recess.)

The House reconvened at 10:14 a.m.

Speaker Arnold Palacios: We are back to our session. We left off under Introduction of Resolutions. Clerk, let the record reflect that Representative Yumul is present. We now move down to Resolution Calendar.

REPORTS OF STANDING COMMITTEES

NONE

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

NONE

UNFINISHED BUSINESS

NONE

RESOLUTION CALENDAR

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to adopt H. R. NO. 16-75 in reference to Delegate Gregorio Sablan to advocate for Federal Unemployment Compensation Act.

The motion was seconded.

H. R. NO. 16-75: A HOUSE RESOLUTION REQUESTING CNMI DELEGATE GREGORIO C. SABLAN TO ADVOCATE THE APPLICATION OF THE FEDERAL UNEMPLOYMENT COMPENSATION ACT AND ITS BENEFITS TO THE RESIDENTS OF THE COMMONWEALTH

Speaker Arnold Palacios: Discussion. Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. A question to the author of this resolution—is there a potential issue that may arise that if we are currently not being deducted unemployment taxes like FICA and the like, will this be an indirect statement to the Federal Government that we want taxes to be applicable here that are currently not applicable. Thank you.

Speaker Arnold Palacios: That is a valid question. Representative Quitugua.

Representative Quitugua: Thank you. Mr. Speaker, this resolution is merely asking the Delegate to look into it and see if our people can qualify for any benefit and to push for it. I am hoping that he would do more study into it when he gets this and perhaps inform us as to the negative impact of the resolution and then we decide whether we go for it or not.

Speaker Arnold Palacios: Representative Hofschneider.

Representative Hofschneider: Mr. Speaker, I am concern given the recent action and the temperament of the U.S. Congress on the Commonwealth, taxation is the last remaining unilateral provision in the Covenant. And if by way of seeking benefits that is extended to states and other territories that pay federal income taxes, this may be the vehicle for further impetus into the application of the federal taxation. Thank you.

Speaker Arnold Palacios: Anymore comments? Representative Hofschneider.

Representative Hofschneider: Mr. Speaker and members, I recommend that we refer this to the Committee on Ways and Means or the Committee on United States and Foreign Relations before an official action of the Body. Perhaps, the opportunity for us to work with Delegate Sablan would be in the best interest of the Commonwealth since he is on island.

Speaker Arnold Palacios: Let me ask the author. Representative Quitugua.

Representative Quitugua: No objection, Mr. Speaker.

Speaker Arnold Palacios: Okay, so the author does not object to that recommendation that we sit down with Congressman Sablan to take a look this and see what his inklings are. Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. Pursuant to the discussions, a motion to refer this to the Committee on United States and Foreign Relations.

The motion was seconded and carried by voice vote.

Speaker Arnold Palacios: H. R. NO. 16-75 is hereby referred to the USFA Committee. Representative Babauta.

Representative Babauta: Since H. R. NO. 16-75 is referred to the committee, I recommend and urge the author, and I will co-sign, to write an official letter coming out from his office requesting the same thoughts on this issue.

Speaker Arnold Palacios: Just to remind you, we have an audience with our Congressional Delegate tomorrow morning, including the members of the Senate. The USFA Committee can look at this and perhaps we can discuss this tomorrow. Floor Leader.

Floor Leader Camacho: Mr. Speaker, a motion to adopt H. J. R. NO. 16-24 in reference to U.S. HR 934 on the three-mile coastal waters.

The motion was seconded.

H. J. R. NO. 16-24: A HOUSE JOINT RESOLUTION TO SUPPORT AND ADVOCATE THE PASSAGE OF H.R. 934 NOW PENDING BEFORE THE 111TH UNITED STATES CONGRESS, AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: The motion is for the adoption of H. J. R. NO. 16-24 and it has been seconded. Discussion on the motion. Vice Speaker Deleon Guerrero.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. The first question is do we have a copy HR 934 so that we can understand what it is exactly we are supporting?

Speaker Arnold Palacios: I have it on an email. Short recess.

The House recessed at 10:20 a.m.

RECESS

The House reconvened at 10:23 a.m.

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

Representative Hocog: Mr. Speaker, no offense to the author of this resolution, but with the presence of the good Congressman Kilili on island, maybe it would be a good idea to include this also in tomorrow's discussion with him along with the House Resolution that Representative Quitugua introduced. We can perhaps bring forth a better worded resolution to include other recommendations. Thank you.

Vice Speaker Deleon Guerrero: Mr. Speaker, if I still have the floor.

Speaker Arnold Palacios: Let me say that there is no offense taken. I think that the recommendation is appropriate. I recognize the Vice Speaker.

Vice Speaker Deleon Guerrero: Mr. Speaker, just for the purposes of discussion and making all of us cognizant of the issue. The reason I asked the first question is that it would lead to my second question. I have just been made aware that what Congressman Kilili is proposing is to be in the same status as to what the Territory of Guam and other coastal states that have three-miles to have the same rights and privileges. I understand and I was just made aware this morning that this may not necessarily include exclusive benefits, i.e. mineral rights and that it may come with the liability and responsibility that is required by federal law, but may not include such rights such as, mining or harvesting of resources. I just want to be clear what it is this Bill proposes and what it is following. I want to understand what those coastal states are allowed to ensure that we in fact are going to benefit from it. If all we are getting is the right to be liable, then that is not really getting much. Yes, we can discuss this tomorrow, but I thought I would raise that issue, Mr. Speaker. Thank you.

Speaker Arnold Palacios: With rights to any benefits of territorial waters or any property, you also have the rights to liabilities. That is very basic. For territorial waters, we will have jurisdiction over management whether or not states have liabilities. Of course, it comes with liabilities because you have jurisdiction over it, and whatever conduct you have, whether it is public land or submerged lands, comes with that.

Vice Speaker Deleon Guerrero: Understood, and I am not contesting that, Mr. Speaker. What I am trying to get clarification is whether we will have benefits. I was made aware that the benefits might not be a part of those rights. The liability is the obligations, the responsibility, I know, I understand that and I accept that. I am not clear about the benefits part that.

Speaker Arnold Palacios: Let us further discuss that after we have this discussion with the Congressional Delegate. Representative Sablan.

Representative Sablan: I did co-sponsor this resolution and I support the general intent, which is, of course, to gain jurisdiction over the three-mile zone. But, Representative Guerrero is correct, there are certain exceptions to the rights that Guam, in particular, enjoys, and that would include exception in terms of minerals and oil deposits and other resources that would be contained in submerged lands. Perhaps this is an opportunity for us to improve the language of Congressman Sablan's Bill and the language of our Resolution. Maybe the introduction of Congressman Sablan Bill is an opportunity for us to team up with the other territories and ask for extension of mineral rights as well.

Speaker Arnold Palacios: Okay, those issues may be raised tomorrow. Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. This legislation, HR 934 was introduced by Congressman Kilihi, himself, with two others. It is currently assigned to the US House Natural Resources Committee. The concern that I have is that we have just been briefed with the Mariana Islands Range Complex, which talks about a particular island, FDM to have a permanent restriction on entry. It is interesting to see how this legislation is going to conflict with what the military's plans are and that if this goes to fruition then that means the three-mile radius around FDM would be controlled by the CNMI. Then it would automatically conflict with the murk. So it is a very tricky balancing of what the intent of the legislation is with that of the military. I think we definitely need to look into that.

Speaker Arnold Palacios: Certainly, the legal counsels could look into the FDM as leased. We leased that under that Covenant, so did we in fact through that lease give away all rights to territorial waters. We can claim one mile, three miles or ten miles around all other islands if that is the case under federal law, but perhaps the legal counsel can look into the question where when we leased out Farallon De Mendinilla did we include our right to submerged lands.

Representative Yumul: And the specific language in the Covenant says the immediate waters adjacent thereto. That is a very interesting and relative statement.

Speaker Arnold Palacios: So, the recommendation is to refer it to the committee. Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to refer this to the Committee on United States and Foreign Relations.

The motion was seconded and carried by voice vote.

Speaker Arnold Palacios: The motion carries and H. J. R. NO. 16-24 is referred to the Committee on United States and Foreign Relations. This is an issue an issue that will be taken up with our Congressional Delegate tomorrow.

Representative Benavente: Privilege, Mr. Speaker.

Speaker Arnold Palacios: State your privilege.

Representative Benavente: Since I would not have the time to draft a memo, I am requesting that all members of the Committee on United States and Foreign Relations be present for the meeting

tomorrow with Congressman Kilili. I ask at this time that all members to please be at the meeting tomorrow. Thank you.

Speaker Arnold Palacios: How many members are in your committee?

Representative Benavente: Seven.

Speaker Arnold Palacios: Okay. We move down to Bill Calendar.

BILL CALENDAR

Representative Yumul: Privilege, Mr. Speaker.

Speaker Arnold Palacios: Representative Yumul.

Representative Yumul: Thank you. Today's paper, *Marianas Variety* one of the members of this Body brings up a very big concern regarding –

Speaker Arnold Palacios: Representative Yumul, you are out of order. We are under Bill Calendar. You should have done that under Item 7, House Communications. Perhaps we can go back before we adjourn.

Representative Yumul: No objection.

Speaker Arnold Palacios: Okay. Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to pass H. B. NO. 16-180 on First and Final Reading.

The motion was seconded.

H. B. NO. 16-180: A BILL FOR AN ACT TO AMEND 3 CMC § 5421 BY ADDING A NEW SECTION (D) AND TO AMEND 3 CMC § 5432 BY ADDING A NEW SECTION (C); AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: The motion on the floor is for the passage of H. B. NO. 16-180. Discussion on the motion. Ready? Let me give you two minutes. Short recess.

The House recessed at 10:30 a.m.

RECESS

The House reconvened at 10:43 a.m.

Speaker Arnold Palacios: We are back in session. I recognize Representative Dela Cruz.

Representative Dela Cruz: Thank you, Mr. Speaker. I do applaud the author for this revenue generating legislation, but the question that I have is, how can a vessel be registered here in the CNMI without being physically here. According to the legislation—registered without it coming to the CNMI or being in the CNMI. I can understand if the Coast Guard does certification and the boat owner mails the certification to the CNMI, but I think there are procedures in registration of vessels,

just like registration of vehicles. How is the registration to be given or processed without the vessel actually being here in the Commonwealth? That is my question.

Speaker Arnold Palacios: Representative Hofschneider.

Representative Hofschneider: Mr. Speaker, a lot of the coastal states have their boat registering law in place. The US Coast Guard follows the federal law that is uniform in application all throughout, with some variation in intra-coastal boating requirements, Lake Michigan and the estuaries. Since the federal law on boat safety is uniform, a state may have its own law. As a result, a boat from Florida can be berth in California and still be registered under Florida or in Galvastontexas, or be physically registered in the State of Louisiana or San Francisco or in Seattle. So the mobility of that boat is free within the territories, coastal states and inland waters. The overriding concern about uniformity and safety is really under the US Coast Guard regulations as to the safeness of the vessel and the operations requirement. So, this would only be expanding the Commonwealth's ability to have those vessels register here, collect revenue and yet physically present in Florida, for instance, but under the supervision of the federal safety regulations on boating under the Coast Guard.

Representative Dela Cruz: And when we mention intra-state, I can understand that because they are confined to the United States of America. But, we are outside the United States of America. Now, the procedure in the US to register a boat, does the boat need to be physically inspected while the registration process is ongoing?

Representative Hofschneider: Point of information, Mr. Speaker.

Speaker Arnold Palacios: Proceed.

Representative Hofschneider: I failed to mention that the US Virgin Islands and Puerto Rico are in the same concern. A boat from Puerto Rico is under the safety aspects of the US Coast Guard. They have to meet those regulations. If and when the US Coast Guard boards and requires a proof of safety and soundness of the boat, that overrides all state, territory and coastal regulations and laws. So a boat in the Virgin Islands or Puerto Rico can be physically present in Miami or San Francisco or anywhere in the coastal areas, for that matter Lake Michigan.

Speaker Arnold Palacios: Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. Representative Dela Cruz raised some very valid concerns. First of all, for clarification, not all boats, especially pleasure-owned boats require US Coast Guard approval. In our case, it is restricted to use and size where the Coast Guard certification then is required. If it does not meet a necessary Coast Guard approved certification, then that is when our own boating safety registers those boats as required by our laws to provide for safety in the boating industry. The requirement as stated by Representative Dela Cruz is that in order to register a boat that is not Coast Guard approved—whether it is for pleasure or commercial—you apply for a registration with our local boating safety office and it goes through the process of making sure that all the requirements are there. One requirement is that the boating safety officials have to physically boat, which means they have to get on board and look at the boat to make sure that all the safety equipment are there. So that is a requirement, and knowing that not all boats are necessarily Coast Guard approved, we can not just say that just as long as it is Coast Guard approved we can register it. We cannot also just say that the State of Florida boating safety certification is all we need to register and number the boat here in the CNMI. That should not be enough, Mr. Speaker, because

in this process there are enforcement requirements for the boating safety to review continually. In our case, you need to register every year, which means that you have to go through the entire process of having boating safety official come on board and make sure that all your equipment are still there. Those are important as continuing enforcement efforts. What we are proposing here sort of removes that need and, I believe, opens up some liability on the CNMI Government to be, for lack of a better word, reckless in its statute in allowing certain vessels to be processed without the arm of making sure that safety necessities continue to be enforced.

Speaker Arnold Palacios: I guess the legislation on the last paragraph under Findings and Purpose made a statement, “The Legislature supports the intent of this Act, however, the owner of the pleasure boat/vessel shall comply with the provisions of CNMI Public Law 3-25 and the United States Coast Guard Boating Safety Rules and Regulations.” So, I think that may answer some of the concerns and the queries to a certain extent. I am not sure. Representative Benavente, do you want to yield to the Vice Speaker.

Representative Benavente: One more comment, Mr. Speaker.

Speaker Arnold Palacios: Proceed.

Representative Benavente: Actually 3 CMC § 5421 has to do with the numbering. I know that this has been signed for legal sufficiency by our legal counsel, but I question the propriety of providing this particular amendment in a section that deals with numbering of vessels. Thank you.

Speaker Arnold Palacios: Vice Speaker.

Vice Speaker Deleon Guerrero: I am not sure, Mr. Speaker, if this is one of those bills that were withdrawn from committee -- yes, it is. I was going to recommend that perhaps we should seek comments from the Department of Public Safety (DPS). The reason I want to recommend that is -- the concern I am going to raise is the liability issue, which Representative Benavente sort of touch on. What is the liability of boats being numbered here and are being used elsewhere? What if this loophole is exploited by potential drug runners? Would the numbering coming out of the CNMI be portrayed as a haven for such activities? I do not know, but perhaps law enforcement officials know what the potential setbacks or shortfalls or problems and liabilities it could come with having vessels numbered here that we are not accountable for. I do not know, I am not a boat owner and I do not know what could possibly happen, but perhaps we ought to at least seek advice from authorities who are more aware of potential liabilities, Mr. Speaker. Thank you.

Speaker Arnold Palacios: Representative Babauta.

Representative Babauta: Thank you, Mr. Speaker. Mr. Speaker, may I ask the counsel on line 7 to line 9 of H. B. NO. 16-180 HS1. In the event that a particular boat or vessels is certified pursuant to CNMI law and by the US Coast Guard, can the COI or certificate of inspection be issued out of the Commonwealth?

Speaker Arnold Palacios: Before I recognize the legal counsel to answer that question, we need to retract and have the good Representative and Author offer the substitute version, because the House Substitute 1 has not been offered on the floor, and I was just reminded of that. Representative Stanley Torres, recognized.

Representative Stanley Torres: Thank you, Mr. Speaker. I hereby introduce a House Substitute 1.

Seconded by Representative Babauta.

Speaker Arnold Palacios: We will now go into discussion of H. B. NO. 16-180, HS1.

Representative Babauta: The legislation intends to allow for a vessel or pleasure boat that is outside of the Commonwealth waters or for that matter the presence of the boat, should it pass criteria stipulated under Public Law 3-25 and the United States Coast Guard—is this correct, is this the intention of the bill?

Legal Counsel Joseph Tajeron: Yes, from my plain reading, yes.

Representative Babauta: Mr. Speaker, there was an incident some time ago where a registered boat owner from Tinian—including his personal car—were registered in the Commonwealth and the boat is now in Okinawa. The car is in a military base utilized by the family stationed there. So if it meets the standards of the Japanese maritime and the Coast Guard—because the boat and their private vehicle continue to be registered here in the Commonwealth. So I guess the intent of the author is to enhance licensing fees and that it would generate revenues. That is how I understand this legislation, Mr. Speaker, thank you.

Speaker Arnold Palacios: Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. The difference here is if the car was originally registered here and then shipped off island to Oregon or Okinawa or South Korea, and the owner wishes to pay registration, that is merit on its own for revenue generating purposes, because the state of California's registration fee is a percentage of the value of the vehicle. The CNMI has a flat rate. So, it is advantageous to renew registration within the CNMI for those vehicles. The issue here is that this is a foreign owned vessel that is going to be registered. I do not have an issue with Coast Guard rules and regulations. They do an outstanding job with inspection. My concern centers around 4 CMC § 1402, which is the excise tax that talks about a 5.75 percent ad valorem on boats and yachts entering the Commonwealth. So if we were to allow this boat to be numbered outside and makes its way in here, I do not know if we are still going to be able to collect tax or not. Personally, the more boats that come into the Commonwealth, the more option I get to buy a boat. But, financially speaking, we need to do an analysis to see if this will affect excise tax. With regards to the intent of this legislation, it has merit. I just want to be absolutely certain that we will not affect excise tax. Thank you, Mr. Speaker.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I think that very legitimate concerns about the impact of this bill have been raised and it does not hurt for us to seek out comments, not just from DPS, but perhaps also from the Division of Revenue and Taxation, Coast Guard and other stakeholders who might have an interest in this bill, either improving it or raising additional concerns that we have not considered today. So I would like to ask that we defer action on this bill, perhaps refer the bill back to committee with instructions that we seek out comments that would perhaps address the concerns that have been raised today.

Speaker Arnold Palacios: That is a recommendation. Representative Stanley Torres, you are the author. Would you be amenable to having the Committee on Commerce and Tourism look into the issue and have the DPS Boating Safety and even the Coast Guard representative comment on this piece of legislation so that some of the concerns may be answered?

Representative Stanley Torres: I do not have problem, Mr. Speaker. I am just glad that more people are becoming interested in my bill.

Speaker Arnold Palacios: Representative Yumul.

Representative Yumul: I just got off the phone with the Division of Customs—a nice pleasure boat, vessel that arrived a few months ago paid fifty thousand dollars in excise tax. So they are paying taxes as they come in with foreign registration and then converted to CNMI registration. So the Committee on Commerce and Tourism can look at that issue.

Speaker Arnold Palacios: Yes, that is a very valid issue, but if you look at the intent of the legislations, these boats would not normally be imported into the CNMI.

Representative Yumul: That is why, Mr. Speaker, my original comment is if that is the intent, I do not have disagreements with that.

Speaker Arnold Palacios: Let us take on the recommendation by Representative Sablan and send this to the Committee on Commerce and Tourism so that we can rest discussion on this. Representative Benavente, recognized for a brief statement.

Representative Benavente: Thank you. For information only, we just dug up the fact that the Marshall Islands actually have something similar in their laws and in fact, many boats have been registering out of the Marshall Islands. One thing that I think we should consider in our review of this legislation is the fees, because we are proposing two hundred and fifty dollars. In the Marshall Islands, it is anywhere between \$2,500 and \$20,000. So, if we are going to take advantage of this opportunity, let us do it right. Thank you.

Speaker Arnold Palacios: I know that the Marshall Islands have ships, ocean going freighter registry and we are only talking about pleasure owned boats or vessels. So, it might be a big difference. Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. Per discussion and debate, a motion to refer this back to the committee for review.

There was no objection raised.

Speaker Arnold Palacios: There being no objection, H. B. NO. 16-180, HS1 is hereby referred to the Committee on Commerce and Tourism. Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to pass H. B. NO. 16-195 in reference to bulk motor fuel on First and Final Reading.

The motion was seconded.

H. B. NO. 16-195: A BILL FOR AN ACT TO AMEND 4 CMC § 1103(AA) TO INCLUDE IN THE DEFINITION OF WHOLESALERS A SELLER OF BULK MOTOR FUEL; AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: Discussion on the motion. Ready? One-minute recess.

The House recessed at 11:04 a.m.

RECESS

The House reconvened at 11:08 a.m.

Speaker Arnold Palacios: We are back in session and under discussion of H. B. NO. 16-195. Representative Yumul, could you please articulate the intent and purposes of the Bill since you are the author.

Representative Yumul: Thank you, Mr. Speaker. Under existing law, when an importer such as Mobil or Shell imports fuel, diesel, gasoline, or even the other distributors like, LPG Gas, the law specifically says that upon first sell or distribution, a fifteen cents per gallon liquid fuel tax is collected. The issue before us is if the importer delivers direct to a hotel or a large business such as DFS (Duty Free Shoppers, Ltd.) or the then garment industry, that is still considered first distribution and that is considered fifteen cents per gallon liquid fuel tax. We found out that there are three distributors of bulk fuel – one is in Tanapag, one is here at the bottom of the hill, Shell operator, and then another business is a distributor for Mobil. Now, these operators are not getting any kind of breaks off of fuel. When I sat down with the distributors, they are at the verge of shutting down that operation because they are responsible for their own insurance, maintenance of their vehicles used for distribution of fuel, but when the importers deliver fuel, it is covered under a corporate-wide insurance and other services are built-in to the cost. The intent of this legislation is simple—if these distribute to the hotels or large business, we will collect from them two percent wholesale tax. The aim is to discourage the importers from distributing directly so that we get more turns on the handling of fuel. Because if we continue to allow importers to do their own distribution, we are not going to get the multiplier effect in terms of taxes. That is the aim here. The comments from the distributors are they are in favor of this legislation. They do see this as an advantage for them so that they can continue to remain in business and hopefully become more involved in the distribution of fuel.

Speaker Arnold Palacios: Representative Benavente.

Representative Benavente: Mr. Speaker, my concern would be what is the economic impact on the liquid fuel tax. How much is that going to cost the CNMI revenues if we start removing that revenue.

Representative Yumul: Removing what revenue?

Representative Benavente: The liquid fuel tax.

Representative Yumul: Liquid fuel tax is unaffected. We are not touching liquid fuel tax. We are just allowing distributors of bulk fuel to be considered wholesalers so that they are only liable to pay two percent wholesale tax. The liquid fuel tax is still collected. The law says, once it is first distributed or sold, fifteen cents per gallon is collected. But, if Shell or Mobile goes straight to let us say, Nikko

Hotel, it is fifteen cents. There is no over the counter sale, there is no wholesale. It is only one tax. It is as loophole.

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

Representative Benavente: I guess I misunderstood. Representative Yumul is saying that the first sale—first distribution or first sale?

Representative Yumul: First distribution.

Representative Benavente: First sale is what we call liquid fuel tax, which is what we collect and that pays for a lot or is a major portion of our revenue. So, we are not touching that. Where is the benefit, once again, for the distributors?

Representative Yumul: The distributors are at the point of deciding whether to stop operating as distributors and instead receive fuel directly from the importer. They will no longer be agents or commissioned sales agents. There are definitions that distinguish. The bottom line is that a certain importer will not deliver less than five hundred gallons bulk. They allow middle men to do those distributions because they consider it not economically advantageous for them. That is why they want them to be there because of the way the pricing in fuel start to skyrocket, the priced themselves out of the market because hotels and large companies are saying, I might as well go directly to the source. But because their ordering frequency and perhaps the order volume does not reach a certain threshold they are forced to either load up fifty-five gallon drums and buy or in this case the better way to do it to allow bulk distributors on island to provide this business.

Speaker Arnold Palacios: Representative Stanley Torres.

Representative Stanley Torres: *Esta maleffa yo' hafa para baihu sangan.* I am not sure, *ti hu kompreprede hafa ileklek-ña si* Representative Yumul. *Guaha pa'go man lililiku'* sales agent to the hotel identifying themselves as agents for Mobil or Shell. I do not know *kao etyu siha na product ni ma bebbendi guato* gi hotel, are we collected tax from the agents outside of the Commonwealth.

Representative Yumul: I do not understand the question about agents. If they are representing Mobil and Shell as sales persons then technically it is still the liquid fuel tax, because they are out there selling on behalf.

Representative Stanley Torres: But if the product is no on Saipan and it is shipped directly to the hotels?

Representative Yumul: I do not know of any type –

Speaker Arnold Palacios: Let us be recognized before speaking.

Representative Stanley Torres: Mr. Speaker, I understand *na guaha agent Guam matto magi ya hu manao para* one of the hotels selling their Mobil product. *Ti hu tungo' kao este na* scheme is a circumvention or avoiding tax being that the product is order here in Saipan, but it is sent directly from Singapore or Guam and the agents make their money through commission. That is a new scheme.

Speaker Arnold Palacios: That is a little different from what Representative Yumul is trying to do here. Perhaps, the Committee on Commerce and Tourism or Committee on Ways and Means can look into that.

Representative Stanley Torres: *Siña ta ina mas?*

Speaker Arnold Palacios: Okay. Any more discussion on the legislation. Representative Dela Cruz.

Representative Dela Cruz: Thank you, Mr. Speaker. I just wonder whether this legislation will affect CUC. Will CUC be made to purchase directly from this wholesaler instead of Mobil right now, and will the wholesaler be able to store the amount of fuel that CUC needs?

Speaker Arnold Palacios: Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. The contract between CUC and Mobil is a direct contract. Under Title 4 §1403(c) liquid fuel tax is not imposed on CUC for the purpose of power generation. There is an additional section that says that provided that they use that savings to procure vehicles and maintenance for their upkeep of their vehicles and equipment. So they are not subjected, so no, it would not be applicable. Just the other day Executive Director Tony Muna said that the price within the contract terms whether the bulk fuel goes from ship to shore to the CUC tanks or ship to Mobil tanks to CUC tanks, or whether it goes from Mobil truck across the street to Power Plant IV it is still one price. That is set by contract.

Representative Dela Cruz: So, I guess my next question is I believe Mobil Contract is about to come to an end. Will CUC then be able to purchase directly from this wholesaler or distributor when the contract ends?

Representative Yumul: No, Mr. Speaker. (End of Tape 1 side B) (Start of Tape 2, side A) ...obligated to buy from any wholesaler within the contents of this legislation.

Speaker Arnold Palacios: Ready? Representative Sablan.

Representative Sablan: I would like to ask the author of the bill to maybe more clearly define for me who benefits in addition to the three businesses that are presently engaged in the sale of bulk motor fuel. What benefit does the Commonwealth derive from this proposal if enacted into law. While I understand that, the liquid fuel tax would not be affected, would gross revenue tax be affected as a result of this legislation?

Speaker Arnold Palacios: Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. Based on communication within the existing wholesale distributors, they are ready to shutdown. So if they do shutdown, Mobil and Shell will be obligated to provide some of the services for distribution directly thereby removing that from the general revenue, meaning it will only be applicable to fifteen cents per gallon upon the first sell or distribution. So we are allowing the wholesalers to remain in business hopefully enticing other businesses that may want to get into the business of distribution or wholesaling of bulk fuel. We are not excluding anybody. This is just a provision that says plainly that it is for the purposes of distributing fuel within the Commonwealth, you may apply for a business license under the heading of "wholesale". As soon as you pay for the business license fee, you have contracts with Mobil or

Shell and you start distribution, selling to third parties, you can take advantage and pay only the two percent tax. The concern that they are ready to shut down and just rely directly on Mobil or Shell which would basically put them back into the driver's seat as a monopoly. So, we are trying to encourage the distributors to be more active in distributing fuel within the Commonwealth and to have Mobil and Shell just be the importers.

Representative Sablan: Thank you for that clarification. My next question deals with language of the amendment itself. It seems kind of peculiar to me the way it is written, that existing language is: “Wholesaler’ means any business engaged in the sale of tangible personal property to another for resale for direct or indirect benefit;” and the amendment is to say, “except that a wholesaler shall also mean any business engaged in the sale of bulk motor fuel...”. I guess I am wondering why it is phrased that way. Why do we say, “except that”, why not say, “including any business engaged in the sales”. Was there a reason for that?

Representative Yumul: That was a suggestion by the legal counsel. There was no double-meaning. We could again ask for clarification, but the legal counsel who structured this language was trying to tie bulk motor fuel to wholesaler without having to make a separate definition. Wholesale is a general business activity where you are selling business to business. You are not selling to direct consumers and that is the reason for the 55 gallon minimum because we do not want people to walk up and say, give me 20 gallons to fill my car. That definition of business to business means a wholesaler cannot sell on a cash basis. They have to have a customer number which will be verified through a business license. So the definition is very restrictive in that respect.

Representative Sablan: Except that in the Commonwealth, wholesalers do sell retail. They also have their retail outlet.

Representative Yumul: I am preparing legislation to change that.

Representative Sablan: I see. Well, just a follow up with the legal counsel – is it necessary to phrase that amendment in that peculiar way or would it suffice to just say, “including any business engaged in the sale” just so that there is no confusion of what is our intent.

Speaker Arnold Palacios: Legal counsel—short break.

The House recessed at 11:21 a.m.

RECESS

The House reconvened at 11:29 a.m.

Speaker Arnold Palacios: We are back in session. We are still under discussion of H. B. NO. 16-195. Representative Sablan, you still have the floor.

Representative Sablan: Before the recess, we were talking about the specific language of the amendment that is being proposed in this bill. I think that it should be pointed out that there would be two very significant impacts arising out of this bill if it becomes law. One is already obvious and stated in the findings and that is to expand the definition of wholesalers to include those businesses engaged in the sale of bulk motor fuel. That is in the findings and that distributors have been consulted. It is unfortunate that there is no committee report, but at least that intent is clear in this

bill. The other intent is really by the first part of the amendment which is to close that loophole that Representative Yumul said that exists now and that is that wholesalers can presently engage in retail sales. The business can sell products at wholesale prices directly to retail customers. So, this bill in effect by that one word that is inserted in the amendment, which says, “‘Wholesaler’ means any business engaged in the sale of tangible personal property to another business...” that is what we are changing. That would affect more than just business involved in the sale of just bulk motor fuel, but affects every wholesale business on the island because virtually every wholesale business is involved in selling directly to consumers. I think that we should take the time to consult with the industries that would be affected. It is one thing for us to expand the definition to include businesses that we have already consulted, but it is another to affect every single business that is doing this now legally because it is permitted under the law without even giving them a heads up. I think that if we pass this today, it will send a signal to these wholesale businesses that we are pulling the wool over their eyes and sneaking this in. It is very significant. I think that we should take the time to review this more carefully and solicit comments.

Speaker Arnold Palacios: Representative Yumul.

Representative Yumul: Thank you, Mr. Speaker. The reason the word “business” was inserted on page 2, line 9 is because if you look at the second amendment starting at the end of line 9, it also reiterates between lines 10 and 11 the sell of bulk motor fuel to another business. So, the idea is if you are engaging in retail you pay the five percent. Do not disguise your business as a wholesale so that you can only pay the two percent tax and then retail. The amendment is being made to the same section, so we might as well deal with it. I do apologize if it is not in the findings, but this is a very detriment issue currently when people are circumventing retail versus wholesale. It is clear when it comes to other services or business activities that does not engage in wholesale. But, within the wholesale environment, we are losing revenues if we do not clarify this.

Speaker Arnold Palacios: Representative Hofschneider.

Representative Hofschneider: Thank you, Mr. Speaker. This issue is not new for those of us who have been here. It has been lingering for ten years. There is argument on both sides. For instance, if Joeten Enterprise is also a wholesaler and he is the only one with Kikkoman (soy sauce) because he is the franchisee--or Toyota or Nissan Motors becomes a wholesaler--this is the issue of whether appropriately taxing. They can undercut all other retailers in the consumable good wholesale business if they are the designated franchisee for tuna can, Kikkoman, Calrose rice and in the same context for fuel oil. If you are the wholesaler and you control the gas stations, but under the auspice of an operator, the pass through cost of the net profit margin is not determined by the operators or the agents that are running the pump stations. They are at the mercy of the wholesaler. The consumers are the ones forking out and paying the higher price because of that profit margin not being allowed to get into the independent fuel operators to determine price competitiveness. So, if you look at the two monopolies of oil suppliers in the Commonwealth --we have Shell Oil and Mobil Oil--and there is a federal law about the two wholesalers and the two entities that are operating gas pumps, there is a collusion, anti-trust, that two wholesalers of fuel oil, in particular, are prohibited under federal law to come to a table or meet and discuss pricing. So if you go around and look at the two main suppliers--Mobil and Shell--there is a fraction of a cent difference in their pricing. In most cases, they are about the same pump pricing. The only difference is today one wholesaler would drop and tomorrow the other will follow suit. Rarely do they both change at the same time. What is interesting without this legislation being acted on by the Body is global pricing on the New York Stock Exchange Brent Oil and New York Mercantile Exchange have been pricing barrels at

below forty dollars, consistently, for the last two months. If you do the math and say one barrel is equal to 42 gallons that would come up to whatever that price. The point that I am trying to emphasize is that because the CNMI gets its oil from a refinery in Singapore that does not necessarily parallel or correlate to Brent Oil and NYMEX Oil pricing, it may in fact be significantly higher by ten dollars or fifteen dollars at the most per barrel. The problem with it is you have China hoarding the demand, and therefore, keeping demand arbitrarily higher than the global pricing of oil. What does that do to this bill and to the Commonwealth consumers. You need to divorce the wholesaler from actually deciding control over independent gasoline pump operators. That is where you compete. You allow the individual gas stations to compete based on pricing and demand and allow the pass through cost to be lowered to the consumers. We are eighty cents higher in the area for unbeknownst reason. If you take the charges and add it to the spot market when they load the tanker outbound for the Commonwealth, there is about eighty cents to a dollar in significant difference. Let us not be duped. A tanker nominally charges about a penny a gallon to haul. So having control as a supplier and wholesaler, the retailers are at the mercy because the retailers do not make the determination as to the profit margin. It is supply and demand principle. If supply is static as in an island economy, you have an arbitrarily depressed demand also because of over pricing. The profit margin is being controlled by the wholesaler. So, Mr. Speaker, there is both sides to be considered, but let us not forget we legislate on behalf of the people taking consideration to also balance the outcome of any legislation that it makes a level playing field for businesses to operate making it profitable in a sense, but not wholly monopolizing it and controlling it.

Speaker Arnold Palacios: Vice Speaker, recognized.

Vice Speaker Deleon Guerrero: Mr. Speaker, before I ask a question, I want to clarify that with Mobil and Shell, there are no independent owners here already. I think the last was Mr. Jack Manglona, down the hill. All we have now are commission agents and are basically the retail arm of the two wholesalers. It is a monopoly. With that being said, my question to the author is because the intention is for bulk motor fuel, bulk motor fuel is defined to include liquid propane and other suitable fuel, whatever that means. I want to ask that because we have liquid propane, we have our LP gas distributors out there right now who bring in their own fuel or get it from wholesalers. Currently, let us say, Wushin get it from Mobil, but do they currently pay the liquid fuel tax? How does that work?

Speaker Arnold Palacios: Representative Yumul.

Representative Yumul: Wushin, I believe purchases from Exxon Mobil on Guam and it is delivered here via bulk 20-foot isotaners, those big drum type of 20 footers. Saipan Industrial buys from Shell Guam also. For the purposes of first sale or distribution, if the invoicing were handled out of the respective office in Saipan, that would be first distribution to them and then they in turn wholesale or retail. Again depending on the type of sale. If you are selling to a person off the street, it is considered retail. If you are selling to a business entity or you are selling in bulk then it should be under wholesale. Suitable fuel is a colorful way of saying bio-fuel. We did not want to say bio-fuel –

Vice Speaker Deleon Guerrero: You did say bio-fuel.

Representative Yumul: Oh, I am sorry; it is other types of derivatives. If someone comes up with a new product that is a high breed type of combustible material that can be used to generate energy, through combustion or other means, it opens the door so that we do not have to keep naming new technologies in terms of fuel. Fuel, the way we learn and see it, it is either liquid or gaseous state,

but there is fuel that is in pellet form and solids that we are not aware of. Even nuclear is actually a type of fuel. Again, we will probably not see any of that stuff here in our lifetime, but not to try to keep reinventing the definition.

Vice Speaker Deleon Guerrero: Let me rephrase – is Wushin paying fifteen cents per gallon right now on the fuel they import and would this waive the fifteen cents from them?

Representative Yumul: No. Again, we are not touching liquid fuel tax. That is a totally separate section under the CNMI Code. We are just defining who is a wholesaler and what constitutes a wholesale activity.

Vice Speaker Deleon Guerrero: I rest for now.

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

Representative Sablan: Thank you, Mr. Speaker. I still feel like the concerns that I raised prior to Representative Hofschneider's comment has not been addressed and that it is that this bill will have impacts that go beyond just expanding the definition of wholesaler to include those businesses that sell bulk motor fuel. So, I would like to recommend to the body that we can lay this on the table and allow the Committee on Commerce and Tourism to do what we should have been doing and that is to solicit comments from the community since this will affect every wholesale business that is engaged in retail. This is not – I think Representative Yumul described it as circumventing the law, but the fact of the matter is right now it is legal for wholesale business to compete even with their retail customers. There are a number of wholesale businesses and I would say probably every single one of them does that. While I always thought that as a matter of policy it was strange to allow that, and certainly unusual compared to other jurisdictions, that does not mean that we should rush such significant changes in the legislation that would directly affect many business not just the one that we are discussing today. I would like to ask that we defer action—that is a motion.

Speaker Arnold Palacios: Representative Sablan, you said that every wholesale business also sells directly to the consumer. I think for the most part you are right, but I think that every wholesaler who also has a retail arm, that retail outlet would be a separate entity from the wholesale entity. Is that not true?—Therefore, the other business entity which is the retail arm would buy from the wholesale arm.

Representative Sablan: It is like the tent sales, I think we are all familiar with that, and there are a number of wholesalers that will, every now and again, have a massive tent sale and they are basically selling the same products at wholesale prices that they distribute to other retail customers around the island. So they are competing with their own retail clients, but selling directly to consumers at wholesale prices. Right now, that is legal. There is no circumvention of the law.

Speaker Arnold Palacios: I get your point, but those are not necessarily a growing business concern that is allowed by law or our policy, but it is usually a once or twice a year situation. I may agree that we should look at whether or not they should be allowed to do that, but I am just trying to clarify your point.

Representative Sablan: My point, Mr. Speaker, and I am not saying that I disagree with the – I guess the intent which is to reconsider the policy that exists now. It is not just the occasional tent sales that I am talking about, but right now, you can go into any wholesale business as a customer and

purchase a six-pack of soft drinks, or whatever it may be, from a soft drink distributor and you can buy it at wholesale prices. That is legal right now. So I am not saying that we should not reconsider, what I am saying is that nobody has had an opportunity to really look at this bill who would be really affected. And these are legal businesses right now that are operating and are being allowed to sell directly to consumers. So there are two significant changes that are being proposed in this bill and that is not being acknowledged in the findings.

Speaker Arnold Palacios: Representative Yumul, Representative Sablan has asked that we defer action on this. What is your pleasure? Should we go ahead and call for the question or would you be amenable to that request?

Representative Yumul: Mr. Speaker, we have debated, and the legislation has been sitting on the Bill Calendar. I was not complaining as to why it sat so long, but it is okay because everybody had ample time to read it and think about it.

Speaker Arnold Palacios: Even if you complain today that it has been sitting on the Calendar, it has not. It sat in the House since you introduced it in December. This is pretty darn fast. There are bills that are sitting for almost a year, so do not complain. But there is a motion.

Representative Yumul: If the issue, Mr. Speaker, is on that one word on line 9, and really that is what it all boils down to – again, the purpose is to deal with one amendment. If we do another legislation to amend the same – this is on the definition. The Vice Speaker talked about this question, he is actually specific to Title 4 § 1403 which is on fuel tax. That is nowhere from being amended. This is just the definition of wholesalers.

Speaker Arnold Palacios: I understand that and I think Representative Sablan understand that. The recommendation that she is making is that we table this and give it back to committee. I ask the question and you are saying you are not really amenable to doing that and you would like to call for the question. There was a motion that Representative Sablan offered to send it back to committee and it was seconded. So, let us take up that question. Ready?

There was no further discussion and the motion to recommit H. B. NO. 16-195 was defeated by voice vote.

Speaker Arnold Palacios: The motion is defeated and we are back to the main motion of passing H. B. NO. 16-195. Ready? Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-195 on First and Final Reading, with the following result:

| | |
|--|------------------------|
| Representative Edwin P. Aldan | yes |
| Representative David M. Apatang | absent (excused) |
| Representative Oscar M. Babauta | yes |
| Representative Diego T. Benavente | yes |
| Representative Joseph N. Camacho | yes |
| Representative Francisco S. Dela Cruz | yes |
| Representative Joseph P. Deleon Guerrero | yes |
| Representative Victor B. Hocog | yes |
| Representative Heinz S. Hofschneider | absent (during voting) |
| Representative Raymond D. Palacios | yes |
| Representative Justo S. Quitugua | yes |

| | |
|---|------------------|
| Representative Joseph C. Reyes | absent (excused) |
| Representative Christina M. Sablan | no |
| Representative Edward T. Salas | absent (excused) |
| Representative Rosemond B. Santos | yes |
| Representative Ramon A. Tebuteb | yes |
| Representative Ralph DLG. Torres | yes |
| Representative Stanley T. McGinnis Torres | abstained |
| Representative Ray N. Yumul | yes |
| Speaker Arnold I. Palacios | abstained |

Speaker Arnold Palacios: By a vote of thirteen “yes”, H. B. NO. 16-195 hereby passes the House on First and Final Reading. Floor Leader.

Floor Leader Camacho: Mr. Speaker, a motion to recess until 1:15 this afternoon.

The motion was seconded and carried by voice vote.

Speaker Arnold Palacios: The House stands recessed until this afternoon.

The House recessed at 11:55 a.m.

RECESS

The House reconvened at 1:39 p.m.

Speaker Arnold Palacios: We are back in session. Because our Floor Leader is not here yet, without objection, I would like to appoint Representative Benavente to be the Acting Floor Leader.

There was no objection from the floor.

Speaker Arnold Palacios: Representative Benavente, do you have a resolution?

Representative Benavente: Yes, thank you, Mr. Speaker. First of all, without objection from the floor, could we go to Item 4 of the Agenda so that I may introduce my resolution?

There was no objection from the floor and the House went to Item 4, Introduction of Resolutions.

INTRODUCTION OF RESOLUTIONS

H. R. NO. 16-76: Respectfully requesting Delta Airlines/Northwest Airlines to reconsider its decision on the reduction of flights from Japan to Saipan, the Commonwealth of the Northern Mariana Islands’ (CNMI) primary source market on Tourism.

Offered by: Representative Diego T. Benavente

Representative Benavente: Without objection, Mr. Speaker, since there is urgency that we send this resolution out, I would like to request that we place this on the Resolution Calendar for adoption.

There was no objection from the Floor.

Speaker Arnold Palacios: There being no objection, I hereby order that H. R. NO. 16-76 is placed on the Resolution Calendar. Acting Floor Leader, do you want to go to the Resolution Calendar to take up the Resolution?

Representative Benavente: Without objection, Mr. Speaker, we now move to Item 15 of the Agenda, under Resolution. Calendar.

There was no objection and the House went to Item 15, Resolution Calendar.

RESOLUTION CALENDAR

Speaker Arnold Palacios: Proceed, Acting Floor Leader.

Representative Benavente: Mr. Speaker, I move for the adoption of H. R. NO. 16-76.

The motion was seconded.

H. R. NO. 16-76: A HOUSE RESOLUTION RESPECTFULLY REQUESTING DELTA AIRLINES/NORTHWEST AIRLINES TO RECONSIDER ITS DECISION ON THE REDUCTION OF FLIGHTS FROM JAPAN TO SAIPAN, THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS' (CNMI) PRIMARY SOURCE MARKET ON TOURISM.

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

Representative Sablan: Thank you, Mr. Speaker. I just received a copy of this Resolution a few minutes and I would like to request some time to read this Resolution.

Speaker Arnold Palacios: Is there any objection to allowing Representative Sablan a minute. Why do we not recess and we can discuss. Short recess.

The House recessed at 1:42 p.m.

RECESS

The House reconvened at 1:52 p.m.

Speaker Arnold Palacios: We are back in session. For the record the Floor Leader is here, so he will resume his role. Representative Benavente.

Representative Benavente: Thank you, Mr. Speaker. Per our discussion during recess, I offer an oral floor amendment on page 2 line 18. After the words, “dialogue with” insert “the Marianas Visitors Authority, the Commonwealth Ports Authority”, and it continues on.

The motion was seconded.

Speaker Arnold Palacios: Discussion. Representative Dela Cruz.

Representative Dela Cruz: Not on the amendment, Mr. Speaker, but a technical to correct the spelling for Northwest on the same line. Thank you.

Speaker Arnold Palacios: Okay, we will consider that a technical correction. Representative Tebuteb.

Representative Tebuteb: Since we included MVA and CPA we might want to consider adding it on the Resolving Clause pertaining to the copies to be distributed.

Speaker Arnold Palacios: We will allow the Clerk to include the Commonwealth Ports Authority on the Resolving Clause. Representative Quitugua.

Representative Quitugua: Mr. Speaker, since this is a very big issue, it would also be prudent on our part to include our NMI Delegate in the transmittal clause. He can probably do something to help us in Washington, DC.

Speaker Arnold Palacios: Clerk and legal counsel, please take note. Is there any objection.

The was no objection. The oral amendment offered by Representative Benavente was carried by voice vote.

Speaker Arnold Palacios: The motion is carried. Are you ready for the main question? Representative Sablan, recognized.

Representative Sablan: Thank you, we corrected a couple of technical errors, but there are others that I found in reviewing this, so if I could work with the clerk to make those corrections.

There was no objection.

Speaker Arnold Palacios: There is no objection.

Representative Sablan: Thank you. Ready to vote.

The motion to adopt H. R. NO. 16-76 HD1 was carried by voice vote.

Speaker Arnold Palacios: The motion carries and H. R. NO. 16-76, as amended is hereby adopted by the House. We move down to Item 16, Bill Calendar.

BILL CALENDAR

Speaker Arnold Palacios: Floor Leader.

Floor Leader Camacho: Bill Calendar, Mr. Speaker, I thought Messages from the Governor?

Speaker Arnold Palacios: Bill Calendar.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to pass H. B. NO. 16-166, HS1 in reference to plastic bags on First and Final Reading.

The motion was seconded.

H. B. NO. 16-166, HS1: A BILL FOR AN ACT TO ASSESS A FEE ON PLASTIC CHECKOUT BAGS DISTRIBUTED IN THE COMMONWEALTH; AND FOR OTHER PURPOSES. [See S. C. R. No. 16-75]

Speaker Arnold Palacios: Discussion on the motion. Representative Santos, the author of this unique legislation, recognized.

Representative Santos: Mr. Speaker, thank you. I want to thank the Committee on Natural Resources for the work that they did on the Bill. This is a stepping stone for the CNMI to move in the direction that the whole world is as far as being more eco-friendly and saving our environment. I think it is more so prevalent in our islands because we are surrounded by waters and plastic bags do have detriment to our marine life, our waters, and even our birds, and turtles. Before plastic bags, there were paper bags, and before paper bags there was nothing. So, the Bill encourages using reusable bags and I know many of us have that in our homes and in our cars, we just do not utilize them. I also know that we get them from conferences that we attend, so I hope you dig into your boxes, get them out, and use them. It is actually fun and feels good when you walk out of the supermarket. I do it all the time. I have seen some of our colleagues do it sometimes. But, it is a practice. It is a change of a lifestyle that you need to get used to, it is a change of mindset. I will give you an example of how we use it in my house. We put all the bags in the car—I have about seven—and whenever we go to the store, we use it. We unload our goods in the House and immediately thereafter, we put it back in the car so we never forget it. But I do admit there are times that I forget, but half the time, I carry the goods with me instead of using the plastic bags. But, the bigger picture is we are taking responsibility of our environment and I think it is a great way to give back to Mother Nature for the goodness and the many resources that we have benefited from her benevolence. So let us give back to our environment and set an example for the rest of the world. Thank you.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. I was just wondering if perhaps the author or the Committee Chair could give us a briefing since it is not indicated in the committee report whether or not the agencies that would be charged with enforcing this bill if signed into law have been consulted. And if they agree that, is this a feasible program to implement for their respective agencies.

Speaker Arnold Palacios: Representative Tebuteb.

Representative Tebuteb: A small part of it is in the committee report, although we have adopted the committee report, is the cost benefit. On the affected agencies, yes, they have been consulted and they are 100% in support of this legislation. If you notice, it is in the form of a House Substitute. The original legislation had some technical areas on taxation, we have fixed that, and this is the real deal.

Speaker Arnold Palacios: Ready? Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-166, HS1 on First and Final Reading, with the following result:

| | |
|-----------------------------------|------------------|
| Representative Edwin P. Aldan | yes |
| Representative David M. Apatang | absent (excused) |
| Representative Oscar M. Babauta | yes |
| Representative Diego T. Benavente | yes |
| Representative Joseph N. Camacho | yes |

| | |
|---|------------------------|
| Representative Francisco S. Dela Cruz | yes |
| Representative Joseph P. Deleon Guerrero | yes |
| Representative Victor B. Hocog | yes |
| Representative Heinz S. Hofschneider | absent (during voting) |
| Representative Raymond D. Palacios | yes |
| Representative Justo S. Quitugua | yes |
| Representative Joseph C. Reyes | absent (excused) |
| Representative Christina M. Sablan | yes |
| Representative Edward T. Salas | absent (excused) |
| 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 | abstained |
| Speaker Arnold I. Palacios | yes |

Speaker Arnold Palacios: By a vote of fifteen “yes”, H. B. NO. 16-166, HS1 passes the House on First and Final Reading. Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. A motion to pass on First and Final Reading H. B. NO. 16-220 in reference to runoff elections.

The motion was seconded.

H. B. NO. 16-220: A BILL FOR AN ACT TO AMEND THE NORTHERN MARIANA ISLANDS ELECTION LAW TO PROVIDE FOR RUNOFF ELECTION PROCEDURES AND TO ALLOW FOR THE COUNTING OF ABSENTEE BALLOTS ON ELECTION DAY; AND FOR OTHER PURPOSES.

Speaker Arnold Palacios: I recognize the Vice Speaker.

Vice Speaker Deleon Guerrero: Thank you, Mr. Speaker. I have a substitute to offer. Copies are being distributed.

Representative Babauta: Point of information, Mr. Speaker.

Vice Speaker Deleon Guerrero: Short recess, Mr. Speaker.

Speaker Arnold Palacios: Short recess.

The House recessed at 2:05 p.m.

RECESS

The House reconvened at 2:13 p.m.

Speaker Arnold Palacios: We are back in session and the Vice Speaker has a substitute on H. B. NO. 16-220. Vice Speaker, you have the floor.

Vice Speaker Deleon Guerrero: Mr. Speaker, I would like to discuss first the changes that were incorporated in substitute bill. It is minor. The first change is on page 1 on line 17, the underlined word “would” was included and the word “will” was stricken out. There is no change on page 2. The

other change is on page 4, line 17 where it says, “at least” that was inserted and the words “not less than” were stricken out. On line 19, is a technical change from subsection (e) to (d). On line 20, instead of the words “this state”, “the Commonwealth” was inserted in lieu thereof. On the same page on line 22, the word “timing” was inserted. Mr. Speaker, those are the changes, I believe, that were made.

Speaker Arnold Palacios: Do I hear a second to the amendment offered by the Vice Speaker?

The motion was seconded, and there being no discussion, the motion to adopt the Substitute offered by the Vice Speaker was carried by voice vote.

Speaker Arnold Palacios: The motion is carried. We are now discussing the main motion on H. B. NO. 16-220, HS1. Vice Speaker, would you care to take on the task of articulating this piece of legislation.

Vice Speaker Deleon Guerrero: Certainly. Mr. Speaker, the initiative was passed to allow for a runoff election included language that said that the procedures for the runoff election should be set forth by law. So this bill does that. In a nutshell, we met with the Commonwealth Elections Commission and had two goals. One was to shorten the process because the current law allows fourteen days for the CEC to wait after the general election to count the absentee ballots, then you have the runoff election and another fourteen days. That really eats into the time that any elected governor would have for their transition period. So the amendment allows for absentee ballots to come in be counted on election day for the general election and secondly, it clarifies that the governor and lieutenant government are exempted from the plurality votes that mayors, representatives, senators, and municipal councils win by. They are exempted because they have to get a fifty percent plus one vote. Also, it gives the Commission the authority to promulgate rules and regulations to further the intent of this Act. We did not include a specific date for the runoff election as to when they should count the absentee ballots. We left that for the Elections commission to promulgate in order to allow them the flexibility in the event that it needs to be adjusted or amendment they can do it themselves without having to amend the law. It is self-explanatory, Mr. Speaker. After I introduced this legislation, we did meet with the Chairperson of the Elections Commission Board. We ran it by them, they had comments, and their comments are incorporated in the substitute version. So as far as seeking comments, we did consult with the relevant agency and their comments are incorporated.

Speaker Arnold Palacios: Representative Bnavente.

Representative Benavente: Most importantly, Mr. Speaker, is that if we do not act soon there is going to be a problem with the upcoming November elections because of the recent change to our Constitution requiring the fifty percent plus one, so there needs to be changes on the Election Law. I am glad that the Vice Speaker realized that quickly because given now that the Elections Commission has to act after this bill becomes law because the regulations are going to be necessary, we are now cutting the time that they need to act before the November election. So it is important that we pass this as soon as possible. Thank you.

Speaker Arnold Palacios: Representative Babauta, recognized.

Representative Babauta: Just a point of information to raise to the author whether he has--- from the so-called ---

(Representative Babauta was speaking when the microphone was off)

Speaker Arnold Palacios: Representative Hocog.

Representative Hocog: Short recess, Mr. Speaker.

The House recessed at 2:23 p.m.

RECESS

The House reconvened at 2:35 p.m.

Speaker Arnold Palacios: We are back to our session. Further discussion on the bill. Representative Quitugua, you have the floor.

Representative Quitugua: Mr. Speaker, the Floor Leader raised a concern during recess with regards to the votes “cast and counted” because the initiative only talks about the votes cast. I would like to ask the legal counsel if that is okay.

Legal Counsel Joseph Taijeron: The initiative says “cast and counted” in the Title.

Speaker Arnold Palacios: Yes, I remember because Senator Paul Manglona inserted that in the Senate to include cast and counted.

Representative Quitugua: I am looking at the original bill, not the amended version.

Speaker Arnold Palacios: Okay, wrong version. But, I do remember that Senator Paul Manglona is the one who inserted that, so it is cast and counted. Ready?

Floor Leader Camacho: Mr. Speaker, just so that the record reflect that it was discussed and the Elections Commission can provide regulations for it. There has to be a mechanism that if a person does not vote—whether three times—for them to take the name off the roster. Otherwise, if they do not vote on the general election and so on, and so forth—for example a mid-term election or a special election—and these names continues to pile up, we are going to have a roster so big with names we have no way of taking them off the roster. But I will leave that up to –

Speaker Arnold Palacios: That is supposed to be in the regulations. They are supposed to purge those. Representative Sablan.

Representative Sablan: This might be just a technical error. On page 4 line 15, it says that the Elections Commission shall carry out the runoff election in the same manner as provided in 6 CMC Section 6208 and I think that should read, 1 CMC Section 6208. If we could get confirmation with the legal counsel.

Speaker Arnold Palacios: Legal counsel, can you confirm that.

Legal Counsel Joseph Taijeron: It should be 1 CMC Section 6208.

Speaker Arnold Palacios: Okay, so we will correct that—instead of 6 CMC, it is 1 CMC. Ready? Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-220, HS1 on First and Final Reading, with the following result:

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

Speaker Arnold Palacios: By a vote of sixteen “yes”, H. B. NO. 16-220, HS1 hereby passes the House. Before we proceed, when we met with the Retirement Fund the proposal was for both houses of the legislature to appoint members. For those who were not in that meeting, I appointed two members to represent the House of Representatives, that is, the Chairman of the Committee on Health, Education, and Welfare, Representative Ralph Torres, and the Chairman of the Committee on Ways and Means, Representative Ray Yumul. I just received a letter from the Chairman of the Board of Trustees of the Retirement Fund informing us, the two of you, that you will be meeting tomorrow. Please –

Representative Ralph Torres: Yes, Mr. Speaker, that is confirmed.

Speaker Arnold Palacios: The Chair will take a two-second break.

The House recessed at 2:44 p.m.

RECESS

The House reconvened at 2:44 p.m.

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

Floor Leader Camacho: Thank you, Mr. Speaker. A motion for the passage on First and Final Reading H. B. NO. 16-175, House Substitute 1 in reference to S. C. R. NO. 16-74 on the Military Family Leave Act.

The motion was seconded.

H. B. NO. 16-175, HS1: A BILL FOR AN ACT TO AMEND 1 CMC ADDING A NEW SUBSECTION CREATING THE MILITARY FAMILY LEAVE ACT OF THE COMMONWEALTH; AND FOR OTHER PURPOSES. [See S. C. R. No. 16-74]

Speaker Arnold Palacios: The motion has been seconded. Discussion on the motion. Representative Yumul, is this your bill. Oh, Floor Leader, I am sorry. Do you want to give us a briefing.

Floor Leader Camacho: This is a very.... (*End of Tape 2, side B*) (*Start of Tape 3, side A*) ...counterpart, often times, employees do not have leave in their leave bank and this is allowed. It is actually mirroring the states' laws that are being implemented, the ESGR was asking for this recommendation. Guam and many other states have passed a similar legislation other than changing the "state" to the "CNMI".

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Could I ask for a technical clarification – the bill is amending Title 1. Is there a more specific part of Title 1 that is being amended to create this new program?

Speaker Arnold Palacios: Short recess.

The House recessed at 2:47 p.m.

RECESS

The House reconvened at 2:48 p.m.

Speaker Arnold Palacios: We are back to our session. Are we ready to vote? Clerk, please call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-175, HS1 on First and Final Reading, with the following result:

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

| | |
|-----------------------------|-----|
| Representative Ray N. Yumul | yes |
| Speaker Arnold I. Palacios | yes |

Speaker Arnold Palacios: By a vote of fifteen “yes”, H. B. NO. 16-175, HS1 hereby passes the House on First and Final Reading. Floor Leader.

Floor Leader Camacho: Mr. Speaker, a motion to pass on First and Final Reading H. B. NO. 16-111, House Draft 1 on ambulance services in reference to S. C. R. NO. 16-72.

The motion was seconded.

H. B. NO. 16-111, HD1: A BILL FOR AN ACT TO AUTHORIZE THE DEPARTMENT OF PUBLIC SAFETY, FIRE DIVISION, OFFICE OF EMS TO REGULATE PRIVATE AMBULANCE SERVICES, COMPLIANCE AND RESPONSE TIME, AND FOR OTHER PURPOSES. [See S. C. R. No. 16-72]

Speaker Arnold Palacios: Discussion on the motion. Representative Yumul, you forgot your medicine again.

Representative Ralph Torres: Mr. Speaker, may I request for a recess.

Speaker Arnold Palacios: Short recess.

The House recessed at 2:49 p.m.

RECESS

The House reconvened at 2:52 p.m.

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

Floor Leader Camacho: Mr. Speaker, during recess, there was discussion among the authors and the proponents requesting if we can withdraw the motion at this time, if there is no objection from the Members.

There was no objection from the members.

Speaker Arnold Palacios: There being no objection, the motion to pass H. B. NO. 16-111, HD1 is hereby withdrawn. Floor Leader, one more piece of legislation please.

Floor Leader Camacho: Just one more, Mr. Speaker, okay. A motion to pass on First and Final Reading H. B. NO. 16-138 reference to worker’s compensation transfer to the Department of Commerce.

The motion was seconded.

H. B. NO. 16-138: A BILL FOR AN ACT TO TRANSFER ADMINISTRATIVE FUNCTIONS OF THE WORKER’S COMPENSATION LAW TO THE DEPARTMENT OF COMMERCE BY AMENDING THE WORKER’S COMPENSATION LAW; AND FOR OTHER PURPOSES. [See S. C. R. No. 16-73]

Speaker Arnold Palacios: The motion to pass H. B. NO. 16-138 has been seconded. Discussion. Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. Could I get clarification from the committee that reviewed this bill that the Department of Commerce was consulted about the amendments that are being proposed.

Representative Reyes: Yes.

Representative Sablan: Okay. But the amendments that require no less than four additional employees by the department. Was the Department of Commerce satisfied with the amended version of this bill?

Representative Ralph Torres: Give me a minute.

Representative Hocog: Mr. Speaker, if I may answer for the Chairman.

Speaker Arnold Palacios: Please proceed.

Representative Hocog: The Department of Commerce expresses full support for the passage of this legislation.

Speaker Arnold Palacios: Representative Camacho.

Floor Leader Camacho: That is correct, Mr. Speaker. I did discuss this with Ms. Lillian Pangelinan, who is at the Department of Commerce. I am not sure what her actual position is but it is like deputy director or something. She did come to my office and they are in support of this legislation. They are actually welcoming the new FTEs.

Speaker Arnold Palacios: Representative Sablan, you still have the floor. Do you want yield for now.

Representative Sablan: Yes.

Speaker Arnold Palacios: Representative Hocog.

Representative Hocog: The Secretary of Commerce also expressed support for this legislation, Mr. Speaker.

Speaker Arnold Palacios: Representative Benavente, recognized.

Representative Benavente: Yes, Mr. Speaker, and that is the most important things. This is one of the ways that we can relief some responsibilities of the Retirement Fund. It is critical that we assist with these types of relief. This type of legislation is one of their recommendations on how to assist with the ongoing problems at the Retirement Fund.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Thank you. Just to return to my previous concerns, I see that this committee report came out December 29, 2008, and the Department of Commerce's letter was dated October

17, 2008, and actually they do not express, at least not in writing, their full support for this bill, and actually expressed concern that appropriation to this fund have historically been lacking. My question for the committee is why the response then is to mandate the designation of not less than four employees without addressing the department's concerns that has been submitted in writing. I see no response since that October 17th letter.

Speaker Arnold Palacios: Floor Leader, did you talk to the folks from the Department?

Floor Leader Camacho: Mr. Speaker, when I did discuss this with Ms. Pangelinan when she came to my office, they said that they were satisfied with the present bill. Their main concern was actually since persons go to the Department to get a business license, it was a lot easier for them to handle processing and say you can pay for your worker's compensation insurance and whatnot as opposed going from the Department of Commerce, then driving to the Retirement Fund to fill out the same forms when all they are doing is to accomplish the same thing. No major issue was raised to me at that time.

Speaker Arnold Palacios: Representnative Quitugua.

Representative Quitugua: Mr. Speaker, presently the Workmen's Compensation Office does not get an appropriation. They get their funding of the two percent from the businesses. That is how they operate.

Speaker Arnold Palacios: They are self-funded through the employer contribution. Representnative Ralph Torres? Ready. Clerk.

The Clerk called the roll on the motion to pass H. B. NO. 16-138 on First and Final Reading, with the following result:

| | |
|--|------------------------|
| Representative Edwin P. Aldan | yes |
| Representative David M. Apatang | absent (excused) |
| Representative Oscar M. Babauta | yes |
| Representative Diego T. Benavente | yes |
| Representative Joseph N. Camacho | yes |
| Representative Francisco S. Dela Cruz | absent (during voting) |
| Representative Joseph P. Deleon Guerrero | yes |
| Representative Victor B. Hocog | yes |
| Representative Heinz S. Hofschneider | absent (during voting) |
| Representative Raymond D. Palacios | yes |
| Representative Justo S. Quitugua | yes |
| Representative Joseph C. Reyes | absent (excused) |

Representative Sablan: Mr. Speaker, before I register my vote, I do not object to transferring this function to the Department of Commerce especially if there are amenable to that. Can I get some clarification—are we by this language authorizing the hiring of new employees for the Department or are we--?

Speaker Arnold Palacios: Transferring.

Representative Sablan: Transferring, okay.

Speaker Arnold Palacios: We have existing employees and they are funded by the revenues generated.

Representative Sablan: I see, okay. Thank you, my vote is yes.

| | |
|------------------------------------|------------------|
| Representative Christina M. Sablan | yes |
| Representative Edward T. Salas | absent (excused) |
| Representative Rosemond B. Santos | yes |
| Representative Ramon A. Tebuteb | yes |
| Representative Ralph DLG. Torres | yes |

| | |
|---|-----|
| Representative Stanley T. McGinnis Torres | yes |
| Representative Ray N. Yumul | yes |
| Speaker Arnold I. Palacios | yes |

Speaker Arnold Palacios: By a vote of fifteen “yes”, H. B. NO. 16-139 hereby passes the House on First and Final Reading. Floor Leader, last one.

Floor Leader Camacho: Thank you, Mr. Speaker. This is the sister bill to the Worker’s Compensation Bill. A motion to pass on First and Final Reading H. B. NO. 16-139 to transfer the Government Life and Health Insurance Program to the Department of Finance.

The motion was seconded.

H. B. NO. 16-139: A BILL FOR AN ACT TO TRANSFER THE ADMINISTRATIVE FUNCTIONS OF THE GOVERNMENT LIFE AND HEALTH INSURANCE PROGRAM TO THE DEPARTMENT OF FINANCE BY AMENDING THE NORTHERN MARIANA ISLANDS RETIREMENT FUND ACT; AND FOR OTHER PURPOSES. [*See S. C. R. No. 16-71*]

Speaker Arnold Palacios: Discussion on the motion. Ready? Clerk, call the roll.

There was no discussion and the Clerk called the roll on the motion to pass H. B. NO. 16-139 on First and Final Reading, with the following result:

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

Speaker Arnold Palacios: By a vote of fifteen “yes”, H. B. NO. 16-139 hereby passes the House.

Representative Hocog: Mr. Speaker, if I may.

Speaker Arnold Palacios: Representative Hocog.

Representative Hocog: We have acted on quite a number of House bills. I would to ask the indulgence of the Floor Leader to look into S. B. NO. 16-49 and see if we can pass that also.

Speaker Arnold Palacios: Floor Leader, one more bill.

Floor Leader Camacho: Mr. Speaker, I heard what Representative Hocog said and I am a hundred percent in agreement with him, but I would like to accommodate the minority members of the House before we touch the Senate bill. A motion to pass on First and Final Reading H. B. NO. 16-76, HS1 in reference to engineering and architecture plan and disclosure.

The motion was seconded.

H. B. NO. 16-76, HS1: A BILL FOR AN ACT TO AMEND 2 CMC § 7181; AND FOR OTHER PURPOSES. [See S. C. R. NO. 16-59]

Speaker Arnold Palacios: Representative Benavente.

Representative Benavente: Mr. Speaker, I know that there has been discussion on this legislation and I would like the record to reflect my comments on the previous discussion at this particular time on the Order of Business. Thank you.

Speaker Arnold Palacios: This is your bill, Representative Babauta.

Representative Babauta: Yes, sir.

Speaker Arnold Palacios: This has to do with some Homeland Security issues. Ready? Clerk, call the roll.

The Clerk called the roll on the motion to pass H. B. NO. 16-76, HS1 on First and Final Reading, with the following result:

| | |
|---|------------------------|
| Representative Edwin P. Aldan | yes |
| Representative David M. Apatang | absent (excused) |
| Representative Oscar M. Babauta | yes |
| <i>Representative Benavente: Mr. Speaker, I know members are wondering why I said what I said and I signed the committee report. So, I would apologize at this time. I was thinking of the other piece of legislation that my good friend introduced, in which I opposed at the time. I am not sure where that is at right now, but with this particular legislation and with my signature approving the committee report, my vote is yes, Mr. Speaker.</i> | |
| <i>Speaker Arnold Palacios: I thought so.</i> | |
| Representative Diego T. Benavente | yes |
| Representative Joseph N. Camacho | yes |
| Representative Francisco S. Dela Cruz | absent (during voting) |
| Representative Joseph P. Deleon Guerrero | yes |
| Representative Victor B. Hocog | yes |
| Representative Heinz S. Hofschneider | absent (during voting) |
| Representative Raymond D. Palacios | yes |
| Representative Justo S. Quitugua | yes |
| Representative Joseph C. Reyes | absent (excused) |
| Representative Christina M. Sablan | yes |
| Representative Edward T. Salas | absent (excused) |
| Representative Rosemond B. Santos | yes |
| Representative Ramon A. Tebuteb | yes |
| Representative Ralph DLG. Torres | yes |
| Representative Stanley T. McGinnis Torres | yes |
| Representative Ray N. Yumul | yes |
| Speaker Arnold I. Palacios | yes |

Speaker Arnold Palacios: By a vote of fifteen “yes”, H. B. NO. 16-76, HS1 hereby passes the House on First and Final Reading. Floor Leader.

Floor Leader Camacho: Thank you, Mr. Speaker. I believe pursuant to the request by our good Representative Hocog and our good senators, a motion to pass on First and Final Reading S. B. NO. 16-49 in reference to the election.

The motion was seconded.

S. B. NO. 16-49: A BILL FOR AN ACT TO AMEND 1 CMC, DIVISION 8, § 8245(C); AND FOR OTHER PURPOSES. [*See SEN. COMM. 16-120*]

Speaker Arnold Palacios: The motion is for the passage of S. B. NO. 16-49. Discussion on the motion, and I recognize Representative Quitugua.

Representative Quitugua: I have no objection, Mr. Speaker, with the resident directors getting their pay increase, and I stand corrected but I believe there are still many employees in the municipality of Rota and Tinian that have not received their compensation under P.L. 7-31. I am wondering whether the representatives from Rota and Tinian are okay to give the resident directors a raise and not the other long time civil servants from 1991 until present. Thank you.

Representative Babauta: Thank you. I was just discussing that issue with Representative Hocog two weeks ago. I understand the delegation has already earmarked a certain amount of funds for that specific purpose from the local generation of their amusement machines. Tinian is also introducing a local legislation.

Speaker Arnold Palacios: I know that the Rota Delegation is making a lot of strive into that but I am not sure about the Second Senatorial District.

Representative Babauta: They have \$121,000 and he will be introducing that at the next session. Ready, Mr. Speaker.

Speaker Arnold Palacios: Representative Sablan.

Representative Sablan: Thank you, Mr. Speaker. Just following up on Representative Quitugua’s question, I share the same question. We have not even acted on the Fiscal Year 2009 budget and it is certainly no secret to anybody that we are considering austerity measures that has been introduced, that we are looking at furloughs and not to mention the fact that there are also countless civil service employees who have not received their merit increases for over a decade. Why are we singling out these resident directors who are making \$36,000 per annum already, which is already well above many government employees who have yet to enjoy the merit increases that they would have appreciated after a decade of hard work. I would be interested in hearing from the supporter of this bill.

Speaker Arnold Palacios: Thank you. Representative Hocog.

Representative Hocog: Mr. Speaker, this is not a salary raise to the resident directors. Long before I was elected, I think the 13th, 14th, and 15th Legislatures provided the salary increase from \$36,000 to

\$45,000 per annum. What seems to be the problem here was during the year of FY 2008 where the Mayor of Tinian took austerity measures under his own disposition. In doing so for the municipality of Tinian, it reduced the salaries of resident directors from \$45,000 to \$36,000. I aired this concern to the Secretary of Finance, about the inequity between the resident director salary and the resident directors from Rota and Tinian. What had happened is in the absence of funding, the Planning and Budgeting Office as well as the Secretary of Finance tasked the resident directors of Rota to sign a personnel action to equal the salary pay of Tinian's resident directors. I would like to mention that this proposed increase has been given to resident directors years back. I believe the legislation is not giving the resident directors this fiscal year the so-called \$45,000 per annum salary other than providing a legislation to be perpetual up to \$45,000 as previously being compensated in the past annual budget. It was only halfway through the Fiscal Year of 2008 when the resident directors' salaries were cut to \$36,000 per annum, but prior to that the resident directors from Rota and Tinian were receiving \$45,000. What this bill is trying to do is make it perpetual for the salary of a resident director upon the available of funds, not necessary to reflect on an annual budget appropriation.

Representative Babauta: Clarification, Mr. Speaker.

Speaker Arnold Palacios: State your point.

Representative Babauta: Representative Hocog is absolutely correct. The underlying clarification I would like to make is that it never occurred on the 14th and 15th Legislatures. It did occur in the 13th Legislature under Public Law 13-24 that explicitly gives the resident directors equal to salary of the special assistants within the Executive Branch level. When the Legislature enacted Public Law 15-28, it omitted that language and it had the salaries of the special assistant of the Executive Branch in tact while the resident directors were omitted from that provision of law. The Legislature subsequently amendment Public Law 15-28 with Public Law 15-71, and it continues to omit that provision. So this is the correction of that so-called wrongdoing.

Speaker Arnold Palacios: Representative Tebuteb.

Representative Tebuteb: I think the language is more of not necessarily omitted as Representative Babauta indicated. He mentioned legislative oversight. If that means omitted then I would not agree and to clarify further Representative Hocog, this is alluding to P.L. 7-31. So, there was intent to increase and it is stated on the Findings that it is the increase on salaries. So there is difference, thank you.

Speaker Arnold Palacios: Actually, there was no legislative oversight. I think the Chairman of the Ways and Means from the Second Senatorial District in the 14th Legislature purposely omitted that. The Chairman of Ways and Means from the First Senatorial District in the 15th Legislature forgot about it. Representative Quitugua.

Representative Quitugua: Mr. Speaker, I think the previous legislature, the 12th and the 13th Legislatures, never intended this to be a permanent salary, because they did it in the budget and they know that whenever a budget is not passed, this provision dies. I do not think they had the intent to give them the salary, because if they had the intent this stand alone bill would have been enacted in the 12th Legislature.

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

Representative Sablan: Thank you, Mr. Speaker. Mr. Speaker and members this is really a matter of priorities. If I am not mistaken, the issue of the resident director salary was an issue of contention for the governor and one of the reasons that he cited in his veto message, not this most recent budget, but the one before that. And so in the subsequent budget bill that we worked on, that was changed. We have yet to act on the budget. We are scrambling for funds for every other agency, every other public service. Let us act on that first before we even begin to contemplate potential pay increase for resident directors whether funds are available or not. I think it is pretty clear. It should be clear to all of us at this point that funds are not available. By the way, there is nothing in this bill that say that pay increases shall be afforded to resident directors upon availability of funds. But what is in the law is that upon available of funds, civil service employees are entitled to merit increases. That is already under the law. Why are those employees less of a priority for us than the resident directors at this time. I really think that we should seriously reconsider this and act on the budget first before we do anything else that touches upon peoples salaries in this government.

Speaker Arnold Palacios: Well put. Representative Aldan, recognized for the last time.

Representative Aldan: Thank you, Mr. Speaker. As the representative from Tinian, I see a gross neglect of salary unjust to the directors because the deputy director is receiving \$43,000 per annum while the director is receiving \$36,000. Why the disparity? Why the difference of \$7,000 and the directors are appointed by the Mayor. Mr. Speaker, I do understand that it was during the 15th Legislature that we oversaw the mistake on not protecting the salaries for the resident directors. But they have families and the reduction of \$9,000 from their salary is very big for them, and they are hurting. The directors from Rota and Tinian are different from the directors from here because they run a department. They run thirty-five to forty people as to a director in Saipan where they only have six to seven people in some departments. Thank you, Mr. Speaker.

Speaker Arnold Palacios: For the last time, Representative Hocog.

Representative Hocog: (*End of Tape 3, side A*) (*Start of Tape 3, side B*) ...as to how much resident directors have been making in the past prior to the passage of P.L. 7-31. Was there any cap provided to pay the resident directors? If that is so, then if P.L. 7-31 provided the adjustment of salaries, whether it is by annual appropriation or perpetual, I think the legislators from the 7th Legislature to the 15th Legislature are responsible for the misdeeds of this cut in pay for the resident directors as established by P.L. 7-31. For unknown reason that the Mayor of Tinian did his best to reduce his spending by cutting the salaries of the resident directors with the consent of the resident directors of his proposal to cut the salary to meet the obligations of each department during that period of time. I believe that was in Fiscal Year 2008 that while the resident directors from the island of Rota continues to receive the salary of \$45,000. So, what law created the cap for salary of resident directors and how much is that cap?

Speaker Arnold Palacios: I think it was Public Law 7-31.

Representative Hocog: So if Public Law 7-31 created the salary cap of \$36,000 what created then the \$45,000 per annum salary.

Speaker Arnold Palacios: The budget process. What Representative Quitugua was alluding to is that P.L. 7-31 was the last salary compensation schedule which pegged it at \$36,000. And through the process of annual budget appropriations act, those salaries were increased during the budget process. So, when the legislature failed to insert that in the 14th and 15th Legislatures the compelling reason

by the Secretary of Finance, because that was not a provision that was provided in that budget, it triggered that the compensation level revert to the existing law, which is Public Law 7-31. Am I correct, Representative Quitugua?

Representative Hocog: So if I may, am I privileged to know who are responsible for the adjustment from \$36,000 to \$45,000 and why it deviated from that time period when they adjusted the salary in a budget bill knowing that P.L. 7-31 proposed a salary cap of \$36,000.

Speaker Arnold Palacios: Do you mean you want to know who the Santa Clause was?

Representative Hocog: I do not know whom, but once you receive a raise on a budget bill changing the annual salary for an employee, you provided hope that the adjustment from \$36,000 to \$45,000 remain at \$45,000. Now, the legislature is saying that it is an oversight for not providing the same salary as provided after the adjustment from P.L. 7-31.

Speaker Arnold Palacios: Let me recognize Representative Babauta because he has been here since the Seventh Legislature.

Representative Babauta: Thank you, Mr. Speaker. Mr. Speaker, let me try to pacify the discussion. Public Law 13-1 made changes to the employment status of the various government entities, including local governments. As a result of that, the 13th Legislature enacted a budget creating that pool of executive appointments consistent with the level of Executive Branch. So it practically removes the \$36,000 salary scale to the level of any special assistant of the principal departments of the Executive Branch. So that gave rise. Apparently, as someone mentioned, it was a legislative wrongdoing that we sort of deviated and omitted that provision of law that was under Public Law 13-24. So, Representative Hocog is trying to correct this.

Speaker Arnold Palacios: I think we have enough discussion on this. I think we can all vote. Representative Quitugua, you will be the last. I recognize Representative Yumul, I will recognize you after Representative Quitugua.

Representative Quitugua: Thank you, Mr. Speaker. I do not think it was a wrongdoing because a budget is a budget is intended for an annual basis, and this is not the only provision that was omitted. Even those that mention PhD's and all other position that were given \$80,000 under Public Law 13-1, P.L. 13-24 the budget act, all of those were omitted and was put back in P.L. 15-71. Now, I would like to make an amendment on the Bill, Mr. Speaker.

Speaker Arnold Palacios: Proceed.

Representative Quitugua: On page 2, line 2 at the end of "\$45,000" insert "upon availability of funds".

The motion was seconded, and there being no discussion, the amendment offered by Representative Quitugua was carried by voice vote.

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

Representative Yumul: Thank you, Mr. Speaker. You know, I was actually hoping that we not act on this today only because I have -- as I told you earlier that I was down at OPM early this morning and there are a lot of issues cropping up within the Office of Personnel Management (OPM) that needs an oversight, in all seriousness, to also include this issue of how employees on Saipan and Tinian, I am sorry, Rota received salaries and Tinian was singled out. But the question that have actually come to me, and this is the most troubling one, Mr. Speaker, that under continuing resolution we all know that the presiding officers of the legislature have to be notified when filling vacant positions. But, I do have information that this process is selectively being enforced, and that we do have employees within the government that are technically on payroll but are not even within OPM's system. There is supposed to be one JD Edwards's system between OPM, Finance and the Office of Management and Budget (OMB), I believe, but there are employees that seem to be on the books but they are not supposed to be. There was an employee who had resigned from a civil service position, but then was immediately rehired the next day with a higher position and was granted civil service immediately. These are statements that have come to me through persons who wishes obviously to remain anonymous at this time, but are civil service employees. There are very big issues. Another issue is under federal funding, the grants itself prescribes that the hiring of personnel within the CNMI that is paid through federal funds have to be in accordance with CNMI law, and rules and regulations, but there are hires that have been circumvented with regards to that. So, there are very grave concerns ongoing at this time and I would like to ask the mover if we could just hold on to this legislation so we can put them all together under one issue and deal with it.

Representative Hocog: Mr. Speaker, if I may.

Speaker Arnold Palacios: Representative Hocog, recognized.

Representative Hocog: I guess what Representative Yumul is trying to allude to this particular bill and taint it from not going through, I believe the amendment provided by Representative Quitugua is in tact. The bill is merely asking for the increase upon availability of funds. Later, whatever investigation that is ongoing with the personnel will come to play and we will work from there.

Speaker Arnold Palacios: Okay. Before I call for the question -- and I am not going to recognize anybody to talk further about this bill -- Representative Yumul, you raised some very critical issues. I hope you do not drop the ball on that. I would appreciate, I think the House Members would appreciate further review, if necessary, a request for your committee to summon the principals of OPM to get to the bottom of this because those are some serious allegations and serious matters that you have brought up. Clerk, call the roll on the main question.

The Clerk called the roll on the motion to pass S. B. NO. 16-49, HD1 on First and Final Reading, with the following result:

| | |
|--|------------------------|
| Representative Edwin P. Aldan | yes |
| Representative David M. Apatang | absent (excused) |
| Representative Oscar M. Babauta | yes |
| Representative Diego T. Benavente | yes |
| Representative Joseph N. Camacho | yes |
| Representative Francisco S. Dela Cruz | yes |
| Representative Joseph P. Deleon Guerrero | absent (during voting) |
| Representative Victor B. Hocog | yes |
| Representative Heinz S. Hofschneider | absent (during voting) |
| Representative Raymond D. Palacios | yes |
| Representative Justo S. Quitugua | yes |

| | |
|---|------------------|
| Representative Joseph C. Reyes | absent (excused) |
| Representative Christina M. Sablan | no |
| Representative Edward T. Salas | absent (excused) |
| Representative Rosemond B. Santos | yes |
| Representative Ramon A. Tebuteb | yes |
| Representative Ralph DLG. Torres | yes |
| Representative Stanley T. McGinnis Torres | yes |
| Representative Ray N. Yumul | yes |
| Speaker Arnold I. Palacios | yes |

Speaker Arnold Palacios: By a vote of fourteen “yes”, S. B. NO. 16-49, HD1 hereby passes the House on First and Final Reading. Representative Torres.

Representative Ralph Torres: Can we go to Item 3, Introduction of Bills real quick.

There was no objection from the floor.

Speaker Arnold Palacios: From the end to the beginning?

Representative Ralph Torres: I would like to file a bill to amend 3 CMC Section 4437 to remove employer’s medical obligations on nonresident workers regarding pregnancies.

Speaker Arnold Palacios: Floor Leader.

Representative Ralph Torres: Mr. Speaker, can I put this on the Bill Calendar.

Speaker Arnold Palacios: No, I think that we have so many bills right now in the docket of every committee, unless there is a clear and pressing danger to the Commonwealth. We need to start working diligently on that legislation that has been in committee. Before we adjourn, I recognize Representative Benavente.

Representative Benavente: Mr. Speaker, pursuant to our Rules, I would like to ask if that particular legislation was signed off by a legal counsel. If it were, I want to know which legal counsel signed off on it.

Speaker Arnold Palacios: Representative Torres.

Representative Ralph Torres: It has not, but I believe the counsel up there was the one who reviewed it.

Representative Benavente: If I have the floor, Mr. Speaker –

Speaker Arnold Palacios: Let me interject, Representative Benavente is correct. Bills –

Representative Ralph Torres: The counsel right there reviewed it.

Speaker Arnold Palacios: Representative Ralph Torres, our Rule calls that bills that are introduced have to be signed by our legal counsels.

Representative Ralph Torres: Okay, that is fine, I will wait for the counsel then to sign it.

Speaker Arnold Palacios: Short recess.

The House recessed at 3:40 p.m.

RECESS

The House reconvened at 3:41 p.m.

Speaker Arnold Palacios: We are back in session. Representative Benavente, you raised a very significant issue in our House Rules when introducing legislations. Please ensure that a legal counsel of the House signs off on bills before its introduction. If there is a problem, Representative Torres, has introduced and we will have a legal counsel review and sign off on it before we even take any action on this legislation.

Representative Ralph Torres: Mr. Speaker, privilege. I would like to make clear for the record that bill is not a bill that just came off from me or the Legislative Bureau. I made sure that that was reviewed.

Speaker Arnold Palacios: I understand that you have had legal counsels review the legislation. I am referring to the House Rules. If you are contesting the Rules, the Rule is very specific that a House legal counsel – that is what we have. Even if you have this drafted by an outside counsel, you still have to have the legal sufficiency signature. Okay, the legal counsel will sign it. Representative Torres, this is an issue. This is not a minor issue. It really is significant. In fact, Representative Benavente is right to insist that this is signed off by a legal counsel before it is properly introduced. So, please be reminded to make sure that bills are signed off by the legal counsel, and it has to be the House legal counsel that signs it. It does not matter if the late F. Lee Bailey reviewed it, it still needs to be signed off by our legal counsel. Thank you. Floor Leader.

Floor Leader Camacho: Finally, Mr. Speaker.

Speaker Arnold Palacios: Representative Santos.

Representative Santos: Where are we on the Agenda?

Speaker Arnold Palacios: We are about to adjourn.

Representative Santos: Okay. May I speak on privilege then?

Speaker Arnold Palacios: Yes. We will go to Miscellaneous Business.

MISCELLANEOUS BUSINESS

Speaker Arnold Palacios: Representative Santos, recognized.

Representative Santos: Mr. Speaker, since we have been talking about postponing the implementation on Federal immigration right now, if you go to www.registry.gov you could post your comment online, and I encourage everyone to do that. The comment period closes on March 16, I think. Right now, it is open.

Speaker Arnold Palacios: Are you referring to the delay?

Representative Santos: Right.

Speaker Arnold Palacios: For the members' information, the Senate President and I sent out a letter to Congressman Madeleine Bordallo and we attached the House Joint Resolution that we adopted requesting her to support our Congressional Delegate's effort to request DHS for a delay on the implementation of the visa waiver program. Floor Leader.

Floor Leader Camacho: Mr. Speaker, to add to Chairwoman Santos, that same link is already on my website. So you can go there and click and it would take you to place your comments.

ANNOUNCEMENT

NONE

ADJOURNMENT

Speaker Arnold Palacios: Floor Leader.

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

The motion to adjourn subject to the call of the Chair was seconded and carried by voice vote.

The House adjourned at 3:45 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: NONE

THIRD APPEARANCE: NONE