

HOUSE OF REPRESENTATIVES
THIRTEENTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
SECOND SPECIAL SESSION, 2002

FIRST DAY

April 24, 2002

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its First Day, Second Special Session, on Wednesday, April 24, 2002, at 11:00 a.m., in the House Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Heinz S. Hofschneider, Speaker of the House, presided.

A moment of silence was observed.

In accordance with Rule XIII, § 2(a), seventeen members were recorded present. Representative Martin B. Ada was excused.

Speaker Hofschneider: Representative Ada is excused.

ADOPTION OF JOURNALS

None

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 13- 116: A Bill for an Act to amend the Mandatory Liability Auto Insurance Act and the Motor Vehicle Code; and for other purposes.

Offered by: Rep. Andrew S. Salas and five others
Referred to: Committee on Commerce

H. B. NO. 13-117: A Bill for an Act to amend 2 CMC §§ 4323 (c) (Homestead Waiver Act); and for other purposes.

Offered by: Rep. Ramon A. Tebuteb and three others
Referred to: Committee on Natural Resources

H. B. NO. 13-118: A Bill for an Act to amend 3 CMC §4434(i)(1)(B) of Public law 12-34 to provide the Department of Public Works with the same expiration date granted to the other governmental departments and agencies listed; and for other purposes.

Offered by: Rep. Ramon A. Tebuteb and two others
Referred to: Committee on Public Utilities, Transportation and Communications

H. B. NO. 13-119: A Bill for an Act to amend the Weapon Control Act to promote and allow resort developments offering target ranges for competitive rifle competition, and skeet shooting; and for other purposes.

Offered by: Rep. Daniel O. Quitugua and seven others
Referred to: Committee on Commerce

H. B. NO. 13-120: A Bill for an Act to establish an Office of Federal Assistance and Programs under the Office of the Governor; and for other purposes.

Offered by: Rep. Arnold I. Palacios and fifteen others
Referred to: Committee on Judiciary and Governmental Operations

H. B. NO. 13-121: A Bill for an Act to add a new section to Title 6, Division 1, Part 2, Chapter 1 of the Commonwealth Code; and for other purposes.

Offered by: Rep. Oscar M. Babauta
Referred to: Committee on Commerce

H. B. NO. 13-122: A Bill for an Act to amend 3 CMC Section 4340 (d) by adding new subsections (i) and (ii); and for other purposes.

Offered by: Rep. Oscar M. Babauta
Referred to: Committee on Labor and Immigration

H. B. NO. 13-123: A Bill for an Act to provide law enforcement powers to investigator of the Office of the Public Auditor by adding a new section 7841 to 1 CMC, Division 7, Chapter 4; and for other purposes.

Offered by: Rep. Oscar M. Babauta
Referred to: Committee on Judiciary and Governmental Operation

H. B. NO. 13-124: A Bill for an Act to amend the Weapons Control Act (6 CMC § 2201, *et seq.*) and Public Law 8-5 (6 CMC § 2251, *et seq.*) relating to shooting galleries and to authorize the licensure of an exclusive shooting resort franchise; and for other purposes.

Offered by: Rep. Oscar M. Babauta
Referred to: Committee on Commerce

H. B. NO. 13-125: A Bill for an Act to amend 4 CMC §§ 1503(a)(2) and 1503(c) regarding amusement machine license fees and penalties for use such machines that are not license or whose license has expired; and for other purposes.

Offered by: Rep. Manuel A. Tenorio and one other
Referred to: Committee on Commerce

H. B. NO. 13-126: A Bill for an Act to repeal Section 3 of PL 13-1; to repeal and re-enact 1 CMC §§ 2051, 2052, 2101, 2103, 8131 and §§ 8121 through 8125; and for other purposes.

Offered by: Rep. Heinz S. Hofschneider and one other
Referred to: Committee on Special Committee

Speaker Hofschneider: This is a bill that will deal with Civil Service Law that was recently passed, PL 13-1, and for that purpose, I hereby announce it on the floor that I will be appointing a Special Committee to deal with this issue on Civil Service.

H. L. B. NO. 13-026: A Local Bill for an Act to designate that the Kagman Community (Kagman I, Kagman II, Kagman III) is a residential community only in accordance with the Village Homesteading Act of 1979 and the village homestead rules and regulations; and for other purposes.

Offered by: Rep. Francisco DLG. Aldan

H. L. B. NO. 13-027: A Local Bill for an Act to repeal Rota Local Law No. 13-1 in its entirety; and for other purposes.

Offered by: Rep. Daniel O. Quitugua

H. L. B. NO. 13-028: A Local Appropriation Bill for an Act to appropriate \$142,000.00 from the local license fees for pachinko slot machines and poker machines in the First Senatorial District; and for other purposes..

Offered by: Rep. Daniel O. Quitugua

PREFILED AND INTRODUCTION OF RESOLUTIONS

H. R. NO. 13-044: A House Resolution to approve the appointment of former Mayor of Rota, Prudencio T. Manglona to serve on the Commonwealth Ports Authority Board of Directors.

Offered by: Rep. Joseph P. Deleon Guerrero and five others

H. R. NO. 13-045: A House Resolution to approve the appointment of former House Speaker Jose R. Lifofoi to serve on the Commonwealth Ports Authority Board of Directors.

Offered by: Rep. Joseph P. Deleon Guerrero and five others

H. R. NO. 13-046: A House Resolution creating a Task Force to conduct the master planning of a cultural center (consisting of a Museum, Performing Arts Center, Convention Center, Coral Ocean/Seaworld Center, Ancient Chamorro Village, Ancient Carolinian Village, Micronesian Village, Handicraft Center and Food Court all arranged around and enhanced wetland and linked by a Sugar King Train) to be sited in the undeveloped section of American Memorial Park and to secure the requisite financing for this development.

Offered by: Rep. Francisco DLG. Aldan one other

Rep. Aldan: Mr. Speaker, if there is no objection from the members, I would like to place this under Resolution Calendar.

There was no objection raised.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 13-111 – April 5, 2002 – Certification for vacant position at the Women’s Affairs Office.

GOV. COMM. 13-112 – April 15, 2002 – P. L. 11-6 Exemption for Morning Glory.

GOV. COMM. 13-113 – April 15, 2002 – P. L. 11-6 Exemption for Ann Marie P. R. Dela Cruz dba Glushko’s Ballet & Modern Dance Class.

GOV. COMM. 13-114 – April 15, 2002 – P. L. 11-6 Exemption for CTSI Logistics.

GOV. COMM. 13-115 – April 15, 2002 – P. L. 11-6 Exemption for Alexander Drilling.

GOV. COMM. 13-116 – April 15, 2002 – P. L. 11-6 Exemption for Selki Corporation.

GOV. COMM. 13-117 – April 17, 2002 – Certification for vacant position at the Historic Preservation Office.

GOV. COMM. 13-118 – April 17, 2002 – Federal Grant Application Review re National Criminal History Program.

GOV. COMM. 13-119 – April 18, 2002 – Certification for vacant positions at the Emergency Management Office.

GOV. COMM. 13-120 – April 19, 2002 – Informing the Legislature the he disapproved S. B. NO. 13-13, SD1 (CIP Administration Improvements Act of 2002).

Floor Leader Attao: Mr. Speaker?

Speaker Hofschneider: Floor Leader?

Floor Leader Attao: Mr. Speaker, before we discuss the messages from the Governor, if there is no objection from the floor, I would like to move to resolve into the Committee of the Whole so that the Vice Speaker and Representative Frank Aldan can present their resolutions to the recipients this morning.

There was no objection raised.

The House resolved into Committee of the Whole at 11:09 a.m.

COMMITTEE OF THE WHOLE

The House dissolved to plenary session at 11:16 a.m.

Speaker Hofschneider: Under Messages from the Governor.

There was no discussion raised.

SENATE COMMUNICATIONS

None

HOUSE COMMUNICATIONS

Speaker Hofschneider: I want to raise an important communication from the Director General, from Taipei Economic and Cultural Office in Guam. This is a request that was submitted in our last session, under Miscellaneous Communication 13-26, in reference to solicitation by the Taipei Government, to have the Thirteenth Legislature support a resolution for their membership in the World Health Assembly in Geneva as an observer. With that, will the Chairman on United States and Federal Affairs Committee please take charge of the resolution for its adoption next week, in support of the request from the Director General from Taiwan.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT. & AGENCY COMM. 13-25 – April 19, 2002 – From Acting Special Assistant Nace N. Soalablai, Special Assistant for Programs & Legislative Review, acknowledging receipt of H R. NOS. 13-037 through 13-040.

There was no discussion raised.

OTHER COMMUNICATIONS

Misc. Comm. 13-30 – April 15, 2002 – From the Honorable Valentin I. Taisakan, Mayor of the Northern Islands to the Honorable Pete P. Reyes, Chairman of the Saipan & Northern Islands Legislative Delegation submitting his comments on several Local Bills.

Misc. Comm. 13-31 – April 9, 2002 – From the Saipan Garment Manufacturers Association Resident Managers re economic concerns of the industry.

There was no discussion raised.

REPORTS OF STANDING COMMITTEES

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11, for the adoption of Standing Committee Report No. 13-018.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader?

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the adoption of Standing Committee Report No. 13-018.

The motion was seconded.

S. C. R. NO. 13-018: Reporting on House Bill No. 13-079, entitled, “To amend 3 CMC §4434(i)(1) of Public Law 12-34 to add a new subsection (E); and for other purposes.” Your Committee on Tourism recommends passage in the form of H. B. NO. 13-079, CD1.

Speaker Hofschneider: Discussion on the Committee Report? May we have some particular discussion on this committee report? Representative Babauta?

Rep. Babauta: Just a point of information, Mr. Speaker, I wonder if anybody in the Chamber know anything about the past and probably present nonresident workers of the agency? How do they go about the hiring of such?

Speaker Hofschneider: Mr. Chairman?

Rep. Aldan: In the past, what they’ve been doing is, they’ve been putting out RFT for management companies to assist with their works. The management company in Korea is operating the Office of MVA there.

Rep. Babauta: Mr. Speaker, the report purports to allude to the amendment of Immigration statute that would allow otherwise MVA to practice hiring such as DPW. Out of curiosity, I’ve been seeing foreign workers in the pictures of MVA whether be that advertisement or somewhat. I wonder if these employees are contracted independently?

Rep. Aldan: Yes, they are contracted.

Rep. Babauta: So, the report is purporting to allow MVA such provisions similar to other agencies. That is all, Mr. Speaker. Thank you.

Speaker Hofschneider: Representative Castro?

Rep. Castro: I don’t have a copy of this, Mr. Speaker, but if I may, are we allowing nonresident workers to be in managerial positions in MVA?

Speaker Hofschneider: The focus of this is, in realizing that MVA is governed by a Board and the faith and the trust on the MVA Board is, to ensure that locals are hired in terms of qualified local employees to fill either managerial positions or otherwise. The problem with MVA at the present is that, we are dealing with tourism and tourism will be here for a long, long time. And whether the Board considers to hire a managerial positions to be filled by a nonresident, either marketing or what other function that is appropriate for MVA, we will leave that up to the Board. If they make a mistake in judgment and overlooked a local, then they should be responsible for their own action. But the policy that the House is considering, in front of us, is to assist MVA in meeting their objectives in effectively filling those positions that require a particular asset of the individual whether it be a Japanese, or Korean or Chinese, simply to deal with the issue of target promotions and advertising in general. Often times, we tend to neglect the aspect of doing business in Japan and whether we can change or we cannot change certain things in Japan. It is understood that Japanese understand the Japanese way of doing business way effectively than anyone.

Floor Leader: Mr. Speaker?

Speaker Hofschneider: Floor Leader?

Floor Leader Attao: On the amendment, on the last page of the Standing Committee Report, they strike-out “tourism consultant, marketing manager and other technical and professional employees.” I’m just wondering as to what level will be the professional employees to be hired by MVA, because professional employees is too broad.

Speaker Hofschneider: Like I said, we have to put faith and trust in the board that we appoint and confirmed in that they will not make the typical mistake of overlooking local individuals who are qualified to fill the positions. But there are aspects of the activities of tourism entrusted to MVA that they select the appropriate professional, whether be in professional or otherwise. In essence of what we’re doing is lifting the restrictions in MVA so that the Board can make those judgment and decision that would suit MVA in meeting its goals.

Floor Leader Attao: Will these professional employees be covered under Public Law 8-6 under the “exemptions” should MVA hire?

Speaker Hofschneider: Essentially the language provided would effectively supercede any restriction and would allow MVA to hire nonresidents, particularly targeting those meets that they need to fill.

Floor Leader Attao: So, if we are to pass this as is, would MVA hire less than professional employees, these are hard-to-fill positions?

Speaker Hofschneider: Potentially, yes. Like I said, Floor Leader, you have to put your trust and faith in the people that we appoint to sit on the Board to make the correct decision and judgment. If we see that they cannot be trusted with the enabling law in the sense that the board is making abusive privileges to this particular section of hiring nonresidents, then the Legislature always have that right to take it away from them.

Floor Leader Attao: I just want to make sure, Mr. Speaker, that the amendment will not tie MVA in hiring other categories below the professional employees.

Speaker Hofschneider: If you want to refer that question to the legal counsel, we may take a short recess.

Floor Leader Attao: Yes. Can we get the legal counsel’s opinion?

Speaker Hofschneider: Short recess.

The House recess at 11:34 a.m.

RECESS

The House reconvened at 11:43 a.m.

Speaker Hofschneider: We are back to our session. We are discussing the Committee Report. Representative Deleon Guerrero?

Rep. Deleon Guerrero: Thank you, Mr. Speaker. I would like to introduce an amendment to Standing Committee Report No. 13-018, to reinstate under the amendment on page 4, “tourism consultant, marketing manager and other technical and professional employees.” And delete “professional employees” by itself.

The motion was seconded.

Speaker Hofschneider: Delete the amended version and reinstate the original one. Delete the amendments.

Rep. Deleon Guerrero: Right. Thank you.

Speaker Hofschneider: Discussion on the motion?

Several members voiced, “ready.”

The motion to adopt the oral amendment offered by Representative Deleon Guerrero was carried by voice vote.

Speaker Hofschneider: Motion carried.

Rep. Babauta: Technical correction, Mr. Speaker. On the conclusion after “CD1” it should be “HS1”.

Speaker Hofschneider: Clerk, so note it. Ready for the motion?

Several members voiced, “ready.”

The motion to adopt Standing Committee Report No. 13-018 was carried by voice vote.

Speaker Hofschneider: Standing Committee Report No. 13-018 is hereby adopted.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

Speaker Hofschneider: Short recess, Floor Leader?

Floor Leader Attao: Two minutes recess.

Speaker Hofschneider: Short recess.

The House recessed at 11:45 a.m.

RECESS

The House reconvened at 11:51 a.m.

Speaker Hofschneider: We are back to our session. Floor Leader?

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the adoption of the following resolutions: H. R. NO. 13-044, H. R. NO. 13-045 and H. R. NO. 13-046.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader?

Floor Leader Attao: I now move for the adoption of H. R. NO. 13-044, H. R. NO. 13-045 and H. R. NO. 13-046.

The motion was seconded.

H. R. NO. 13-044: A HOUSE RESOLUTION TO APPROVE THE APPOINTMENT OF FORMER MAYOR OF ROTA, PRUDENCIO T. MANGLONA TO SERVE ON THE COMMONWEALTH PORTS AUTHORITY BOARD OF DIRECTORS.

H. R. NO. 13-045: A HOUSE RESOLUTION TO APPROVE THE APPOINTMENT OF FORMER HOUSE SPEAKER JOSE R. LIFOIFOI TO SERVE ON THE COMMONWEALTH PORTS AUTHORITY BOARD OF DIRECTORS.

H. R. NO. 13-046: A HOUSE RESOLUTION CREATING A TASK FORCE TO CONDUCT THE MASTER PLANNING OF A CULTURAL CENTER (CONSISTING OF A MUSEUM, PERFORMING ARTS CENTER, CONVENTION CENTER, CORAL OCEAN/SEAWORLD

CENTER, ANCIENT CHAMORRO VILLAGE, ANCIENT CAROLINIAN VILLAGE, MICRONESIAN VILLAGE, HANDICRAFT CENTER AND FOOD COURT ALL ARRANGED AROUND AND ENHANCED WETLAND AND LINKED BY A SUGAR KING TRAIN) TO BE SITED IN THE UNDEVELOPED SECTION OF AMERICAN MEMORIAL PARK AND TO SECURE THE REQUISITE FINANCING FOR THIS DEVELOPMENT.

Speaker Hofschneider: Discussion? I recognize, Representative Deleon Guerrero.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. I would like to offer an amendment to House Resolution Nos. 13-044 and 13-045. To amend the heading to change the word, “approve” to “endorse”.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Representative Babauta?

Rep. Babauta: Thank you, Mr. Speaker. Just a clarification on H. R. NO. 13-046, on page 1, line 2, Mr. Speaker, and maybe to wherever the word appears, since this is an official House document, whether or not do we allow the word “Chamolinian” to be officially endorse by this body or should we say, “Chamorro and Carolinian Cultures”.

Speaker Hofschneider: It is a preferential usage of Chamolinian versus making a distinction between Chamorro and Carolinian. I can understand your reservation on the word “Chamolinian” when it is not adopted as official term.

Rep. Babauta: That is my concern, Mr. Speaker.

Speaker Hofschneider: Representative Castro?

Rep. Castro: Just a similar concern, Mr. Speaker. If “Chamolinian” is not adopted then “Chamolinian” is not an official word.

Speaker Hofschneider: Representative Arnold Palacios?

Rep. A. Palacios: I share the concern, Mr. Speaker. Who adopts the official word?

Speaker Hofschneider: The Chamorro/Carolinian Language Policy Commission.

Rep. A. Palacios: We know what “Chamolinian” means. It is in our culture and our definition as to what “Chamolinian” means. I understand the concern. I like the word, “Chamolinian”.

Speaker Hofschneider: Representative Quitugua?

Rep. Quitugua: Mr. Speaker, I don’t think it will be a problem with the usage of “Chamolinian.” Sometime ago, when the Chamorro orthography was being considered for national adoption, a

situation like this is permissible. Whereas, if the word becomes localize and it's daily usage it's understood, it becomes an adopted vocabulary of the language. So it is accepted. In this particular case, this has been frequently used not only in our daily conversations, also in songs. So, it is acceptable, it becomes localized.

Speaker Hofschneider: Representative Tebuteb?

Rep. Tebuteb: Mr. Speaker, along the line of the “Chamolinian” use here, even the statistics that comes out from the Public School System, the statistics to ask the parents, what is your ethnicity, and we have quite a few responses that they are Chamolinian. I for one have adopted this word, although I'm not comfortable with it. May be if this is okay for the members, just for the sake of our minority leader here, should we put “CNMI culture” or “Chamolinian culture”.

Speaker Hofschneider: Ready for the question?

Floor Leader Attao: Ready.

Rep. Babauta: I humbly accept. If the body wishes, Mr. Speaker, I wholeheartedly support the resolution.

The motion to adopt House Resolution Nos. 13-044, HD1, 13-045, HD1, and 13-046 was carried by voice vote.

Speaker Hofschneider: Motion carried. Before we proceed, I overlooked one House Communication business and I recognize Representative Aldan.

Rep. Aldan: Thank you, Mr. Speaker. During the last session, you referred to our Committee the letter written by the CNMI Travel Agency dated April 15, 2002, and your Committee has prepared a reply to the CNMI Travel Agency, and if you allow me, I will read out the reply.

There was no objection raised.

HOUSE COMMUNICATIONS

Rep. Aldan: Dear Travel Agency Members: Your letter dated, April 15, 2002, regarding the future of CNMI Travel Agencies was referred to the House of Representatives Tourism Committee for consideration. We agreed that our local travel agencies indeed provide valuable and essential services to the CNMI and I would like to continue to see your businesses prosper in the CNMI. We are also concerned about the effect that the elimination of the 5% base commission will have on our local travel agencies and our local economy. The industries' contribution of \$1,254,468.00 in business gross receipts taxes and expenses amounting to \$1,592,300.00, clearly demonstrate the loss in revenue the CNMI can anticipate should your businesses falter. We share your concern that

in an effort to recover their losses, that these airlines have made the decision to cut your base commissions. Although we cannot legally “limit” their business activities, we can recommend that Continental and Northwest airlines continue their ticket sales activities solely from the airport. We commend your efforts to meet and share innovative ideas amongst yourselves in an effort to continue to provide your services to the people of the CNMI. We are also supportive of not only your 5% service charge per ticket in the interim, but also your committee’s efforts in calculating a fair percentage to charge for the services you provide in the future. We are proud of the success of the local travel agencies and look forward to utilizing your valuable service in the future. Sincerely, Rep. Frank Aldan, Chairman, House Standing Committee on Tourism.

Speaker Hofschneider: Thank you. That becomes a House Communication.

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move to place H. B. NO. 13-079, HD1, on today’s Calendar for action.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader?

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the passage of H. B. NO. 13-079, HD1, on First and Final Reading.

The motion was seconded.

H. B. NO. 13-079, HD1: A BILL FOR AN ACT TO AMEND 3 CMC §4434(i)(1) OF PUBLIC LAW 12-34 TO ADD A NEW SUBSECTION (E); AND FOR OTHER PURPOSES.

Speaker Hofschneider: Discussion on the bill?

Vice Speaker Tenorio: A motion for an oral amendment, Mr. Speaker.

Speaker Hofschneider: Recognize the Vice Speaker.

Vice Speaker Tenorio: Thank you, Mr. Speaker. Mr. Speaker, I would like to amend House Bill No. 13-079. On the second page, from line item 4 through 8, to delete the lines... let me read, “This subsection shall expire on September 30, 2005, and no non-resident workers may be employed in the covered positions after this date. No contract may be entered into pursuant to this subsection that provides for the termination of the contract after September 30, 2005.” Mr. Speaker, I have consulted with the Chairman of this Committee and he agrees in deleting this because sooner or later we will see this back to the Legislature.

The motion was seconded.

Speaker Hofschneider: Discussion on the motion? Representative Deleon Guerrero?

Rep. Deleon Guerrero: Thank you, Mr. Speaker. I believe that Public Law 12-34 requires that there will be deadlines for these exemptions and there were two deadlines, if I am not mistaken, one expires in 2002 and the other one is in 2005 and any exemptions would have to have deadline one or the other.

Speaker Hofschneider: Under discussion.

Vice Speaker Tenorio: Thank you, Mr. Speaker. My understanding is that MVA is not effected by that particular provision of PL 12-34.

Speaker Hofschneider: Short recess.

The House recessed at 12:06 p.m.

Rep. Herman T. Palacios stepped out at 12:06 p.m.

RECESS

The House reconvened at 2:35 p.m.

Speaker Hofschneider: We are back to our session. I recognize the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I would like to offer a subsidiary motion to withdraw the original motion offered by Representative Manny Tenorio.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader?

Floor Leader Attao: Thank you, Mr. Speaker. Now, I would like to offer an oral floor amendment, on page 1, line item 8, to reinstate, “and technical”.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader?

Floor Leader Attao: Also, Mr. Speaker, I would like to offer an oral floor amendment, on page 2, Section 2, subsection (E), line item 3, to delete “Professional employees”.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Reinstatement, Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Also, I would like to offer a motion to reinstate Section 2 subsection (E), line 3, beginning, “Tourism consultant, marketing manager, other technical and professional employees.” Also to include the whole paragraphs beginning on line item 4, beginning with “This...” through line item 8, ending “2005.”

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Ready for the question?

Several members voiced, “ready.”

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-079, HD1, on First and Final Reading is as follows:

Rep. Martin B. Ada	excused
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	absent
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes

Vice Speaker Tenorio: Privilege, Mr. Speaker.

Speaker Hofschneider: State your privilege.

Vice Speaker Tenorio: Mr. Speaker, I want the record to show that I am back to session, but I don't know what was discussed.

Speaker Hofschneider: We are calling the roll for the passage of H. B. NO. 13-079.

Vice Speaker Tenorio: As amended?

Rep. Quitugua: On the communication.

Speaker Hofschneider: Yes.

Rep. Quitugua: I suggest that you refer this to the appropriate committee so that we can have an official position with respect to the issue raised in the communication, Mr. Speaker.

Speaker Hofschneider: The leadership is in the process of compiling the agenda of the House. Most of the bills that compliments the objective of the House for the Thirteenth Legislature had been introduced with the exception of two legislations. One is the land compensation legislation. That will once and for all put to rest this issue of landowners waiting for their compensation in the amount of about thirty to forty million dollars. The other issue is the minimum wage. It is the leadership's decision to select two options. One, is we continue to a dialogue with the Governor's presentation on the American Samoa minimum wage plan or do what is right and that requires that the House come up with its own proposal as to what the current state of affairs in the Commonwealth and what appropriate minimum wage should be push or support. The other component is the issue of how do we contain government expenditure and I am talking about how do we relief the Commonwealth's continuing and ballooning liability with the Retirement Fund. We owe them fifty-five million dollars and it continues to increase. So, all these agendas are pretty much being attended to by respective members. The excise taxes elimination is part of the overall scheme of economic revitalization objective of the Thirteenth Legislature. The user fee is in the House or the Saipan and Northern Islands Legislative Delegation. Today is the third appearance, it will be transmitted to the Delegation for action, but the authorization for the fifty million dollars undertaking for the tourism industry that includes giving MVA an additional two million dollars or more on an annual basis to aggressively tackle promotions in advertising for the Commonwealth. The objective is to secure appropriate facilities for the tourism in anticipation of the garment industry being impacted by the multi-fiber agreement through the WTO by year 2004. And in anticipation of the closure of some of the garment industry, we need to provide for an expansion of opportunities for our people that are currently employed in the garment industry. We cannot sit still and wait for the impact of the multi-fiber agreement to kick in and find ourselves in a predicament of having to see hundreds of our local people unemployed. So these are all the economic objectives of the House, you may not see it because of the piece meal state but there are sufficient complimentary legislations that we have in this House in the respective committees. Now, by next week we will have a consolidated package to present to the public on behalf of the House leadership that this is the economic objective of the Thirteenth Legislature and we should push for it. It is a very sound approach and we need the efforts of the committee to pay close attention and get those legislations out as soon as possible. You may not realize, but most legislations that are complimentary to the objective of the Thirteenth Legislature have already been introduced with the exception of the Floor Leader's thirty or forty million dollars land compensation legislation that he will be introducing next week. These all have economic multiplier and have far reaching potentials in respective industries, so we need to be attentive and appropriately taking actions in respective committees.

Rep. Quitugua: Thank you, Mr. Speaker.

Speaker Hofschneider: Representative Castro?

Rep. Castro: Thank you, Mr. Speaker. *Ti hu tuñgo haye gai responsabilidát este i sesso siha na guaka gi sankattan giya Saipan. Ilek-hu na komu guaha giya hamyo fumaloffanni etyo guatu na lugát, parehu ha' gi puenge yan gi taftaf ogga'an. Meggai beses ni hu li'e' meggai na guaka gi chalan man-lalaoya, ya fa na'an guaha lai ni promutetehi este siha na ga'ga', kontodu etyu i para un pasto gifion chalan ti siña. I difekto guine, ayu siha na taotao i man biabiahe, pattikulátmente pasiadot-ta. Guaha na biahe -- tita diseseha -- lao esta meggai man masusedi man aksidente, man matai ha' pot enao na diskuidu. Ilek-hu na maolek ta tuñgo hafa ma'ase. Hayi este siha man gai-ga na ga'ga' ya kao siña u kollat. U kollat sa fuera di piligro para i man mañuñugon gi chalan, destrosu para etyo siha na kareta i mannuebu. Guaha ni tisiña un eskapayi take-niha gi chalan ya sinassatpi hulo i fendas i kareta. Ilek-hu na maolek ta' notisia hayi na dipattamento pat komiteh guine ya u negosio yan este siha na losprohimus. Dangkulu este na chinatsaga para etyo siha i manmanñuñugong pattikulátmente an puengi ya gai diniru, guaha na biahe un sotda etyo uma'ason gi talo'lo' gi chalan, Jesus, Maria, Jose, ya' malofan hao gi hilo' toru, gai-piniligru. Enao-ha, Mr. Speaker.*

Speaker Hofschneider: Representative Stanley Torres?

Rep. S. Torres: (inaudible)

Speaker Hofschneider: Vice Speaker, do you have comment?

Vice Speaker Tenorio: No, Mr. Speaker. I was just discussing with the Floor Leader...-- Nothing, Mr. Speaker.

Speaker Hofschneider: I believe everyone has a copy of the Attorney General's opinion on the budget cut. It is clear that the Governor has the authority to reduce budget allotments when revenue has decreased. I believe two hundred thousand dollars or three percent or more is the threshold for the Governor to exercise his authority to cut. The Attorney General's opinion is also consistent with the position of the House that the proportionate cut has to apply to all branches, agencies and instrumentalities, of the government. So, I believe that the revision of the Governor's directive in terms of the cut would be forthcoming in that we expect a lesser percentage in terms of the cut. Mr. Chairman, Ways and Means Committee, the Governor is required to report to the Legislature, particularly the Ways and Means Committee Chairman on some actions, and to the Presiding Officers of the Legislature, particularly on the reprogramming. If and when reprogramming is executed for use, the Ways and Means Chairman has to be notified as to the particular reprogramming and the specific account by the execution of reprogramming. I am hereby requesting that you look into the reprogramming that have been executed so far by the Executive Branch in as much as to ensure that the compliance of the restrictions on moving operations into personnel cost for the purposes of hiring. As you know, the Budgeting Act is here and we need to assist the Governor, the Administration, to the extent that those require reporting, stipulated under the reprogramming act and in the Constitution, are met and consistent. The other inquiry that I want to officially request the Chairman is to work with the counsels of the House in

looking into the application of the reimbursement money for the Compact Impact and to what extent the restriction on the usage of the Compact Impact applies and whether the continuing resolution identifies the revenue for such purpose as to be included in the continuing budget level and the appropriate measures follow. Representative Arnold Palacios?

Rep. A. Palacios: Thank you, Mr. Speaker. In the same line, Mr. Speaker, I don't recall seeing any official communication from the Executive Branch pertaining to an official revenue projection. Do we have a modified official communication from the Executive Branch regarding the revenue projection?

Speaker Hofschneider: There is an official communication. You may find that easily assessable in the opinion issued by the Attorney General's Office attached as an exhibit also two communications relating to the decline of the resources and in anticipation of the continued decline the assumption of projected revenue being met through the austerity program or specifically the allotment advise being reduced for the current quarter and for the remaining quarters of the fiscal years. The last message is the House Joint Resolution submitted by the Administration requesting full reprogramming authority that was passed by the House, passed by the Senate, as amended, and passed by the House only to find that before transmitting it, it requires the House revisiting its action and we did so by recalling our action and referring that House Joint Resolution to the Ways and Means Committee, simply on the basis of defects on the resolution itself. The position of the House is that twenty-five percent reprogramming authorized for the Governor to exercise is sufficient more particularly in this instance when the resources have been reduced and therefore, doesn't leave any resource to reprogrammed. It makes sense for the House to hold its position on the twenty-five percent reprogramming on the entire one hundred ninety-three million dollars. Twenty-five percent of one hundred ninety-three million dollars is a lot of money to move and the Governor is authorized to do so. Moreover, department heads, secretaries are authorized to use their ten percent reprogramming authority. So in essence, we need to see those reprogramming requests either channeled to the Chairman of Ways and Means or specifically requesting the House or the Legislature when the Administration finds the need to exceed twenty-five percent. We should review it and if it is warranted, we should sanction it and help the Administration go through this difficult period.

Rep. Babauta: Mr. Speaker?

Speaker Hofschneider: Representative Babauta?

Rep. Babauta: Thank you, Mr. Speaker. Mr. Speaker, can you provide us a copy of the legal opinion by the AG? I was just reading it on the paper.

Speaker Hofschneider: I have an unofficial copy provided to my office, I don't know who dropped it, but there is no official letter attaching the opinion of the Attorney General. My office can provide the members a copy.

Rep. Babauta: Mr. Speaker, since the issue is already in the media, I'm just questioning the attorney-client privileged.

Speaker Hofschneider: It is important to read that because there are some suggestions that the Attorney General poses. In reference to other states on the issue of separation of powers between the Legislature, Judicial and Executive Branches, Connecticut was used as a backdrop in the argument that it is legal for and constitutional for the Governor to exercise across the board cuts when revenue declines. In that respect, the Attorney General also suggest that absent of the Commonwealth law capping the percentage allowable for a cut Connecticut, imposes three percent maximum cut. Perhaps, if the House desires to limit the total cut in terms of percentage, we may take that up. But, be mindful that there is a component in the Constitution, which requires the government, not only the Executive, but also the Legislature to retire deficits accrued in two subsequent fiscal years. We will wait for the budget submission to see if the issue of deficit is included in the submittal for an annual appropriation for 2003. The other component the budget must have that must be addressed is to provide for resolution to the spiraling obligation to the Retirement Fund and the retroactive issue that has to be put to rest. So, tighten your belts, we will be facing serious consideration in budget matters. Completing priorities must now be set. We are forced to define what are essential and what are non-essential services to the government. Any other comment? Vice Speaker?

Vice Speaker Tenorio: Thank you, Mr. Speaker. This has to do with the Office of the Federal Assistance and I just wanted for the members to digest. In the newspaper the other day, Frankie Villanueva, Secretary of Finance, talked about some kind of proposal to do the grant writing and see what is available to the Commonwealth. I guess they are already working on some kind of memorandum of understanding. I just want to point out for the record, Mr. Speaker, that perhaps if they are going to the state issue at least advertise the proposal so that other areas, other interested parties might be able to come up with a better proposal and submit their proposal that we can look at. This is something that is important, I understand, but I don't know if it is important enough to rush through the project and award a certain individual or company without having it advertised properly. So, I don't know if this has been done. We have not been advised except from what I read in the newspaper, but I hope the direction is to allow this kind of opportunity to other companies that might be interested. So, I just want the members to know whether this should be an action that perhaps members of the committee might take up with the Administration or just to let it go. I don't think we should let it go because I understand that there are a lot of federal programs that the CNMI has not been tapping compared to other areas, for instance Guam and American Samoa. In a time like this where we're looking for money, this is something that perhaps we should look at the resolution to supplement.

Speaker Hofschneider: We have to thread carefully when we speak of this concept similar to a brokerage fee. I do not know of any federal program that allows a percentage for grant writing by the private sector. I do not know any federal program that allows that. So we have to be very careful in hastily supporting that idea of hiring one private entity to look for federal grants and thereby recoup a percentage of the funds awarded to the Commonwealth. I don't know of any program under federal government. Mr. Chairman on Ways and Means, I would like to see that you have a periodic request to the Secretary of Finance to secure a periodic, preferably a monthly report on the resources on actual versus projected and expenditure at the closing of each month. I don't want to close this session today the way we've been talking with somberness. But, it is

unfortunate that the Thirteenth Legislature is going to be challenged to come up with creativity in terms of our ability to provide policies in reviving the economy. This is an opportunity that we should take and the challenge is quite refreshing. We should be working unison in supporting ideas that would get us back on an economic recovery. I know the Floor Leader is always ready to do so. Like the old saying, “sometimes it takes a bold step to make changes.” In this respect, the responsibility of the government is to infuse new dollars into the economy and there are several mechanisms that we can approach. One of them is that we have no choice but to borrow money to ensure that those long awaited infrastructures are in place for the tourism in particular to start looking at us favorably. No other comments? – Motion to recess until May 1st, but before we do that, Representative Stanley Torres.

Rep. S. Torres: *microphone off*

Speaker Hofschneider: I was told that it should be coming out today, but I have not received any yet.

Rep. S. Torres: *microphone off*

Speaker Hofschneider: We can take a short recess and take their office and discuss it on the floor, if you care.

Rep. S. Torres: Yes, short recess.

Speaker Hofschneider: Short recess.

The House recess at 3:12 p.m.

RECESS

The House reconvened at 3:14 p.m.

Speaker Hofschneider: We are back to our session. Continue, Representative Torres.

Rep. S. Torres: Mr. Speaker, there is a Ways and Means Committee meeting on Friday in the morning.

Speaker Hofschneider: Okay.

Floor Leader Attao: Move to recess until May 1st at 10:00 a.m.

The motion was seconded carried by voice vote.

Speaker Hofschneider: Motion carried. Recess until May 1st at 10:00 a.m.

The House recessed at 3:15 p.m.

Respectfully submitted,

Joan K. Ongrung, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

H. L. B. NO. 13-022: To re-appropriate \$50,000 from Saipan Local Law 12-13; and for other purposes. [3rd Appearance]

H. L. B. NO. 13-023: To amend Section 2, subsection 3 of Saipan Local Law 12-20; and for other purposes. [3rd Appearance]

H. L. B. NO. 13-024: To name the Saipan International Airport the Francisco C. Ada International Airport in recognition of his pioneering efforts to modernize Saipan's airport facility and the island's economy. [3rd Appearance]

H. L. B. NO. 13-025: To impose in addition to the user fee collected under 4 CMC § 1421 a local user fee of 1.3% of the gross value of merchandise which require the Department of Finance's certification for export from the Commonwealth. [3rd Appearance]