



House Journal

SECOND REGULAR SESSION, 2002

Second Day

August 19, 2002

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its **Second Day, Second Regular** Session, on **Monday, August 19, 2002**, at **10:47 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), **sixteen** members were recorded present; Representatives **Oscar M. Babauta and Herman T. Palacios** were excused.

Speaker Hofschneider: Please keep Representative Palacios in your prayers as he is recouping and expect he'll be back soon.

ADOPTION OF JOURNALS

None

PREFILED AND INTRODUCTION OF BILLS

The Chair recognized Representative William Torres.

Rep. W. Torres: Thank you, Mr. Speaker. In response to your advice, I am happy to introduce H. B. NO. 13-176.

H. B. NO. 13-176: A Bill for an Act to authorize the Commonwealth Public School System (PSS) to engage with a private or public non-profit financing institution(s) in securing an interim and/or private permanent financing for the procurement of a modern and reliable system of school busing that meets the United States Federal Highway Safety Standard for use by students in the

public and private elementary and secondary schools throughout the Commonwealth of the Northern Mariana Islands; and for other purposes.

Offered by: William S. Torres and fourteen others

Speaker Hofschneider: This is basically taking H. J. R. NO. 13-001 that we adopted last Friday and putting it in a bill form. Any other introduction of Bills? I think it's wonderful that we don't have any more introduction of bills, since we have a lot in the committees that have violated the ninety-day rule. I expect to see a lot of those bills being reported out soon. We're nearing the end of the month and August is a thirty-day regular session period. Under the Constitution, beginning September we will be on recess all the way up to January, so please look into those bills. If you have to file it, file it. If you have to report it out, report it out and let's debate it. There's quite a few Senate bills pending in the committees and we need to reciprocate with our counterpart. For those bills that warrant our actions, please get them out soon so that we clear this year before we go on recess. When September rolls in there are a lot of fiestas, community responsibilities and a lot of activities leading up to November and December. And when January comes, we behave differently again. We become the political animal as expected. So, let's do the right thing this year. Get it out and next year we can divide ourselves fifty-fifty with our political obligations but the mainstay of public serving is normally done during this year. We have to work hard.

PREFILED AND INTRODUCTION OF RESOLUTIONS

None

MESSAGES FROM THE GOVERNOR

GOV. COMM. 13-280 – August 14, 2002 – P.L. 11-6 notification of exemption for Eyun Ji Corporation.

GOV. COMM. 13-281 – August 14, 2002 – Certification for a vacant position at the Division of Revenue and Taxation.

GOV. COMM. 13-282- August 14, 2002 – Accepting the invitation to meet with the House of Representatives on August 16, 2002 at 1:00 p.m.

Speaker Hofschneider: GOV. COMM. 13-282 accepting the invitation to meet with the House of Representatives on August 16, 2002 at 1:00 p.m. Any comments? Did you all do the math? Vice Speaker, did you do the math?

Vice Speaker Tenorio: No.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: I just want to make a short statement. The Governor came here with his one meter whip and he whipped us all like a cub scout. Same story, it's a replay of communication and correspondence between the Governor and ourselves. I guess the Governor made a very insulting remark to repeat to us during his speech using a formula that is totally wrong by saying, check your math. I don't what kind of math he's got but when I calculated the amount of money that he told us in that the government is spending \$24 thousand dollars an hour ... the formula is a mistake. All my life since I've known the government operations, the government is basing itself on a 2,080 hours a year and anything that you spent you have to divide that by 2,080 not 24 hours. So that's a mistake. Whoever gave him that formula was totally wrong, I am sorry that I had to say this but I am very disappointed with the Governor's message. Thank you.

The Chair recognized the Floor Leader.

Floor Leader Attao: The Governor on Friday's meeting mentioned about a \$28 million deficit incurred by the former Administration. Mr. Speaker, I have done my homework. When I calculated the figures for the Fiscal Year 2002, which began on October 1 to January 13, the \$28 million is not a true figure. The former Administration under the Honorable Pedro P. Tenorio had three months and thirteen days. Putting \$28 million dollars incurred by the former Administration is totally incorrect. I have to calculated left and right but it doesn't give me the \$28 million that was alleged as deficit of the former administration. Mr. Speaker, the Department of Finance has estimated that CNMI government for Fiscal Year 2002 will have a deficit of about \$17 million and this is cumulative. I don't know what kind of figure the Governor used when he presented this budget information relative to Fiscal Year 2002, but still the \$28 million is not a true figure. The record that the House received was of an \$17 to \$18 million deficit cumulative up to September 30th. So I

question the \$28 million that was incurred by the former administration. We just have to correct that because it is not true that the former administration who had three months and thirteen days in office, and for them to incur \$28 million deficit, that's unbelievable, Mr. Speaker. And I want to point that out so that each of us here would know and would have facts that the former administration did not incur the \$28 million deficit. This is a combination of the former administration and this administration. We just cannot blame that the former administration incurred a \$28 million deficit. It's a cumulative total and not reaching \$28 million. That's the latest that we have and it was submitted to you and to some members of this august body – that the projected deficit totals to about seventeen some million dollars, not twenty-eight. I stand corrected, Mr. Speaker, but I think my calculation is correct and that the \$28 million that was reported by the Governor is not accurate information. I want that corrected in this session, Mr. Speaker. I disagree with the information that the Governor provided the Legislature. Secondly, Mr. Speaker, we didn't have any chance to rebut the Governor's statements during that meeting. It appears to me that meeting Friday was like the State of the Commonwealth address. I don't think it's fair for us here not to be given the opportunity to question the Governor when he was delivering his remarks. I think it's only fair that each of us will have the chance to at least ask the Governor questions relative to his statements regarding the deficit, regarding the mathematic, regarding our arithmetic here relative to the \$24 dollars per hour and \$75 dollars per hour. We didn't have the time and the chance to ask those questions. So, I'm asking again, Mr. Speaker and members, to at least call the Governor and this time give us the opportunity to ask questions regarding the real picture of the deficit of Fiscal Year 2002. Thank you.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Thank you, Mr. Speaker. I know that the speech by the Governor is recorded, but do we have a hard copy of the Governor's speech for communication?

Speaker Hofschneider: It wasn't recorded.

Vice Speaker Tenorio: It wasn't recorded?

The Chair recognized Representative Deleon Guerrero.

Rep. Deleon Guerrero: Mr. Speaker, this is just for point of clarification – I can't recall correctly what the Governor said whether he mentioned that the deficit by the previous administration was \$28 million or whether he said that the projected deficit would be \$28 million had they not instituted certain spending control measures. My recollection seems to be that what he said was, had they not done anything it would have been \$28 million based on the spending level at the time they came in. I don't recall a hundred percent what he said and I guess I have to look back, but that seems to be how I interpreted it. This is just for point of clarification and not to challenge the Floor Leader's comments.

Floor Leader Attao: The floor is open to debate on the issue because that is an important statement made by the Governor. One way or the other, we have to correct that misinformation especially this august body. The budget originates from the House; it's our responsibility to get the clear picture of where we stand.

Speaker Hofschneider: But I don't see why we're worried. They don't administer the funds on the Executive Branch. They're justifying their deficit it's not our deficit. In the end it will become our responsibility to retire and which we did in the budget by making sure that there's a two percent retention of funds for deficit reduction on the entire appropriation. I don't see any more need to discuss this further, because in desperate times people do desperate things to justify their actions and it is just very difficult to substantiate what that obligation is. So unless we're inclined to more pain to request that the Governor comes back for ... what do you call it when a person loves to be spanked? Masochist, right? So unless there's a subliminal urge in us to seek more pain, I don't have a problem calling him back. But I thought we all agree to set our sights in working cooperatively with the Administration and obviously the Administration doesn't see that to be necessary to come to this house and retaliate in a way they retaliated. I thought Friday's coffee did wonders for my jitters and the luncheon that was attended by ten of you at Ming Palace did well to sort of brighten the understanding of having the need to work cooperatively together looking for the common ground and looking for the common good. But obviously the well-prepared speech on Friday was targeted towards *moi*. And whether that's uncalled for or what, I have better things to do than to answer those things because I have a daughter that has an attention deficiency and that's basically how they reacted. If I'm not there to ascertain or to give a sense of confidence, give credence to what they do, what they say, then the fire will still burn. I think as good Christians we

look forward to brighter days and we have in a sense a degree of hope and people are yearning for that.

The Chair recognized Representative Palacios.

Rep. A. Palacios: Thank you, Mr. Speaker. Just to get my thoughts out on this. I've dwelled on it over the weekend and the bottom line is that today I must say that I forgive the Governor. I forgive him for missing the boat, I forgive him for missing the opportunity and I will extend again despite my amazement of the prepared text. It was really my expectation when this meeting was set up that with the House and the Senate in one chamber with the Executive Branch that the spirit of cooperation and looking for tangible solutions to some of the issues, the problems that we are facing financially, and legality in terms of salary caps and projected resources. I thought that this would have been a good time to really sit down and say we face problems and so it's time to set aside the math. The math really is just about statisticians to turn around and play games with numbers. I mean I could have turned around and look at the same number and give him a totally different answer. So what if you increase the number of employees? Did the bottom line increase? Statistics are useless. My disappointment arises from the Governor not seizing the moment. I was ready, you were ready, I believed the House and the Senate were ready. We passed some very important pieces of legislation prior to that meeting on Friday, pieces of legislations that in some instances we also had our own personal reservations. But I guess today is a new day. I'll look at it in a totally different perspective and say it for the record that my office, myself and I believe every one of us will still have an open heart, an open mind towards working together with the Governor despite Friday's missed opportunity.

Speaker Hofschneider: As someone said early in the year, let's not be acrimonious about this. Let's move on to Senate Communications.

SENATE COMMUNICATIONS

Speaker Hofschneider: Floor Leader?

Floor Leader Attao: I'm still reading the ...

Speaker Hofschneider: Should we go back to Messages from the Governor?

Floor Leader Attao: Yes, Mr. Speaker.

The House went back to Messages from the Governor.

MESSAGES FROM THE GOVERNOR

Speaker Hofschneider: I don't want to leave anyone to not state his or her piece of mind. I think they're passing around the prepared speech.

Floor Leader Attao: I want to see the copy, Mr. Speaker, so that I can correct my statement relative to the \$28 million, but I remember the Governor mentioned \$28 million dollars deficit for the Fiscal Year 2002.

Rep. Quitugua: Short recess, Mr. Speaker.

Speaker Hofschneider: I think if you flip the page to the second page the illusion begins to reveal itself on page two on the last few paragraphs, the government is spending more than it was taking in at a rate of \$225 million even though revenues were projected to be only \$197 million. As a matter of record, the Tenorio Administration was operating on \$206 million from October 1, and therefore, the projected revenue was being met at \$206 million dollars for the first quarter. Therefore, the expenditure rate for the first quarter during the last days of the Tenorio Administration was substantiated and justified. What is delusional about the statement is the \$197 million was executed by the current Administration bringing from \$206 to \$193 million through their directives and when they reduce the expenditure ceiling. That created an artificial deficit immediately upon execution of the reduction from \$206 to \$193. Therefore it gives credence to the next sentence that we face a \$28 million deficit. Be it as it may complimentary actions should have been executed at that time. One, your expenditure should be controlled to meet the actual collections as authorized by the Department of Finance to certify. That wasn't done. The complimentary action was not done therefore the deficit is real deficit created by a non-judicious application of the reduction in allotment. It's a foot loose and fancy-free approach in public finance. Do you want to take a moment to read it?

Floor Leader Attao: Yes, Mr. Speaker.

The Chair declared a recess at 11:16 a.m.

RECESS

The House reconvened at 11:24 a.m.

Speaker Hofschneider: We're back to our session. Are there any more comments on the Governor's presentation? Representative Salas?

Rep. Salas: Thank you, Mr. Speaker. I just wanted to say that Friday was a very fruitful day for us here at the Legislature. We addressed issues that had been troublesome for us. I've been at the Legislature for about eight months now and I was looking forward to days when I come home and say I did something really good today. I don't want to play games with numbers. I've worked at the Department of Commerce for a long time we can take numbers and interpret it many, many ways to fit our arguments, but I want everybody here to know that Friday was a good day for us. We took care of the budget, our people need to know that. We've been facing many negative publicity, day in and day out both on the radio, television, everywhere. Friday was positive for us. Number one, we took care of the budget, we addressed civil service concerns and we also assisted on the issue of the salary caps. I think that's a good day's work and if we continue that trend regardless if parts of the Administration or parts of the Senate don't want to cooperate with us, that's up to them but I think that we should not forget that Friday was a good day for us and we should continue to strive for that. I don't think that we want to take a look at it any other way and that we have accomplished something really, really good for the CNMI on Friday which are the budget, the civil service and the salary cap issue. Thank you, Mr. Speaker.

Speaker Hofschneider: Any other comments?

Floor Leader Attao: Mr. Speaker, if there's no objection from the members I would like to place the Governor's state address on today's session and be carried on until our next session so that we can digest all the arithmetic here, Mr. Speaker.

Speaker Hofschneider: If there's no objection, Clerk, please reflect the Governor's communication for next session.

SENATE COMMUNICATIONS

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the acceptance of SEN. COMM. 13-076, SEN. COMM. 13-077, SEN. COMM. 13-078, SEN. COMM. 13-079 and SEN. COMM. 13-080.

The motion was seconded.

SEN. COMM. 13-076: Return of H. J. R. NO. 13-008, removing the Tinian monarch from the Federal List of Endangered and Threatened Wildlife, which the Senate adopted without amendments on August 16, 2002. [Will go to Governor]

SEN. COMM. 13-077: Return of H. J. R. NO. 13-009, OPA Reprogramming Authority, which the Senate adopted without amendments on August 16, 2002. [Will go to Governor]

SEN. COMM. 13-078: Return of H. J. R. NO. 13-012, Standard Carolinian Language Orthography, which the Senate adopted without amendments on August 16, 2002. [Will go to Governor]

SEN. COMM. 13-079: Transmittal of S. J. R. NO. 13-4, entitled, "A Senate Joint Resolution requesting that the Secretary of the United States Department of the Interior allocate Capital Improvement Project funds derived from negotiations with the United States Department of the Interior pursuant to Section 702 of the Covenant to Establish a Commonwealth of the Northern Mariana Islands with the United States of America be used to settle land compensation claims made by the Commonwealth citizens whose private property was acquired by the Commonwealth for the purpose of obtaining an easement or right-of-way to complete Capitol Improvement Projects," which the Senate adopted on August 16, 2002. [For action]

SEN. COMM. 13-080: Transmittal of S. J. R. NO. 13-8, entitled, “A Senate Joint Resolution to request a complete exemption for payment of a debt to the United States Department of the Treasury, Division of Debt Management, in the amount of \$1,589,367.00, on the grounds that it will be in the best interest of the United States to do so,” which the Senate adopted on August 16, 2002. [For action]

There was no discussion; and the motion to accept the Senate Communications was carried by voice vote.

Speaker Hofschneider: Motion carried.

HOUSE COMMUNICATIONS

None

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT. & AGENCY COMM. 13-68 – August 13, 2002 – From Mr. Nace Soalablai, Acting SAPLR, acknowledging receipt of H. R. NO. 13-064.

There was no discussion.

OTHER COMMUNICATIONS

None

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 S. C. R. NO. 13-043, S. C. R. NO. 13-045 and S. C. R. NO. 13-046.

The motion was seconded.

S. C. R. NO. 13-043: Reporting on S. B. NO. 13-11, entitled, "To create a National Guard for the Commonwealth of the Northern Mariana Islands." *Your Committee on JGO recommends that the House pass the bill.*

S. C. R. NO. 13-045: Reporting on H. J. R. NO. 13-001, entitled, "To endorse and support the debt restructuring by the Commonwealth Public School System in exercising its option to purchase the twelve (12) 66 passenger buses under lease since 1995 in addition to engaging in another lease option agreement for the acquisition of forty (40) new fleets of school buses that meet the US federal highway safety standard for use by over 4000 bus riding students throughout the Commonwealth of the Northern Mariana Islands; and for other purposes." *Your Committee on Ways and Means recommends its adoption.*

S. C. R. NO. 13-046: Reporting on H. B. NO. 13-060, entitled, "To establish a doctoral program assistance (Ph.D. or Ed.D., etc.) for residents in the Commonwealth of the Northern Mariana Islands to participate in; and for other purposes." *Your Committee on Education recommends that the House pass the bill.*

Speaker Hofschneider: Motion for the adoption of S. C. R. NO. 13-043, S. C. R. NO. 13-044, S. C. R. NO. 13-045 and S. C. R. NO. 13-046?

Floor Leader Attao: S. C. R. NO. 13-043, S. C. R. NO. 13-045 and S. C. R. NO. 13 046. During the last session, S. C. R. NO. 13-044 was moved for referral to the Committee on Ways and Means for further review on the revenue.

Speaker Hofschneider: As I recall, it was a joint assignment.

Floor Leader Attao: That's correct, Mr. Speaker.

Speaker Hofschneider: Rephrasing the motion, it is for the adoption of S. C. R. NO. 13-043, S. C. R. NO. 13-045 and S. C. R. NO. 13-046 has been seconded. The floor is open for discussion on any of the Standing Committee Reports.

Floor Leader Attao: Mr. Speaker, on S. C. R. NO. 13-045 relative to H. J. R. NO. 13-001, just this morning Representative William S. Torres introduced H. B. NO. 13-176. I just want to find out if H. B. NO. 13-176 is related to H. J. R. NO. 13-001, because if it is, maybe we can withdraw the motion to adopt and have it incorporated on H. B. NO. 13-176.

The Chair recognized Representative Torres.

Rep. W. Torres: Thank you, Mr. Speaker. I believe that we already adopted H. J. R. NO. 13-001 on Friday and H. B. NO. 13-176 that I introduced this morning compliments the intent, and as the Speaker happily mentioned, that that gets the ball rolling. So it compliments the intent of the House Joint Resolution.

Floor Leader Attao: Okay, so the motion is in order, Mr. Speaker. I remember adopting H. J. R. NO. 13-001 but not the Standing Committee Report. So if that's the case just to support H. B. NO. 13-176 then I think the motion is in order.

Speaker Hofschneider: Correct. Ready?

Floor Leader Attao voiced, "ready."

There was no further no discussion, and the motion to adopt S. C. R. NO. 13-043, S. C. R. NO. 13-045 and S. C. R. NO. 13-046 was carried by voice vote.

Speaker Hofschneider: Motion carried. Item 16, Bill Calendar. Short recess.

The House recessed at 11:31 a.m.

RECESS

The House reconvened at 2:14 p.m.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

BILL CALENDAR

Speaker Hofschneider: We're back to our session and we're under Item 16, Bill Calendar. Floor Leader.

Floor Leader Attao: Mr. Speaker, if there's no objection, can we go back to Item 15, Resolution Calendar?

There being no objection, the House went back to Item 15, Resolution Calendar.

RESOLUTION CALENDAR

Speaker Hofschneider: We're under Item 15, Resolution Calendar.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I would like to make a motion to withdraw H. R. NO. 13-056 from the Committee on Ways and Means.

The motion was seconded.

Speaker Hofschneider: Motion to withdraw H. R. NO. 13-056 from the Committee has been seconded. Discussion on the withdrawal motion?

Floor Leader Attao: Ready.

Speaker Hofschneider: No objection?

Floor Leader Attao: No objection.

Speaker Hofschneider Ready?

Vice Speaker Tenorio: Mr. Speaker, can we have copies of the Resolution?

Speaker Hofschneider: You already have copies.

There was no objection; and the motion to withdraw H. R. NO. 13-056 from the Committee was carried by voice vote.

Speaker Hofschneider: Motion carried. This was dated sometime in June so you should have it in your file.

Vice Speaker Tenorio: But it's not for today's session.

Speaker Hofschneider: He's withdrawing it.

The Chair recognized the Floor Leader.

Floor Leader Attao: Mr. Speaker, I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the adoption of H. R. NO. 13-056.

The motion was seconded.

Speaker Hofschneider: Suspension motion for the adoption of H. R. NO. 13-056 has been seconded. Discussion.

Several members voiced, "ready."

The Chair recognized Chairman Torres.

Rep. S. Torres: Just to clarify that Resolution was not referred to the Committee on Ways and Means, I think it's the Committee on United States and Foreign Affairs. It has to do with the Committee on United States and Foreign Affairs.

Speaker Hofschneider: No, it's the Committee on Commerce.

Rep. S. Torres: Oh Committee on Commerce? I heard the Floor Leader say from Committee on Ways and Means that's why I'm defending my Committee.

Speaker Hofschneider: Thank you, Chairman. Ready for the question on suspension motion?

Floor Leader Attao: Ready.

There was no further discussion; and the motion was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the adoption of H. R. NO. 13-056.

The motion was seconded.

H. R. NO. 13-056: A HOUSE RESOLUTION EXPRESSING A DEEP SENSE OF APPRECIATION TO THE SAIPAN GARMENT INDUSTRY'S BUYERS AND RETAILERS, NAMELY, LIZ CLAIBORNE, THE LIMITED, SEARS, JONES APPAREL GROUP, THE GAP, ABERCROMBIE AND FITCH, JCPENNEY, POLO RALPH LAUREN, CALVIN KLEIN AND ALL THE OTHER BUYERS AND RETAILERS FOR THEIR MANY CONTRIBUTIONS AND ASSISTANCE TO THE PEOPLE OF THE COMMONWEALTH.

Speaker Hofschneider: Motion for the adoption of H. R. NO. 13-056 has been seconded. The floor is open for discussion on the Resolution.

Several members voiced, "ready."

Speaker Hofschneider: So, support of raising the user fee in the *Be It Resolved* clause is included?

Rep. Aldan: That's in fine print, Mr. Speaker, in a very fine print. It is almost invisible.

Speaker Hofschneider: Ready for the question?

Several members voiced, "ready."

There was no further discussion, and the motion to adopt H. R. NO. 13-056 was carried by voice vote.

Speaker Hofschneider: H. R. NO. 13-056 is hereby adopted. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Item 16, Bill Calendar.

Speaker Hofschneider: Under Bill Calendar?

Floor Leader Attao: Yes.

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: Mr. Speaker, I move for the suspension of Rule VII, Section 10, Rules IX, Sections 9, 10 and 11 for the passage of S. B. 13-11 on First and Final Reading.

The motion was seconded and the motion was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: I now move for the passage of H. B. NO. 13-11 on First and Final Reading.

The motion was seconded.

S. B. 13-11: TO CREATE A NATIONAL GUARD FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

Speaker Hofschneider: Motion for the passage on First and Final Reading S. B. NO. 13-11 has been seconded. Discussion on the Bill?

Several members voiced, "ready."

Speaker Hofschneider: With no objection, I just have one question on the Bill. May I be permitted?

There was no objection.

Speaker Hofschneider: Normally the state picks up a portion of the tab whenever a National Guard is established in any U. S. state or jurisdiction. Has anyone looked into what the state or the Commonwealth portion would be and what the impact is?

Rep. Ada: Mr. Speaker.

Speaker Hofschneider: Chairman on JGO.

Rep. Ada: Can you call for a one-minute recess?

Speaker Hofschneider: One-minute.

The House recessed at 2:21 p.m.

RECESS

The House reconvened at 2:24 p.m.

Speaker Hofschneider: We're back to our session and I recognize the Chairman on JGO.

Rep. Ada: Thank you, Mr. Speaker. I would like to request that the Bill be deferred for another week to clarify the cost benefit and who's going to pick up the tab by implementing this. Thank you.

Speaker Hofschneider: I think it's best if we refer it back to the committee.

Rep. Ada: Yes.

Speaker Hofschneider: Thank you. Representative William Torres?

Rep. W. Torres: On the same subject, Mr. Speaker, perhaps the Committee may be instructed to also examine the effect of this Bill relative to a congressionally sponsored legislation that is pending in the U. S. Congress, which this house supports through H. R. NO. 13-021, CS1, whether or not that particular legislation may have something to do with funding this particular local bill. You're correct there is a cost associated with this establishment. The Committee Report talks about a third (1/3), whatever a third is. A third would cost a third as much if enacted division would be so in that it can be sizeable and we need to be sure how much it would benefit.

Speaker Hofschneider: Specifically, I want to make sure that we know what we're getting into. I think it's a good asset to the Commonwealth in terms of security and for the purposes of sending out stability messages to some of the regional areas that we do business with, particularly in the tourism industry. But what is important to know is do they need land and how big of a land, where are they suppose to be permanently stationed, who maintains the facility, what sort of funding comes from the federal versus the state, what are we envisioning in terms of the size and pool of the national guards. These are all questions that get into something that of a national level the federal government and the Commonwealth both guaranteeing the security in defense of the island. So this instrument in implementing National Guard in our jurisdiction is a worthy asset but the problem is we need to know how much it would cost. So, Chairman, rephrase that motion to refer to the Committee.

Rep. Ada: I would like to request to refer it back to the Committee.

The motion was seconded.

Speaker Hofschneider: Motion to refer S. B. 13-11 reference S. C. R. NO. 13-043 back to the Committee has been seconded.

There was no further discussion; and the motion to recommit S. B. 13-11 was carried by voice vote.

Speaker Hofschneider: Motion carried. S. B. 13-11 is hereby referred back to the Committee. Floor Leader?

Floor Leader Attao: Mr. Speaker, H. B. NO. 13-033, HS3 was referred to the Committee on Ways and Means. The Chairman on the Committee on Education, Representative Danny Quitugua, asked me to hold H. B. NO. 13-060 until the next session.

Speaker Hofschneider: Okay. Continue.

Floor Leader Attao: That's it, Mr. Speaker. Mr. Speaker, if there's no objection, I would like to make a motion to place H. B. NO. 13-176 on today's calendar for action.

The motion was seconded.

Speaker Hofschneider: Motion to place H. B. NO. 13-176, authorization for public school bus procurement, has been seconded. Discussion on the motion for placement?

Several members voiced, "ready."

There was no discussion; and the motion was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: I now move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the passage of H. B. NO. 13-176 on First and Final Reading.

The motion was seconded and the motion was 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. 13-176 on First and Final Reading.

The motion was seconded.

H. B. NO. 13-176: A BILL FOR AN ACT TO AUTHORIZE THE COMMONWEALTH PUBLIC SCHOOL SYSTEM (PSS) TO ENGAGE WITH A PRIVATE OR PUBLIC NON-PROFIT FINANCING INSTITUTION(S) IN SECURING AN INTERIM AND/OR PERMANENT FINANCING FOR THE PROCUREMENT OF A MODERN AND RELIABLE SYSTEM OF SCHOOL BUSING THAT MEETS THE UNITED STATES FEDERAL HIGHWAY SAFETY STANDARD FOR USE BY STUDENTS IN THE PUBLIC AND PRIVATE ELEMENTARY AND SECONDARY SCHOOLS THROUGHOUT THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading, H. B. NO. 13-176 has been seconded. Discussion on the Bill? Representative William Torres?

Rep. W. Torres: On the Bill that we're passing, Mr. Speaker, on page 2, line 31 instead of 3(b), it should be Section 3(d), typographical.

Speaker Hofschneider: Line what?

Rep. W. Torres: Line 31 on page 2.

Speaker Hofschneider: Okay. Representative Deleon Guerrero? Did you raise your hand? No. Representative Arnold Palacios?

Rep. A. Palacios: Just a point of information. I was looking at that debt to finance forty new buses for ten years. So we're looking at a cost of \$105 thousand a bus?

Speaker Hofschneider: The last buses we procured were almost a \$100 thousand plus shipping. It's roughly about that amount. Ready?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-176 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	absent
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
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: With 16 “yes” votes, we passed the two-thirds vote requirement for public debt, H. B. NO. 13-176 is hereby passed by the House. Floor Leader?

Floor Leader Attao: Move to recess until Wednesday at 10:00 a.m.

Speaker Hofschneider: I recognize Representative Stanley Torres.

Rep. S. Torres: I started to move to recall H. B. NO. 13-158, User Fee, but the Floor Leader moved to recess.

Floor Leader Attao: It’s not debateable, thank you.

Speaker Hofschneider: The motion was not recognized, so I’ll recognize Representative Stanley Torres. What was that you said?

Rep. S. Torres: Can I move to recall H. B. NO. 13-158?

Speaker Hofschneider: What’s H. B. NO. 13-158? Oh, the User Fee.

Floor Leader Attao: Objection, Mr. Speaker.

Speaker Hofschneider: Are we ready?

Floor Leader Attao: No, not yet. Mr. Speaker, we’re still waiting for the garment industry to submit their documentation.

Speaker Hofschneider: Motion for recess subject to the call of the Chair. Any second?

The motion was seconded.

Speaker Hofschneider: Before I recognize that, Representative Deleon Guerrero?

Rep. Deleon Guerrero: Thank you, Mr. Speaker. If I'm not out of order and if there's no objection can I raise a point in regards to H. B. NO. 13-060 that perhaps the Chairman consider when they review this Bill?

Speaker Hofschneider: Continue.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. One point you have to notice is on page 2 of the Bill under Section 4, Qualification Requirements, one of the requirements on line 29, page 2 is that to be committed to return and to work in the Commonwealth at the NMC and other private institutions of higher education, the PSS or any private schools in the Commonwealth. Mr. Speaker, perhaps the Committee can consider that doctorates and Ph.D.'s that we really want to use ... I guess my point is that it respects these people because they're only coming back working at the schools, but Ph.D.'s can be used in other areas to help the government, like the archeologists or economists. This section restricts them to coming back and only teaching. If we are to take full advantage of the different types of fields perhaps they be allowed to perform other types of occupations. It's just something for the committee to consider.

Speaker Hofschneider: In other words, you don't want to limit them to just the field of education, to open it up?

Rep. Deleon Guerrero: I think so.

Speaker Hofschneider: Okay. Chairman Quitugua?

Rep. Quitugua: Thank you, Mr. Speaker. Mr. Speaker, the recommendation by the good Congressman Deleon Guerrero is noted. I would like, Mr. Speaker, to address, however, the issue on the Standing Committee on Education. The Committee met two weeks ago and seriously considered the practical jurisdiction of the Committee on Education in respect to the affairs of PSS. And it was the Committee's position that perhaps in our standing rules the Committee on Education should be renamed and rather than Committee on Education in general make it kind of specific and rename the Standing Committee on Education into School Financing. I don't want to continue on the debate with the Chairman of the Board of Education and other members of the elected Board of Education

in respect to who has jurisdiction of the Public School System. I think, Mr. Speaker, the issue here is the educational welfare of our children and we don't have time to continually debate that issue. They are mandated by the Constitution to run the affairs of the Public School System and Committee recognizes that. And I would like to get that authority to the Board of Education, continue their role as guardians of Public School System and operate the Public School System as they see fit. But on the other hand I think the Legislature also has a constitutional **duty** to oversee the expenditure of public funds and in that respect I suggest that we rename the Standing Committee on Education to Committee on School Financing.

Speaker Hofschneider: I take it that the House Standing Committee is having some philosophical differences with the Board of Education as to the boundaries on policies. Is that the case?

Rep. Quitugua: Yes, Mr. Speaker. Of course I never had a personal disagreement with the Chairman. I just recognize the fact that I was once a Chairman of the Board of Education and I hold the same manner as the Chairman so I am in full agreement in this respect. Therefore, I will be wasting my time to continue the debate and I would like to offer them anything in helping them by running Public School System through the maximum level as granted in the Constitution.

Speaker Hofschneider: Chairman, I suggest that we revisit the evaluation of our educational system if there is one. Where do we stand with them in comparison of the other jurisdictions of educational system and we go from there. That's your clear authority and we address that issue and report to the people where do we stand today in terms of our educational system and the way they run the system and where they believe that should not be interfered by this branch of government and when it comes to policies where do we stand on the Constitution and delineates those management policies and **drives** because it is our responsibility to ascertain where do we stand in terms of public expenditure and delivery of public education in the Commonwealth. So it's time to revisit the issue. I believe that there is enough comparative evaluation as to the SAT's, CAT's, **independence level** and compile those and let's see where do we stand today to the extend that we appropriate funds for specific programs that we so believe and to promulgate or to write. I think it's time that we raise the issue and see what directions we're heading. Representative Torres?

Rep. W. Torres: It's exactly on that point, Mr. Speaker, that I guess we were engaging illegally, if you will, and because of that it killed the progress taken if there is one such that the Legislature ought to have jurisdiction over matters that pertain to policies. The Constitution is really not that exact or clear whether the PSS Board has exclusive jurisdiction over educational policies and it is on that note that we had a discussion on whether we should call for a certified question to resolve this once and for all. Granted, there is a previous legal opinion from one of our favorite Attorney General Sattler. But in my mind it desecrates the Constitution. If you read the history of that particular article, it doesn't really remove the Legislature from the policy making of the public schools. So it is really a matter of legal opinion that is giving us this roadblock that I don't know whether it would be appropriate to seek a certified question on this issue or we should continue to pursue our goal of also having something to do with the education of our children. I really hate to see the Legislature being removed from the education of our children here. We just passed one Bill that would help protect that. So this is something that we really need resolve as a leadership once and for all so there is **resolution** on this issue.

Speaker Hofschneider: The platform before the House, which is the appropriate catapult for this issue is the Governor's proposal on education initiative, the side base management or the charter school more specifically. It's a very good platform for the debate simply because if the contention of the Board is that neither the Legislature nor the Executive Branch has business in promulgating policies towards public education then the charter school initiative proposed by Governor is a very good example of the issue when it comes to the boundaries of the Board versus the Legislature. Take it and raise the issue because if one is to accept it spoon-fed, then that one can construed that to mean that they're in acceptance to try something else if that something is not working. But if in the eyes and in the firm believe of the Board either they will reject to charter school or side base management approach because they're working then the evaluation where we are today in terms of education have we improved dramatically that there is no need for a policy to be given from the Legislature when it comes to public schools. So both ends I think the proposal by the Governor in charter school or side base management is the platform for the debate. Take it and raise the issue because inevitably I think we will find a confrontation either not today or tomorrow. But Representative Torres is actually in the defense that we have to resolve where the boundaries begin. We cannot be on the assumption that when it's convenient they resort to the Legislature for policy. When it's not convenient they tell the Legislature thank you but we'll take the money not your

policy. We need to clearly define what is in the best interest of the kids and the charter school or side base management is appropriate platform to the debate. Take that and seek the results in the last ten years, comparatively speaking and see where we are today. I think we need to issue a report to the people where we are today in terms of public education. With that I recognize the recess. Representative Deleon Guerrero, you have the last words.

Rep. Deleon Guerrero: One more inquiry, -- I'd like to ask the Chairman of the Committee on Ways and Means if I can be enlightened as to the concern regarding H. B. NO. 13-033, why it would be referred to the Committee on Ways and Means so that I can have some peace of mind?

Speaker Hofschneider: Chairman Torres, you care to share some of your reservations on Telecommunication, H. B. NO. 13-033?

Rep. Deleon Guerrero: Not that I'm objecting to it.

Speaker Hofschneider: We still have two hours to debate. You reserve the right for the Committee, Chairman?

Rep. S. Torres: I will come out with a Committee meeting sometime this week to review.

Speaker Hofschneider: Do you have a specific concern that we can share with the Chairman on the Committee on Public Utilities, Transportation and Communications so that he can go home and sleep well tonight? I know you raised one of the sections to me and I think I shared it with you. One of the sections in the Bill talk about the formula to arrive at a reasonable rate taking the gross of business itself and dividing it by the other smaller components of the telecommunications. I believe section 3 or section 2 of the Bill, 2(b) or 3(b) talks about the formula and before we ask anyone to explain that on the floor I think it's best that we resolve it in the Committee so it's clear what that formula is talking about. So the intention is clear unless you're ready to share with us how that particular language section 3(b) or section 2(b) talks about pro-rating the gross of the sub minority services.

Rep. Deleon Guerrero: Mr. Speaker, are talking referring to the gross revenue section?

Speaker Hofschneider: Is it 2(b) or 3(b)?

Rep. Deleon Guerrero: It's actually in the law itself, § 8304(e) gross revenue.

Speaker Hofschneider: It's the punctuality of that formula that he has a problem with. Hypothetically if we have five or more or growing numbers of providers smaller than the primary company, which is Verizon, then it works towards the intention of the Bill. But if there's only provider remaining and you divide it into the gross then that's pronounce in terms of the capacity of the formula. So the greater the number of providers, the greater the denomination of that formula is. But if one or two becomes the only viable company on island that continues to provide services then we divide it into the gross. Then it pronounces the impact on the formula so we have to have a working knowledge on what that means.

Rep. Deleon Guerrero: I stand corrected. I was looking at the gross revenue and you are referring to how the formula is to be applied. I don't know if this would clarify it but there are two ways and that's one way. But the section that we're proposing to amend is the second option. What it does is it establishes a ceiling that in any event it shall not exceed what that percentage shall be and on this case right now it's 0.5, that is the second. Let me read it. The section that we're proposing to amend starts on page 24, line 20: "Provided that the charges to be imposed on any telecommunications company under this clause shall not exceed..." So the formula, whether it be one company or three companies, can be applied so long as it does not exceed whatever this percentage rate that we're proposing to amend is. It will establish a ceiling and that explains it.

Speaker Hofschneider: It only says that we can't charge as much as the ceiling but it doesn't explain as to the viability as the other company staying afloat. The longer they play the more pronounce they'll used in denomination regarding the gross. Correct? The fewer they are, the greater the burden, right?

Rep. Deleon Guerrero: Provided though that the determination of annual charges, the maximum amount, the medium falls in any single entities is equal to this formula. One is that the total amount the commission must recover annually based on the estimated expenses of the commission's budget.

So if the commission's budget multiplied by the gross annual revenues of the telecommunications company divided by the gross annual revenues of all the telecommunications companies. So that's the concern of this formula, the more companies there are, the more it would be lower.

Speaker Hofschneider: But what's the rationale basis for reasons the other providers as a denomination for the gross and the primary company for the purposes of allowing the commission to defray its cost? Why not a straight appropriation? You can have a ceiling when you appropriate the franchise fee but the way it is formulated the fewer the other providers other than the primary provider the greater the impact on that one denominator. Correct? That's what the Committee on Ways and Means is worried about – that you are coming up with a very complex formulary for the purposes of the commission. Why can't we just budget them direct?

Rep. Deleon Guerrero: Mr. Speaker and Mr. Chairman, if you guys wish to discuss it I think those issues perhaps not that but in terms of what the commission would need and how much should it be and what would be the appropriate figure that was taken under consideration by the Committee based on the Committee Report. This question was raised the last time this matter was on the floor. We went back and we did get a budget estimate from CTC then we get projected revenues for Verizon and then we compared whether what percentage would be an appropriate level if this figure 2.5 is too generous or exclusively insufficient and we put it on the Committee Report.

Speaker Hofschneider: Work out the reservation with the Chairman and report it out soon for so we can act on it. Ready? Recess subject to the call of the Chair has been seconded.

The motion to recess, subject of the Chair, was seconded and carried by voice vote.

The House recessed at 2:59 p.m.

Respectfully submitted,

Lavida S. Palacios, Journal Clerk

House of Representatives

APPEARANCE OF LOCAL BILLS

H. L. B. NO. 13-032: To increase the local license fees for pachinko slot machines and poker machines in the First Senatorial District for the payment of PL 7-31 salary adjustments of government employees of the First Senatorial District; and for other purposes. (REP. DANIEL O. QUITUGUA) [2ND APPEARANCE]