



House Journal

SECOND REGULAR SESSION, 2002

Seventh Day

October 30, 2002

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature reconvened on Wednesday, October 30, 2002 at 9:18 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.

Speaker Hofschneider: The House session is hereby convened from recess yesterday and we have a continued quorum. We left the session yesterday at Item 7, House Communications and before we proceed, if any member wishes to go back to Prefiled and Introduction Bills, and Prefiled and Introduction of Resolutions now is the time to request. Representative Palacios.

Rep. A. Palacios: Thank you, Mr. Speaker. If there's no objection, I would like to go back to Prefiled and Introduction of Resolutions.

There being no objection; the House went back to Prefiled and Introduction of Resolutions.

PREFILED AND INTRODUCTION OF RESOLUTIONS

H. R. NO. 13-086: A House Resolution to commend and support the efforts of the Department of Lands and Natural Resources, the Saipan and Northern Islands Soil and Water Conservation District, the Office of the Governor, and the USDA Natural Resource Conservation Service to establish the Garapan watershed project.

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

The Chair recognized the Representative Torres.

Rep. S. Torres: Mr. Speaker, yesterday I introduced H. R. NO. 13-085 and I'd like to ask that it be placed on today's calendar for adoption.

There was no objection.

Speaker Hofschneider: House Resolution or House Joint Resolution?

Rep. S. Torres: House Resolution.

Speaker Hofschneider: Thank you. Any more bills or resolutions? None.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

WASH. REP. COMM. 13-11 – October 18, 2002 – From the Resident Representative to the Lt. Governor, re: planning for 702 negotiations.

There was no discussion.

Rep. S. Torres: Mr. Speaker?

The Chair recognized Representative Torres.

Rep. S. Torres: Mr. Speaker, I'd like to request to go back to House Communications.

Rep. Babauta: No objection.

There being no objection; the House went back to House Communications.

HOUSE COMMUNICATIONS

Rep. S. Torres: Mr. Speaker, this is with regards to my letter to DEQ and Division of Sanitation about an overflowing sewage in front of the St. Jude Church in As Lito. As a result of that letter, I received a joint letter from CUC and CPA explaining the main sewer project by PDL. I am a little bit confused or let's say I'm upset because it seems that PDL is holding this project hostage. The two agencies sound like that are appealing to the contractor to consider continuing the project -- as if they are pleading. I also learned that PDL, the contractor is requesting a tax waiver for moneys that they earned from the project. I'd like these two agencies to probably come up here and explain to us in detail what the real problem is. I understand that this project has been put on hold for two years now and it seems that the contractor is the man in charge of this project. If the proper committee would maybe call them in, let's hear what the real problem is. Thank you.

Speaker Hofschneider: Thank you. With that request, I hereby ask the Committee on Public Utilities, Transportation and Communications Chairman Joseph Deleon Guerrero to immediately set up a meeting with the committee and maybe the House members would also like sit in and find out the status of the project and what are the impediments that we cannot complete ... I believe it is going on for more than six years and we need to put a resolution to the project. I know that one of the problems that they have are easement acquisitions. That stalled the project substantially.

Vice Speaker Tenorio: Privilege, Mr. Speaker.

Speaker Hofschneider: State you privilege.

Vice Speaker Tenorio: Mr. Speaker, I want the record to show that I'm present for today's session. Thank you.

Speaker Hofschneider: Thank you, Vice Speaker. Representative Palacios.

Rep. A. Palacios: Mr. Speaker, on the same issue of sewer, sewer lines and whatnot. I think that the assignment to the committee should expand to request from CUC and CRM information relative to the seemingly perennial problems of sewer overflows on the island. I think it's continuous. So I ask that the Committee on Public Utilities, Transportation and Communications in his letter to also advice them to answer some questions relative to sewer systems in the whole island of Saipan.

Speaker Hofschneider: Chairman of the Committee on Public Utilities, Transportation and Communications, take a note of that. I believe that it is an operational intent to discharge sewage in front of PIC, American Memorial Park and some of the Beach Road sewer manholes are spilling in a consistent basis and we need to find out why those occurrences continue. Representative Aldan.

Rep. Aldan: Mr. Speaker, I also want the Chairman to address the Tanapag sewer overflow problem. It seems that every six weeks we have an overflow and it's right there on the beach where the pavilions are, where the people are barbecuing every weekend. That problem is very consistent and it needs to be addressed right away.

Speaker Hofschneider: Thank you. It seems like with the exception of Precinct 2, they don't have a sewer problem. Include Precincts 1, 3 and 4 unless the Representative from Precinct 2 ...

Rep. Salas: Mr. Speaker, the Chairman is to my left and I'll be talking to him about it today.

Speaker Hofschneider: Thank you.

Rep. Deleon Guerrero: Mr. Speaker, I believe Representative Palacios' comments included every precinct. He said to look into sewer problems on this island so I think that would be inclusive of all the precincts.

Speaker Hofschneider: Thank you for the correction. Representative Cabrera.

Rep. Cabrera: Mr. Speaker, for the benefit of the members with respect to Precinct 4, I was informed that DEQ has issued a citation against CUC on that overflow -- finally, after so many overflows. And also just yesterday before the session I had the privilege of speaking with various Board members of CUC to prioritize the sewer problem.

Speaker Hofschneider: Find out if they have a master plan to remedy this on a long-term basis rather than to approach it from a citation and a sporadic occurrence.

Rep. Deleon Guerrero: So noted.

Speaker Hofschneider: Thank you.

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT. & AGENCY COMM. 13-77 – October 16, 2002 – From Mr. Nace Soalablai, Acting SAPLR, acknowledging receipt of H. R. NO. 13-074, H. R. NO. 13-075, H. R. NO. 13-077, H. R. NO. 13-078, H. R. NO. 13-079 and H. R. NO. 13-080.

DEPT. & AGENCY COMM. 13-78 – October 25, 2002 – From Mr. Nace Soalablai, Acting SAPLR, acknowledging receipt of H. J. R. NO. 13-12.

There was no discussion.

OTHER COMMUNICATIONS

MISC. COMM. 13-72 – October 11, 2002 – From Ms. Frances Muña, Administrative Officer, 7th SNIMC, transmitting certified copies of Council Resolutions 7SMC-4RS-01 thru 7SMC-4RS-26.

There was no discussion.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: If there's no objection can we go back to House Communications?

There being no objection; the House went back to House Communications.

HOUSE COMMUNICATIONS

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Mr. Speaker, I just wanted to include my memo to you dated October 28, 2002 reference to the APIL Board of Directors meeting just for the information of the members.

Speaker Hofschneider: Oh, my mistake, Vice Chair. Could you please officially hand over the memo to the Clerk so that we have it. For everyone's information, we are hosting the APIL this year. As we all know the Vice Speaker has been anointed Vice President of APIL and it is our obligation, as a regional cooperation, to host the Board of Directors meeting this fiscal year. I believe it's on December 5-6, and the meeting will be conducted here in the chamber. So please do not make any plans to use the chamber because we will reserve the chamber for the APIL. Representative Torres.

Rep. W. Torres: I think that the Vice Speaker forgot the meeting between the Guam Legislature and the CNMI on that same week on the 3rd.

Vice Speaker Tenorio: Thank you, Mr. Speaker. It's in HSE. COMM. 13-25. Although the attachment, Mr. Speaker, is not in there I wish the Clerk would include that.

Speaker Hofschneider: Okay. We're trying to save some costs by just sending out or including the memos in communications. If it's voluminous, then we reserve the original copies submitted so that you can request for a copy if you need to read the attachment. Let's not duplicate it unnecessarily. Floor Leader.

Floor Leader Attao: Mr. Speaker, I think it's appropriate at this point of time to officially withdraw my motion during yesterday's session. This is relative to reorganization of the position of the Floor Leader.

The motion was seconded.

Floor Leader Attao: Also, Mr. Speaker, I just want the reporters to know that the leadership of the House headed by you, Mr. Speaker, is still intact and working very hard for the betterment of the Commonwealth. Thank you.

Speaker Hofschneider: Thank you, Floor Leader, and welcome back. However, you did not depart, welcome back. It's normal for any organization to have differences and at times these differences are healthy. It generates healthy discussions and understanding amongst the members of that organization, particularly this house. We have eighteen minds, individual beliefs, concerns, perspectives and priorities and I'm glad that we had the time -- however unfortunate the circumstances leading to a healthy discussion, but I'm glad that we had that healthy discussion yesterday. And I hope that we continue respecting one another and that's all I ask -- that this body continues to hold dearly the respect that we have for each other. It's one of the most important assets and qualities of the Legislature, the House of Representatives of the Thirteenth Legislature when we hold our opinions and respect for one another quite high. I want to thank you all for a good discussion yesterday and thank you for all the attacks on the Speaker. I deserved it. With no further communication ... Vice Speaker?

Vice Speaker Tenorio: If I'm still in order are we still under the House Communications?

Speaker Hofschneider: Yes.

Vice Speaker Tenorio: I just wanted to thank the Floor Leader for his reconsideration of his position yesterday and I want you to know, Mr. Speaker, that I still have to challenge you on the meeting of officers. We still have to meet so that's not a dead issue, Mr. Speaker. I want it on the record. Also, Mr. Speaker, I want to submit our report myself, and Representative Tebuteb on Bio-terrorism Preparedness Development Workshop in Palau that was held last week. Thank you.

The following were submitted and numbered.

HSE. COMM. 13-29: From Vice Speaker Tenorio regarding the proposed APIL Board of Directors Meeting on December 5-6, 2002.

HSE. COMM. 13-30: From Vice Speaker Tenorio and Rep. Tebuteb submitting a joint trip report for the period of October 21-25, 2002.

Speaker Hofschneider: Thank you.

REPORTS OF STANDING COMMITTEES

S. C. R. NO. 13-047: Reporting on H. B. NO. 13-158, entitled, "To increase the use fee collected under 4 CMC § 1421 to 5% the gross value of merchandise which require the Department of Finance's certification for export from the Commonwealth." *Your Committee on Ways and Means recommends passage of the bill in the form of HDI.*

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of S. C. R. NO. 13-057 and S. C. R. NO. 13-058.

The motion was seconded by Rep. Babauta.

S. C. R. NO. 13-057: Reporting on S. B. NO. 13-11, entitled, "To create a National Guard for the Commonwealth of the Northern Mariana Islands." *Your Committee on Judiciary and Governmental Operations recommends passage of the bill.*

S. C. R. NO. 13-058: Reporting on H. B. NO. 13-040, "To appropriate \$250,000.000 for the Free Trade Zone; and for other purposes," and H. B. NO. 13-046, To amend 4 CMC 1503(c) to permit quarterly payments of poker license fees under a conditional license; and for other purposes." *Your Committee on Ways and Means recommends that the House file the bill.*

Speaker Hofschneider: Motion for the adoption of S. C. R. NO. 13-057 and S. C. R. NO. 13-058. S. C. R. NO. 13-057 is reference to S. B. NO. 13-11, establishing the National Guard of the Commonwealth and S. C. R. NO. 13-058 is reference to H. B. NO. 13-040, Appropriation of \$250,000 for the Free Trade Zone has been seconded. Discussion on the motion for the adoption? I recognize Representative Ada.

Rep. Ada: Thank you, Mr. Speaker. I have a House Substitute 1 on S. C. R. NO. 13-057 for S. B. NO. 13-11. Copies have been passed out to the members.

Speaker Hofschneider: Could you place that in a motion please?

Rep. Ada: Yes, Mr. Speaker. I'd like to offer a motion to substitute S. C. R. NO. 13-057 on S. B. NO. 13-11.

The motion was seconded.

Rep. Ada: Thank you.

Rep. Babauta: Point of clarification, Mr. Speaker.

Speaker Hofschneider: State your point.

Rep. Babauta: Thank you. Is it the report or the bill itself?

Rep. Ada: The whole report. We put some input in it. Final input.

Speaker Hofschneider: Motion for a substitute offered by the Chairman on the Committee on Judiciary & Governmental Operations has been seconded. Discussion on the motion?

Several members voiced, "ready."

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

Speaker Hofschneider: Motion carried. Ready for the question?

Several members voiced, "ready."

There was no further discussion; and the motion to adopt S. C. R. NO. 13-057 and S. C. R. NO. 13-058 was carried by voice vote.

Speaker Hofschneider: S. C. R. NO. 13-057 and S. C. R. NO. 13-058 are hereby adopted by the House. Short recess.

The House recessed at 9:37 a.m.

RECESS

The House reconvened at 9:47 a.m.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

Speaker Hofschneider: We're back to our session and before we proceed with the Resolution Calendar, if there's no objection on the floor, the Vice Speaker would like to go back to Prefiled and Introduction of Resolutions so that he may introduce.

There being no objection; the House went back to Prefiled and Introduction of Resolutions.

PREFILED AND INTRODUCTION OF RESOLUTIONS

The Chair recognized the Vice Speaker.

H. R. NO. 13-087: A House Resolution to congratulate Alvin Camacho Fejeran, Jr., on his successful election as a Speaker of the Fifth Commonwealth of the Northern Mariana Islands Youth Congress.

Offered by: Rep. Manuel A. Tenorio and seventeen others

H. R. NO. 13-088: A House Resolution to congratulate the newly elected Senators to the Fifth Commonwealth of the Northern Mariana Islands Youth Congress.

Offered by: Rep. Manuel A. Tenorio and seventeen others

Vice Speaker Tenorio: If there's no objection, Mr. Speaker, I would like these resolutions to be Committee of the Whole Resolutions. Thank you.

Speaker Hofschneider: Thank you. With that we go back to Resolution Calendar and wait for the Floor Leader.

RESOLUTION CALENDAR

Speaker Hofschneider: While we're waiting for the Floor Leader let me just run down the resolutions we'll be acting on. H. R. NO. 13-082, H. R. NO. 13-083, H. R. NO. 13-084, H. R. NO. 13-085, H. R. NO. 13-086, H. J. R. NO. 13-016, H. J. R. NO. 13-017 and S. J. R. NO. 13-10. Does everyone have that down? Floor Leader, we're under Resolution Calendar and I went through the list. H. R. NO. 13-082, H. R. NO. 13-083, H. R. NO. 13-084, H. R. NO. 13-085, H. R. NO. 13-086, H. J. R. NO. 13-016, H. J. R. NO. 13-017 and S. J. R. NO. 13-10 and I recognize the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I 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. 13-082, H. R. NO. 13-083, H. R. NO. 13-084, H. R. NO. 13-085, H. R. NO. 13-086, H. J. R. NO. 13-016, H. J. R. NO. 13-017 and S. J. R. NO. 13-10.

The motion was seconded.

Speaker Hofschneider: Suspension has been seconded. Discussion on the suspension motion?

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: Thank you, Mr. Speaker. I move for the adoption of H. R. NO. 13-082, H. R. NO. 13-083, H. R. NO. 13-084, H. R. NO. 13-085, H. R. NO. 13-086.

The motion was seconded by Rep. Babauta.

H. R. NO. 13-082: A HOUSE RESOLUTION TO ACKNOWLEDGE THE VALUE AND POSITIVE ENDEAVORS OF THE YOUTH OF THE COMMONWEALTH OF THE NORTHERN MARIANAS ISLANDS AND TO RECOGNIZE OCTOBER AS CNMI YOUTH MONTH.

H. R. NO. 13-083: A HOUSE RESOLUTION TO URGENTLY REQUEST THE COMMONWEALTH UTILITIES CORPORATION EXECUTIVE DIRECTOR AND THE COMMONWEALTH UTILITIES CORPORATION BOARD OF DIRECTORS TO INSTALL METERS ON ALL GOVERNMENT BUILDINGS; AND FOR OTHER PURPOSES.

H. R. NO. 13-084: A HOUSE RESOLUTION TO HONOR THE MEMORY AND TO EXPRESS SINCERE CONDOLENCES TO THE FAMILY OF THE LATE HONORABLE FORMER TINIAN MUNICIPAL COUNCIL VICENTE SALAS SABLAN UPON HIS CALL TO HIS ETERNAL REST.

H. R. NO. 13-085: A HOUSE RESOLUTION CONVEYING THE SUPPORT OF THE HOUSE OF REPRESENTATIVES IN THE EFFORTS OF S.T.A.R. MARIANAS, INC., IN PIONEERING, PROCESSING AND REFINING SEAWATER INTO A DRINKABLE WATER FOR HUMAN CONSUMPTION.

H. R. NO. 13-086: A HOUSE RESOLUTION TO COMMEND AND SUPPORT THE EFFORTS OF THE DEPARTMENT OF LANDS AND NATURAL RESOURCES, THE SAIPAN AND NORTHERN ISLANDS SOIL AND WATER CONSERVATION DISTRICT, THE OFFICE OF THE GOVERNOR, AND THE USDA NATURAL RESOURCE CONSERVATION SERVICE TO ESTABLISH THE GARAPAN WATERSHED PROJECT.

Speaker Hofschneider: Motion for the adoption of H. R. NO. 13-082, H. R. NO. 13-083, H. R. NO. 13-084, H. R. NO. 13-085, H. R. NO. 13-086 has been seconded. Discussion on any of the resolutions?

Several members voiced, "ready."

There was no discussion, and the motion to adopt H. R. NO. 13-082, H. R. NO. 13-083, H. R. NO. 13-084, H. R. NO. 13-085, H. R. NO. 13-086 was carried by voice vote.

Speaker Hofschneider: The resolutions are hereby adopted. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of H. J. R. NO. 13-016, H. J. R. NO. 13-017 and S. J. R. NO. 13-10.

The motion was seconded.

H. J. R. NO. 13-016: A HOUSE JOINT RESOLUTION REQUESTING THE GOVERNOR AND THE WASHINGTON REPRESENTATIVE OF THE CNMI TO WORK TOWARDS ENSURING THAT SHIPMENTS TO THE NORTHERN MARIANAS BE EXEMPTED FROM ANY CLOSURE OF THE US WEST COAST DOCKS; AND FOR OTHER PURPOSES.

H. J. R. NO. 13-017: A HOUSE JOINT RESOLUTION TO RESPECTFULLY REQUEST THE 107TH UNITED STATES CONGRESS SUPPORT THE PASSAGE OF H. R. 3128 AUTHORIZING THE ESTABLISHMENT OF A NATIONAL GUARD OF THE NORTHERN MARIANA ISLANDS.

S. J. R. 13-10: A SENATE JOINT RESOLUTION TO REQUEST THE PACIFIC MARITIME ASSOCIATION TO GRANT AN EXEMPTION FROM ANY ONGOING OR FUTURE WORK LOCKOUTS AT ALL WEST COAST PORTS FOR SHIPPING VESSELS DESTINED FOR THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

Rep. S. Torres: Privilege.

The Chair recognized Representative Torres.

Rep. S. Torres: May I hear the title of H. J. R. NO. 13-017 and S. J. R. 13-10?

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. H. J. R. NO. 13-017, entitled, A House Joint Resolution to respectfully request the 107th United States Congress support the passage of H. R. 3128 authorizing the establishment of a National Guard of the Northern Mariana Islands. S. J. R. 13-10, entitled, A Senate Joint Resolution to request the Pacific Maritime Association to grant an exemption from any ongoing or future work lockouts at all West Coast ports for shipping vessels destined for the Commonwealth of the Northern Mariana Islands.

Speaker Hofschneider: The motion for adoption of H. J. R. NO. 13-016, H. J. R. NO. 13-017 and S. J. R. NO. 13-10 has been seconded. Discussion on any of the resolutions?

Several members voiced, "ready."

There was no discussion, and the motion to adopt H. J. R. NO. 13-016, H. J. R. NO. 13-017 and S. J. R. NO. 13-10 was carried by voice vote.

Speaker Hofschneider: H. J. R. NO. 13-016, H. J. R. NO. 13-017 and S. J. R. NO. 13-10 are hereby adopted by the House.

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: Mr. Speaker, can we have at least three minutes recess?

At this time, the Chair declared a short recess at 9:53 a.m.

RECESS

The House reconvened at 9:56 a.m.

Speaker Hofschneider: We're back to our session and under Bill Calendar, I recognize the Floor Leader.

Floor Leader Attao: Mr. Speaker, if there's no objection from the members, I would like to go back to Resolution Calendar.

There being no objection; the House went back to Resolution Calendar.

RESOLUTION CALENDAR

Floor Leader Attao: Thank you. Mr. Speaker, I move to place H. R. NO. 13-087 and H. R. NO. 13-088 on the calendar for action.

The motion was seconded.

Speaker Hofschneider: The motion to place on the calendar H. R. NO. 13-087 and H. R. NO. 13-088 has been seconded. Discussion on the motion?

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: Thank you, Mr. Speaker. I move for the adoption of H. R. NO. 13-087 and H. R. NO. 13-088.

The motion was seconded by Rep. Babauta.

H. R. NO. 13-087: A HOUSE RESOLUTION TO CONGRATULATE ALVIN CAMACHO FEJERAN, JR., ON HIS SUCCESSFUL ELECTION AS A SPEAKER OF THE FIFTH COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS YOUTH CONGRESS.

H. R. NO. 13-088: A HOUSE RESOLUTION TO CONGRATULATE THE NEWLY ELECTED SENATORS TO THE FIFTH COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS YOUTH CONGRESS.

Speaker Hofschneider: Motion for the adoption of H. R. NO. 13-087 and H. R. NO. 13-088 has been seconded. Discussion on any of the resolutions?

Several members voiced, "ready."

There was no discussion, and the motion to adopt H. R. NO. 13-087 and H. R. NO. 13-088 was carried by voice vote.

Speaker Hofschneider: Motion carried. H. R. NO. 13-087 and H. R. NO. 13-088 are hereby adopted by the House.

BILL CALENDAR

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 passage of H. B. NO. 13-060, H. B. NO. 13-064, HS1, and H. B. NO. 13-173, and to accept Senate amendments on H. B. NO. 13-106, SD1 and H. B. NO. 13-107, SD1.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Floor Leader, could you rephrase your motion? Suspension motion?

Floor Leader Attao: Yes, suspension motion for the passage on First and Final Reading H. B. NO. 13-060, H. B. NO. 13-064, HS1, and H. B. NO. 13-173, and to accept Senate amendments on H. B. NO. 13-106, SD1 and H. B. NO. 13-107, SD1.

Speaker Hofschneider: Suspension motion for the passage of the following bills on First and Final Reading: H. B. NO. 13-060, H. B. NO. 13-064, HS1, H. B. NO. 13-173, H. B. NO. 13-106, SD1 and H. B. NO. 13-107, SD1 has been seconded. Discussion on suspension motion?

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: Thank you, Mr. Speaker. I now move for the passage on First and Final Reading, H. B. NO. 13-106, SD1 as amended.

The motion was seconded.

H. B. NO. 13-106, SD1: A BILL FOR AN ACT TO EFFECTUATE THE TERMS OF THE MEMORANDUM OF AGREEMENT BETWEEN THE COMMONWEALTH DEVELOPMENT AUTHORITY AND THE COMMONWEALTH UTILITIES CORPORATION BY REQUIRING THE COMMONWEALTH DEVELOPMENT AUTHORITY TO WAIVE \$16,068,750.00 OF THE PRINCIPAL OWED AND TO WAIVE CERTAIN SPECIFIED INTEREST PAYMENTS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-106, SD1, CDA/CUC Waiver has been seconded. Discussion on the bill?

Rep. Babauta voiced, “ready.”

Speaker Hofschneider: Mr. Chairman, could you put some legislative history behind it? This is an important legislation and we have to put some legislative history behind it.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. Mr. Speaker, H. B. NO. 13-106 and H. B. NO. 13-107 is a product of both the Administration and the Thirteenth Commonwealth Legislature to legitimize a Memorandum of Agreement between CUC and CDA to address a long standing issue between the two parties regarding a debt. This issue, Mr. Speaker, has gone through several Administrations, several Legislatures and I would like to take this opportunity to thank you, Mr. Speaker and also recognize the efforts of both CUC and CDA to settle this matter out of court. These bills and the Memorandum of Agreement will result in a tremendous benefit not only for the two parties but for the CNMI government in general and most especially to our CNMI taxpayers. So I want to thank all of you for your support, for finally putting this issue to an end and I want to congratulate everybody for their participation and efforts. Thank you, Mr. Speaker.

Speaker Hofschneider: Thank you. I'd like to add a bit more to that and that is, principal plus interest called over almost twenty years for infrastructure development in the Commonwealth amounted close to about a hundred million dollars. It is almost impossible for CUC to live up to its obligation with the loan agreement as originally stipulated with CDA. The original purpose/intent of that loan agreement is for the repayment to be used for economic development opportunities by the citizens of the Commonwealth. They may avail themselves of CDA financial assets to get into business, entrepreneurship. As a result, over a time, we have neglected the ability of the loan or lived up to the conditions. The importance of H. B. NO. 13-106 is converting sixteen million some dollars of the loan itself to specifically dedicate it for sewer and water to be converted into amicable solution and having CUC be able to contribute back to the infrastructure development without using cash as a means of repaying the debt. That's the whole principle of the MOA agreed upon. The accompanying legislation H. B. NO. 13-107 talks about preferred stocks of \$45,000,000.00 and the Senate amendment and included nontransferable. It is contrary to future opportunities for the people of the Commonwealth but we will accept that amendment for now. In the future the people ought to have a participation in the equity of CUC as an investment and these legislations H. B. NO. 13-106 and H. B. NO. 13-107 are the beginning of privatization. It puts the government in a better position to leverage its assets by resolving obligations or debts attributed over time. CUC now is in a better position or posture to be able to

look at a competitive proposal. The non-transferability amended by the Senate preempts the people from actually being offered stocks when CUC power generation is privatized. We will deal with that and I hope that the legislative history speaks clearly that power generation is a moneymaking asset of any public institution and when it is privatize the people ought to partake in those opportunities whether it be a \$10.00 investment in a stock or a \$100.00 so long as the participation is there. That's the merit of H. B. NO. 13-106 and H. B. NO. 13-107. Ready?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-106, SD1 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	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	excused
Rep. Norman S. Palacios	excused
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: By a vote of 16-0, H. B. NO. 13-106, SD1 is hereby passed by the House. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-107, SD1 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-107, SD1: A BILL FOR AN ACT TO EFFECTUATE THE TERMS OF THE MEMORANDUM OF AGREEMENT BETWEEN THE COMMONWEALTH DEVELOPMENT AUTHORITY AND THE COMMONWEALTH UTILITIES CORPORATION BY AUTHORIZING THE COMMONWEALTH UTILITIES CORPORATION TO ISSUE SHARES CUMULATIVE, NON-CONVERTABLE, NON-TRASNFERABLE PREFERRED STOCK VALUED AT \$45,000,000.00 TO THE COMMONWEALTH DEVELOPMENT AUTHORITY AND TO PROVIDE FOR THE REPAYMENT OF DEBT FOR USERS FEES FOR ELECTRICAL CONSUMPTION BY THE CNMI GOVERNMENT ACCORDING TO THE TERMS OF THE MEMORANDUM OF AGREEMENT; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-107, SD1 reference to CUC's debt payment to CDA has been seconded. Discussion on the Bill?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-107, SD1 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	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	excused
Rep. Norman S. Palacios	excused
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: By a vote of 16-0, H. B. NO. 13-107, SD1 is hereby passed by the House. I want to say thank you, Mr. Chairman and members of the House, we've put a rest to this longstanding problem. It's a good effort and the taxpayers appreciate it.

Rep. Deleon Guerrero: *Mr. Speaker, kao qualify este gi etyo unique na bill?*

Speaker Hofschneider: I thought the potshot of the Speaker stopped yesterday. Yes, it does qualify. Floor Leader?

Floor Leader Attao: *Mr. Speaker, guaha malefa yo' ti hu faisin i Chairman. Esta ma fitma i MOA?*

Rep. Deleon Guerrero: *Floor Leader, agupa komu siña este na bill ma transmit guatu gi Governor, the Governor wants to call in both the Chairmen from CUC and CDA to sign it at the same that he signs these bills into law. Sa fana'an ginagagao na u sign naya este into law para u empower i CUC yan CDA antes di u ma fitma ... kulan concurrently ha siempre ma susedi este.*

Rep. Ada: Is he inviting us?

Rep. Deleon Guerrero: He's inviting us.

Floor Leader Attao: *Pues hafa, Mr. Chairman, para u ma susedi yanggen sakasu ti malagu i CUC para u fitma i MOA?*

Rep. Deleon Guerrero: I've gotten their assurance already, Floor Leader, *na para u ma fitma.*

Floor Leader Attao: *Oh. Si Yu'us Ma'ase.* Ready, Mr. Speaker.

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-173 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-173: A BILL FOR AN ACT TO TRANSFER THE DIVISION OF VETERANS AFFAIRS WITHIN THE DEPARTMENT OF COMMUNITY AND CULTURAL AFFAIRS TO THE OFFICE OF THE GOVERNOR AND TO RENAME IT THE OFFICE OF MILITARY LIAISON AND VETERANS AFFAIRS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-173 has been seconded. Discussion on the bill? Vice Speaker?

Vice Speaker Tenorio: Thank you, Mr. Speaker. Mr. Speaker, I want to make an amendment to this bill and substitute it with a committee substitute 1, which I think is prepared.

Speaker Hofschneider: Put that into a motion, please.

Vice Speaker Tenorio: So moved, Mr. Speaker.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Motion for substitute offered by Representative Tenorio has been seconded. Do we have copies of the amendment?

Vice Speaker Tenorio: Yes.

Speaker Hofschneider: Discussion on the committee substitute?

Rep. Babauta: One moment.

Speaker Hofschneider: Ready?

Rep. Ada: I have a clarification, Mr. Speaker.

The Chair recognized Representative Ada.

Rep. Ada: On page 2, section 4 there was a question whether we should amend the Constitution for doing this. For clarification, we're just changing the name from Veteran's Affairs Office to the Office of the Military Liaison and Veteran Affairs. We're actually adding something into it. So should there be any future questions arising on the constitutionality on this, it is just adding on a section to just change the name, that's all.

Vice Speaker Tenorio: Thank you for the clarification.

Rep. Ada: Your welcome, Vice Speaker.

Speaker Hofschneider: Ready?

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

Speaker Hofschneider: Motion carried. Ready for the original question?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-173, HS1 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	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	excused
Rep. Norman S. Palacios	excused
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: By a vote of 16-0, H. B. NO. 13-173, HS1 is hereby passed by the House on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-064, HS1 on First and Final Reading.

The motion was seconded.

H. B. NO. 13-064, HS1: A BILL FOR AN ACT TO AMEND TITLE 4, DIVISION 5, CHAPTER 5, ARTICLE 3 BY ADDING NEW SECTIONS TO ENSURE THAT ALCOHOLIC BEVERAGES BOTTLED OR IMPORTED FOR SALE IN THE COMMONWEALTH CONTAIN HEALTH WARNINGS ON THEIR CONTAINERS IN COMPLIANCE WITH FEDERAL LAWS AND REGULATIONS AND TO ENSURE THAT THE COMMONWEALTH DEPARTMENT OF COMMERCE, ALCOHOLIC BEVERAGES AND TOBACCO CONTROL DIVISION HAS THE POWER TO ENFORCE THE REQUIREMENT FOR SUCH LABELING; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-064, HS1 reference to Alcoholic Beverage Health Warning Act, has been seconded. Discussion on the bill?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-064, HS1 on First and Final Reading is as follows:

Rep. Martin B. Ada	yes
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes

Rep. Babauta: Mr. Speaker, just a simple clarification. May I kindly ask the Chair whether or not the traditional alcoholic beverages are incorporated for such as labeling and stuffs like that?

Speaker Hofschneider: Are you talking about tuba and sakao?

Rep. Babauta: Yes.

Rep. Andrew S. Salas: Thank you, Mr. Speaker. The intent of this bill is to safeguard our people in terms of alcoholic beverages that are imported into the CNMI. As far as the tuba and the sakao, no, Mr. Speaker. [end of recording] [beginning of recording] and that is to help the Division of Customs assess their excise tax and to assist consumers in knowing what they buy when they go to the store because many of the alcoholic beverages are alleged to be food commodities instead of alcoholic beverages and thereby not getting the full assessment of the excise tax due to the CNMI government. And also to fall in line with the federal regulations that tells all US territories that they must comply with federal laws in regards to alcoholic beverages imported into US territories. Thank you, Mr. Speaker.

Speaker Hofschneider: We're under roll call, we're not suppose to be discussing.

Rep. Babauta: Can we have a short recess to clarify something with the legal counsel?

Speaker Hofschneider: Let's finish the roll call and if you have questions that needs to be revisited, we'll recall our action. This is an improper procedure. Clerk, continue.

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	excused
Rep. Norman S. Palacios	excused
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

The Clerk announced the vote tally of fifteen members voting yes, one member declaring a conflict of interest.

Speaker Hofschneider: May we state the conflict? Is it conflict or abstention?

Rep. S. Torres: Conflict, Mr. Speaker.

Speaker Hofschneider: May we hear the conflict?

Rep. S. Torres: I am a ...

Speaker Hofschneider: Let me rephrase that. This is a Labeling Act. Would you personally benefit from a Labeling Act?

Rep. S. Torres: Well, I guess I have to reconsider my vote. I thought that tuba would also be labeled so I withdraw my vote of conflict to a vote of yes.

Speaker Hofschneider: Thank you. By a vote of 16-0, H. B. NO. 13-064, HS1 is hereby passed by the House. Let me go back to the concern raised by Representative Babauta.

Rep. Babauta: Thank you, Mr. Speaker.

Speaker Hofschneider: Yield?

Rep. Babauta: Yes, on page 2 there's some reference to line item 21: "State. Includes any political subdivision of any State, the District of Columbia, CNMI, Puerto Rico, American Samoa, ... Midways Islands," and so on. May I ask the counsel why is this incorporated in the bill?

At this time, the Chair declared a short recess at 10:22 a.m.

RECESS

The House reconvened at 10: 31 a.m.

Speaker Hofschneider: We're back to our session and we're the discussing the Alcoholic Beverage Labeling Act that we have just passed. Under discussion I recognize Representative Babauta.

Rep. Babauta: Mr. Speaker, no further discussion. Thank you.

The Chair recognized Representative Deleon Guerrero.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. Mr. Speaker, I would like to offer a motion to recall H. B. NO. 13-033, CS1 from the Committee on Ways and Means, if there's no objection. I'd also like to offer a floor amendment, Mr. Speaker, to this ...

Floor Leader Attao: Out of order, Mr. Speaker.

Speaker Hofschneider: By virtue of the House Rule, you submit your request to the Floor Leader. The Floor Leader is the only one authorized to withdraw.

Floor Leader Attao: Is that a withdrawal from the committee?

Rep. Deleon Guerrero: Yes, recall.

Speaker Hofschneider: Put it on your list, Floor Leader. Thank you. At this time, I recognize the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-060 on First and Final Reading.

The motion was seconded.

H. B. NO. 13-060: A BILL FOR AN ACT TO ESTABLISH A DOCTORAL PROGRAM FOR RESIDENTS OF 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. 13-060 has been seconded. Discussion on the bill? Representative Quitugua.

Rep. Quitugua: Thank you, Mr. Speaker. Mr. Speaker, I would like to offer a floor amendment to the bill. On page 4, line 5 delete "Public Law 12-44" and on line 6 after Public Law 11-25 insert the phrase "not to exceed the total amount on section 5 (c)."

Speaker Hofschneider: Representative Quitugua, could you please submit the committee substitute first and have that adopted so that the subsequent amendments could be in order? We're amending the original bill but there is a committee substitute to be offered today.

Rep. Quitugua: That is correct, Mr. Speaker. After consulting with the Floor Leader, I will withdraw my offered amendment.

Speaker Hofschneider: And the committee has to place the committee substitute 1 officially on the floor.

Rep. Babauta: So moved.

Floor Leader Attao: So moved.

Speaker Hofschneider: And that wasn't a motion from the Chair. That was not a motion. It has to come from the committee.

Rep. Quitugua: Mr. Speaker, I would like to offer a committee substitute on H. B. NO. 13-060.

The motion was seconded.

Speaker Hofschneider: Motion for a committee substitute that has been offered by Representative Quitugua has been seconded. Discussion on the committee substitute? Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I would like to offer a floor amendment. On page 3 ...

Rep. S. Torres: Point of information, Mr. Speaker.

Speaker Hofschneider: State your point.

Rep. S. Torres: Has the committee substitute been distributed?

At this time, the Chair declared a short recess at 10:36 a.m.

RECESS

The House reconvened at 10:44 a.m.

Speaker Hofschneider: We're back to our session and, Floor Leader, you have the floor.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I'm very pleased to offer a written floor amendment. On page 3, Section 5 (b), delete "its entirety" and insert "The Secretary of Finance shall reserve 20% of the fees collected under (Public Law 11-25) 4 CMC 1503 (a) (2) to fund the doctoral scholarship program assistance for local residents who are domiciled in the Commonwealth. Provided further that all unused funds shall revert back to the general fund."

The motion was seconded.

Speaker Hofschneider: Floor amendment offered by Representative Attao has been seconded. Discussion on the floor amendment?

Several members voiced, "ready."

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

Speaker Hofschneider: Motion carried. We're back to H. B. NO. 13 060, CS1 as amended. Representative Palacios.

Rep. A. Palacios: Thank you, Mr. Speaker. Notwithstanding and seeing the merits of this legislation, Mr. Speaker, I believe that last session that we discussed H. B. NO. 13-060 there were some questions as to part of this legislation, which requires that a graduate has to work at the college or at PSS. I believe we called some questions to the author and to the Chairman. I wonder if those recommendations have been taken and discussed with the committee or the author so that some amendments could be offered? I would also like to just for a point of information, Mr. Chairman, I'd like to find out how much this program is going to cost and what we're looking at of the lifespan? Are we looking at a six-year lifespan? It's a scholarship program and I wonder how much it's going to cost? What is the funding impact and is it going to be under existing scholarship programs?

The Chair recognized Representative Quitugua.

Rep. Quitugua: Thank you, Mr. Speaker. The good Congressman was quite correct, Mr. Speaker. There were concerns raised during the last session when the bill was calendared for discussion. One of the concerns that was raised actually was the concerns made by Representative Deleon Guerrero to which he was concern of the fact that in his view this is kind of restrictive rather than inclusive because it only addresses the needs for the Public School System as well as the college. However, we pointed it out that it is not limited only to the PSS and the college. The language inserted in the bill also includes individuals that he was concern of. As matter of fact, we discussed that earlier and he's very much in agreement to let the current language stand rather than amend it. Further, Mr. Speaker, the duration of the program is stipulated in the bill as well as the amount of money that it takes to successfully carry on the program. I would also like to add, Mr. Speaker, that the program has a lifespan as it was noted in the bill. And one of the primary targets was the fact that the CNMI college at the moment if you take an inventory of its staff we're lucky if we have ten percent, five percent even lesser than five percent of its current professorial staff that composes of local population and that's one of the reasons why we are offering this program so that we can have some capacity building at the CNMI college as well as the Public School System whereby it promotes the infusion of local citizens into the staff at the CNMI college. Now some will argue that that's not quite wise because then you're restricting your intellectual capacity. I beg to differ, Mr. Speaker, because I think cases in the past have proven that our people are more than capable to compete as well as to teach. Thank you, Mr. Speaker.

Speaker Hofschneider: Mr. Chairman and committee, may I point your attention to page 5? On line 1 beginning with the sentence when the first six doctoral students the operative words in that sentence are "shall provide them employment." Then you look at perhaps a contradicting intent to the previous sentence that if in the event the two are not congruent to the intent of "shall provide" obligatory and, "if NMC and PSS are unable to offer employment." That's a contradicting intent right there. Can we fix that?

Rep. Quitugua: Come again, Mr. Speaker.

Speaker Hofschneider: On the first line on page 5 beginning with the sentence, "when the first doctoral students graduate NMC and/or PSS shall provide," that's the operative word to provide them employment. Then the sentence continues, "the students must accept such offers as a condition of the scholarship," then the next operative mechanism in that paragraph is, "if NMC and PSS are unable." So which is it? Can we fix that? It's colliding with itself. Short recess.

The House recessed at 10:51 a.m.

RECESS

The House reconvened at 10:59 a.m.

Speaker Hofschneider: [beginning of recording] H. B. NO. 13-060, CS1 as amended by Representative Attao and we're under discussion of the bill on page 5 and I recognize Representative William Torres. The Chairman? Representative Quitugua.

Rep. Quitugua: Thank you, Mr. Speaker. The point that you raised earlier, Mr. Speaker, is very well taken. A compromise solution to that will be to delete the entire sentence on page 5, on line 3 all the way down to line 5, the last sentence of that, "if the Northern Marianas College and PSS are unable to offer," delete the entire sentence.

Speaker Hofschneider: Is that a motion?

Rep. Quitugua: Yes, Mr. Speaker.

Floor Leader Attao: Second.

Speaker Hofschneider: Oral floor amendment offered by Representative Quitugua has been seconded. Discussion on the oral floor amendment?

Several members voiced, "ready."

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

Speaker Hofschneider: Motion carried. Ready?

Several members voiced, "ready."

The Chair recognized Representative Cabrera.

Rep. Cabrera: Mr. Speaker, just a point of concern. On page 3, line 4, subsection (c) ... actually, that and the entire bill. I have a concern about this with respect to the previous point that was made. And the concern is this is an exceptional program, no doubt about it. Whether it's appropriate for this time or not, is debatable. But, if I were someone who wants to compete and apply for this program and I want to get my Ph. D. in a specific field such as an epidemiologist or something else that will be of great use to the CNMI ... I see the bill as a little restrictive basically is what I'm saying but that's just for the record, Mr. Speaker.

Speaker Hofschneider: Thank you. Ready?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call, please.

The roll called on the motion to pass H. B. NO. 13-060, HS1, HD2 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	abstained
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	excused
Rep. Norman S. Palacios	excused
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: By a vote of 15 “yes”, 1 “abstention”, H. B. NO. 13-060, HS1 as amended is hereby passed by the House. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, earlier we adopted S. C. R. NO. 13-057 relative to the National Guard. However, Mr. Speaker, it is not calendared and if there’s no objection from the members, I would like to make a motion to place S. B. NO. 13-11, HS1 on today’s calendar for action.

There was no objection.

Speaker Hofschneider: Thank you. Continue.

Floor Leader Attao: Also, Mr. Speaker, I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the passage of S. B. NO. 13-11, HS1 on First and Final Reading.

The motion was seconded.

Speaker Hofschneider: Suspension motion for the passage on First and Final Reading S. B. NO. 13-11, HS1 has been seconded. Discussion on the suspension motion?

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: Thank you, Mr. Speaker. I now move for the passage of S. B. NO. 13-11, HS1 on First and Final Reading.

The motion was seconded.

S. B. NO. 13-11, HS1: A BILL FOR AN ACT 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, HS1 has been seconded. Discussion on the bill? Representative Ada?

Rep. Ada: Just a minor correction, it has to do with the table. On page 6 under E-6 rank there’s a table on the positions can you please insert on the last box of E-6 under dollar amount ... Am I in order?

Speaker Hofschneider: Representative Ada, is that the committee report or the bill?

Rep. Ada: The committee report.

Speaker Hofschneider: The flight has left for Europe.

Rep. Ada: Can I do this later, Mr. Speaker, and just give each member a copy? It's a minor ...

Speaker Hofschneider: Yes. We're discussing the bill.

Rep. Babauta: No objection, Mr. Speaker, unless otherwise objected by the others.

Rep. Ada: It was just called to my attention ten minutes ago.

Speaker Hofschneider: May we allow the Chairman on the Committee on Judiciary & Governmental Operations to work with the Clerk to just correct that technical discrepancy.

Rep. Ada: Yes. It's couple of numbers only. Thank you.

Speaker Hofschneider: Thank you. Ready?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass S. B. NO. 13-11, HS1 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	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	excused
Rep. Norman S. Palacios	excused
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: S. B. NO. 13-11, HS1 is hereby passed by the House on First and Final Reading. I'd like to call upon the Vice Speaker to rise please.

Vice Speaker Tenorio: I recognize Representative Hofschneider.

Speaker Hofschneider: Thank you. Today and another day will be the closing of tenth month of the Thirteen Legislature. I believe that so far the House has done well in its responsibilities both, in doing what legislatively is appropriate for the people and also being the safeguard, in the checks and balances, of democratic principles of three branches of the government. I don't think that one can say that the House of Representatives is failing in the respect of its Constitutional responsibilities. It is difficult for the last ten months because of primarily the economic situation that we're facing, and nine out of ten reasons that one can pin our economic hardship or difficulties on. Those nine elements are beyond our control. It is outside the Commonwealth. Economically speaking, we're so vulnerable to everything, particularly the Asia-Pacific

Region experiences or goes through. Majority of our island economy relies on how well our neighboring economic powers do. Japan is particularly important to the economy of the Commonwealth simply because most of the investments in the Commonwealth are of Japanese origins. Tourism is predominantly Japanese, our market focus is predominantly in the Japanese market. We operate because we by virtue of the Covenant operate with US currency and however strong the US currency it does impact us locally. And no matter what instrument, legislatively speaking, we take in the Thirteenth Legislature we have no control over those elements that we rely on outside the Commonwealth. I had an opportunity as a Speaker of the House to have a reassessment so to speak. Reassessment in whether the House is being led appropriately and I'm happy to say that the House is in the right direction. Fundamentally speaking, we are in the right direction. Politically speaking, we are not appropriately behaving because in the observation of the public, the great concern is the House of Representatives is composed of a super majority Republican members and the Administration is Republican Administration. And in the eyes of the public the Senate is very cooperative both in the aspect of its relationship with the House and in the aspect of its relationship with the Administration. But there is less to be said about the relationship between the House and the Administration simply because of what appears to be political differences in objectivity simply because we are fundamentally following what the House of Representatives is mandated by the Constitution and the composition of the House of Representatives in the Thirteenth Legislature philosophically speaking. But I also must be pragmatic and listen to the desire of our constituency and that desire is to have our differences somehow be amicably discussed and in a statesmen's like appropriately agree to disagree. I must admit that I have a firm believe and conviction and at times overtly emotional on issues that I know that the House of Representatives is right and the House of Representatives should adhere to and should follow. At times I know that deep in your heart and minds you, the leadership and members, question whether my convictions or my stern positions in opinions are in any way have ulterior motives in themselves. I want to put a rest to that and say to you all there are no hidden motives, political agendas or hatred. I appeal today. I appeal to the Governor and to the Lieutenant Governor that cooperation is an open door policy as it should be always, and we have never denied access or communication to the Administration. I want that to be very clear to the people. Approaches are different and we will continue to have differences in approach. But what prompted me to talk to you and appeal to the people and appeal to the Governor and the Lieutenant Governor, the Administration, is there's a looming crisis that is just hovering around the corner. We have a financial dilemma or crisis is the right word. I don't want this statement to be an alarmist statement but I'd rather be wrong than for the day to come and we said and did nothing about it. Today I'm appealing to the Governor and to the Lieutenant Governor to meet with us all and put our efforts and our capabilities to prevent what I honestly feel is an impending disaster of public service. I am talking about our cash flow situation. When we begin to hear members raising to the Speaker that even their newspaper subscription have been turned back for lack of cash as insignificant as a subscription. But what prompted me today is the seriousness of our cash flow problem has now touched the health care system to a point that the government health insurance is in trouble, is in jeopardy. They're being rejected, they're not accepting even at the government hospital, CHC. More so this morning, the Chairman on the Committee on Health and Welfare, Representative Benjamin Seman, informed me that he needed to step out of the chamber and advice the Governor to allow medical referral patients in Honolulu to avail themselves of their medication. These are people with cancer medication, rejection medications for instance and others. They cannot access their medications because our medical insurance is in trouble. I know that when I was away the Acting Speaker had meeting with the Retirement Fund, the Administrator of the program, with grave concern about assistance. We owe \$1.4 million in our obligations with medical services. When the priorities of cash is so obvious that garnishment of premiums, employees who subscribe to government health insurance, are not being remitted on time and in the correct amount to the administration of the program then we have to face the cash flow problem altogether. There are revenue legislations that we all agreed in the leadership meeting to hold off simply because of the Governor's statement in one of the local papers the other day made it very clear there will be no new taxes. Under the advice of the leadership I sent the Governor a letter delineating some, not all, some of those revenue legislations and asking if the position of the Administration is so, as stated on the paper the other day, no new taxes. Conflicting policy direction from the Administration is inappropriate for the House to do its work cooperatively. It sends wrong or mixed signals to the entire House of Representatives, which is entrusted under the Constitution for revenue legislations, all revenue legislations start in the House of Representatives. If that is the case we need to meet

at the most expedient and the earliest time. We do not have the luxury of time on our side. There is great concern about the possibility of next payroll not being met. There's even a gentleman that tried to cash his check in one of the local banks and was turned away, a government check. If those are the cases that we are beginning to see and hear then let's not discuss all the problems in an antagonistic approach. But I'm appealing to the Governor and to the Lieutenant Governor to accept my invitation to meet with the House of Representatives and with the Senate and collectively come up with solutions to cushion and prevent the inevitable. We don't want to see that. No one wants to allow that. And as much as we differ in approach this house has always welcome the Administration and I ask everyone in the House to contribute and cooperate with the Administration. But more importantly I'm appealing for cooperation with the Administration and meet at the earliest possible time. We have a problem and it is a very serious problem. Let's not deviate, let's not deflect it. Let's confront the problem that we have. It's very real. And I ask you all to please join in the effort and let's all work towards a solution with the Governor and the Lieutenant Governor. This is the priority today and for the days to come. We have a serious cash flow problem. Thank you.

Vice Speaker Tenorio: Thank you, Representative Hofschneider. Under Miscellaneous Business does any member have any comments?

MISCELLANEOUS BUSINESS

The Chair recognized the Floor Leader.

Rep. Quitugua: Thank you, Mr. Speaker. I would like, Mr. Speaker, to request the Chair to consider the possibility, I don't know whether it's timely but it doesn't have to be done tomorrow, but it's something that the Chair can consider for a later date. As you know, Mr. Speaker, the people of Tinian as well as the people of Rota are very unfortunate in the sense that they are unable to actually follow the proceedings of the House as well as the Senate for the obvious reason. However, Mr. Speaker, I sincerely understand the current financial situation of the government and I join you in your effort to meet jointly with the Executive Branch together with the Senate to address this critical problem. I would like however, Mr. Speaker, to request that a session or two can be held in the island of Rota or the island of Tinian so that the depressed people of Rota can regain some strength and find some hope that their government is still functioning on their behalf. So I would like for [end of recording]

[beginning of recording]

Speaker Hofschneider: ... previous Legislatures, we owe it to the other senatorial districts also to hold sessions. That has always been the practice and we will consider at least one this year and possibly one, two or several next year. We will take that under consideration and see how our financial situation is and if it permits us by all means we have to have one in the other senatorial districts. Thank you for that suggestion. Representative Torres?

Rep. W. Torres: Are we on Miscellaneous Business?

Speaker Hofschneider: The Vice Speaker has ruled.

Rep. W. Torres: Mr. Speaker, your Committee on United States and Foreign Affairs is happy to report through its hard work that we'll be meeting shortly with the good Secretary of Finance to find out whether the CNMI government have received the over \$10 million that we have yet to receive from the Federal Government as was reported early this year. We will be pursuing this very closely. Members of the committee are very hard at work in making sure that the Commonwealth we'll receive this amount of money from the Federal Government. This is an amount of money for which we used for our local revenues and that we still have not receive reimbursement, that's number one. Number two, your Committee on United States and Foreign Affairs also is very much at work in trying to recover what the Commonwealth spent on

Compact Impact clients, and that's in the millions of dollars. We have taken the opportunity to link up with the other impacted territories, with Guam and Hawaii. The good Vice Speaker has traveled to Hawaii and met with the delegates for the sole purpose of uniting on this very same issue, on the issue of presenting to the United States Congress a unified position, a defensible formula. That would put this issue to rest once and for all. As you know there is great disparity among the impacted territories as to the amount of reimbursement they have received. The Commonwealth is no different from Hawaii nor Guam. Fortunately, the territory of Guam has received higher amount relative to the CNMI and the State of Hawaii, and I guess credit should go to their delegate for that effort. So given that the Commonwealth has not yet gained a delegate status to the United States Congress the least that we could do at this point is to unite all the impacted territories to unite and present the united upfront before the US Congress on this very issue. The amount of funds coming out of two sources is rather substantial. It has taken us a long, long time to realize that really in these kind of issues where we have common problems sometimes we just need to unite and that's exactly what your committee is doing, trying to unite with Guam and the state of Hawaii on this very issue of compact impact. And hopefully, Mr. Speaker, this will contribute substantially to our situation that we are faced with which are our declining resources. So I would like to say this on behalf of the committee so that to realize that there is hope out there. We just need to push the envelope a little bit more, but there is hope and I think we should be optimistic. Thank you.

The Chair recognized the Floor Leader.

Floor Leader Attao: I move to recess subject to the call of the Chair.

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

The House recessed at 11:36 a.m.

Respectfully submitted,

Lavida S. Palacios, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

H. L. B. NO. 13-035: A Local Bill for an Act to appropriate \$750,000 pursuant to Saipan Local Law 13-8 from local license fees and to repeal and re-enact section 3 of SLL 13-8. (REP. JESUS T. ATTAO) [2ND APPEARANCE]

H. L. B. NO. 13-036: A Local Bill for an Act to re-appropriate the fund balances of \$38,000.00 appropriated by Saipan Local Law No. 13-4, Section 2(2) in the sum of \$120,000.00 for the renovation and operation cost of the Seventh Saipan and Northern Islands Municipal Council. (REP. JESUS T. ATTAO) [2ND APPEARANCE]

H. L. B. NO. 13-037: A Local Bill for an Act to appropriate \$60,000 from the fees collected by Saipan Local Law 11-2; and for other purposes. (REP. JESUS T. ATTAO) [2ND APPEARANCE]