



House Journal

SECOND REGULAR SESSION, 2002

Ninth Day

November 22, 2002

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its Ninth Day, Second Regular Session, on Friday, November 22, 2002, at 10:25 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.

Speaker Hofschneider: We have a quorum. Before we proceed, Representative Herman T. Palacios is still on medical leave, Representative Benjamin B. Seman is on official business and Representative Castro is sick today, so they are excused. I'm pleased to have members of the Tinian Municipal Council in the gallery, Mr. San Nicolas, welcome. And always, the fixture in the House, he's hiding, our Lieutenant Governor Diego Benavente is always welcome to the chamber.

ADOPTION OF JOURNALS

None

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 13-224: A Bill for an Act to provide requirements and conditions for tax-credit for contribution to the Commonwealth of the Northern Mariana Islands Scholarship Office; and for other purposes.

Offered by: Rep. Arnold I. Palacios and seven others
Referred to: Committee on Ways and Means

H. B. NO. 13-225: A Bill for an Act to dissolve Marianas Public Lands Authority and the Board of Public Lands be repealing Public Law 12-33 as amended by PL 12-71; to transfer the public land management functions of MPLA to the Department of Lands and Natural Resources; and for other purposes.

Offered by: Rep. Gloria DLC. Cabrera
Referred to: Committee on Natural Resources

Speaker Hofschneider: Thank you. Any other bills? None. Introduction of Resolutions. Amazing. There's no Introduction of Resolutions today. We'll dispense of Items 7 thru 11 and we have Reports on Standing Committees under Item 12.

Rep. S. Torres: Mr. Speaker?

The Chair recognized the Representative Torres.

Rep. S. Torres: Can we go to Item 7, please?

There was no objection.

MESSAGES FROM THE GOVERNOR

None

SENATE COMMUNICATIONS

None

HOUSE COMMUNICATIONS

The Chair recognized the Representative Torres.

Rep. S. Torres: Thank you, Mr. Speaker. Mr. Speaker and colleagues, I am addressing this as my response to the comments made by Richard A. Pierce, President of the Saipan Chamber of Commerce and the Executive Director of the Saipan Garment Manufacturer's Association, in the August 20th edition of the Saipan Tribune, and the Marianas Variety newspaper of November 21, 2002. Mr. Richard Pierce, didn't you know that hotels pay 10% room tax? ... Garments don't! Didn't you know that hotels pay 5% Business Gross Receipt Tax (BGRT)? ... Garments don't! Didn't you know that hotels pay 10% bar tax? ... Garments don't! Didn't you know hotels pay 1% excise tax? ... Garments don't! So who pays more? Mr. Richard Pierce, I really did irk you for calling Paul Zack a liar, a crook and a marijuana grower! But these are factual statements. I think the public deserves to know what kind of person Paul Zack is and the one he portrays. Corporate records of Advance Textile located on Navy Hill reveals that Paul Zack is the President, a director and a stockholder. However, on the Department of Labor and Immigration's compliance sheet on Advance Textile he is listed as their consultant. It seems that Paul Zack is the corporation and has no interest or concern in hiring locals to meet the 20% law requirement. Just this alone shows that Paul Zack and his garment factory are not model corporate citizens. But he will tell you that his company supports the economy. Paul Zack, "How can you support the economy when you won't even hire a local to be your DOLI consultant?" This is a bad image that he portrays. Looks are not only deceiving, but he also has a forked tongue. Isn't that a sneaky way of doing business and circumventing the DOLI compliance process? Paul Zack for a fact did publicly lie to the Legislature. He publicly stated that he voted in Election Precinct I, when in fact he voted in Election Precinct IV. He said this during the User's Fee public hearing. It's on tape when he said, "I voted in Precinct I." It wasn't a typo; it wasn't a mistake. He even e-mailed Vice Speaker Manuel A. Tenorio, telling him that he voted for him in Precinct I. For someone to be running a multi-million dollar company and not know that San Vicente is in Election Precinct I and Capitol Hill is in Election Precinct IV is quite alarming. When I publicly exposed this, he called me a conspirator. The only conspiracy here is the truth. And the truth shows that Paul Zack is registered to vote in Election Precinct IV. Now who is lying? Look at it this way: Tricky Dick had his Watergate. He yelled: "I am not a crook!" Sinful Bill had his Monicagate. He said it on CNN: "I didn't do it!" Paul Zack will have his Precinctgate too. Because it is live and on Memorex!!! As for calling Paul Zack a crook and a marijuana grower, the proof is in the pudding. Paul Zack was arrested for possession of an illegal substance on September 3, 1998. Just refer to Criminal Record Number 98-009426. Now did Paul Zack inhale? Surely he has a green thumb. Ask Angie Rodeo, she will tell you so. The cops found the marijuana on his veranda. I can only say it wasn't Stanley's veranda. But it was on the 6:00 p.m. KMCV cable news. It also appeared in the newspapers. And even Aunt Mary Jane knew about it, too. Now who is the crook and marijuana grower? After all is said and done, Paul Zack will tell you that he has been Stanlied. As for the issue of the user's fee, Paul Zack and bradah Dick Pierce, stop grumbling, 3.7% is peanuts! But bradah Dick Pierce tells me: "No good to increase user fee you little dummy faha' head. You don't know business, garment is big, big bucks!!!" I tell him, "Who English you? 1.3% is very little and will not make a dent in your garment business." But big bradah Dick will tell you, "That is bad attitude coming from someone like you with a little brown faha' head. If you increase, many local people will lose their jobs. If you raise to 5%, we will close." I say, why do you always threaten to close when you are always open. Always sewing, always packing, and always shipping, what a way to close. As for Mr. Richard J. Szumiel's comments in the 23rd of August issue of the Saipan Tribune, which he said: "Stanley tell the truth." In the article, Mr. Szumiel brought up the Rotary Club 4-way test. I say, "Baloney Dick." You quit the Rotary because of your vendetta. You expected the Rotary to payback what you had put into. Remember "Service Above Self" does not mean anything in return ... nada and taya'! Dick, I left the Rotary to protect my name and the integrity of the club. I did not violate any of the 4-way test and it's good name. You did! To all my detractors, why is it that when we yell: "Enough is enough ..." They just smile and say: They're only a bunch of dumb coconut faha' heads. Yes, faha' heads want a piece of the coconut faha', too. We'll be damned if these interest groups can have the coconut faha' in their heads and eat it too. I say this without any fear and humor, because when I go to the Puerto Rico dump, I see many excess and leftover rags. Rags are thrown and strewn across our dump the garments

call paradise. We have to pay a company to collect these rags and trash for \$55 per ton. This money comes from our hard earned tax dollars. Now I ask you: "Who pays more???" We did. The taxpayers. Thank you very much.

Speaker Hofschneider: We'll move on to Item 12, Reports of Standing Committees.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF STANDING COMMITTEES

S. C. R. NO. 13-047: Reporting on H. B. NO. 13-158, entitled, "To increase the user 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 HD1.*

The Chair recognized the Floor Leader.

Floor Leader Attao: Nothing under the Reports of Standing Committees, Mr. Speaker. Mr. Speaker, S. C. R. NO. 13-047 is one of the items referred to the Administration for their review and for this reason, Mr. Speaker, I will ask the members and especially you, Mr. Speaker, to await the response from the Governor's Office regarding the user's fee. And that also goes to H. B. NO. 13-179, Mr. Speaker.

Speaker Hofschneider: Thank you. With that, we move down to Bill Calendar if there's no resolution to be offered.

There was no objection.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

None

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, if there's no objection from the members, I move to place H. B. NO. 13-225 on today's calendar for action.

Rep. Babauta: No objection. Second.

Speaker Hofschneider: Motion to place H. B. NO. 13-225 on the calendar has been seconded. Discussion on the motion?

Several members voiced, "ready."

There was no discussion, and the motion to place H. B. NO. 13-225 on the calendar was carried by voice vote.

Speaker Hofschneider: Motion carried. 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 passage of H. B. NO. 13-225 on First and Final Reading.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Suspension motion for the passage on First and Final Reading H. B. NO. 13-225 has been seconded. Discussion on the motion?

Rep. Babauta 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 H. B. NO. 13-202, HS1 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-202, HS1: A BILL FOR AN ACT TO AMEND 4 CMC § 1402 (a)(16) THROUGH (20); TO RESTRICT CIGARETTE SMOKING; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-202, HS1 reference to Tax: Alcohol and Cigarettes; Smoking Restriction and further reference to S. C. R. NO. 13-059 has been seconded. Discussion on the bill? Representative Palacios.

Rep. A. Palacios: Mr. Speaker, I'd like to ask perhaps you, the author or the Chairman on the Committee on Ways and Means to give us a little briefing on this.

Speaker Hofschneider: Representative Cabrera, are you ready with your amendment?

Rep. Cabrera: Yes.

The Chair recognized Representative Cabrera.

Rep. Cabrera: Thank you, Mr. Speaker. I move to offer a floor amendment on H. B. NO. 13-202. H. B. NO. 13-202 is amended as follows: Section 4 is deleted in its entirety and Section 104 which is under Section 5 of the Act is deleted in its entirety.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: The floor amendment that has been offered by Representative Cabrera in a written form has been seconded.

Rep. Cabrera: Mr. Speaker, I believe every member should have a copy.

Speaker Hofschneider: Discussion on the floor amendment? Representative Babauta.

Rep. Babauta: Thank you. Just a clarification or rather point of observation, Mr. Speaker, on the amendment. May I ask what is the rationale of deleting both Sections?

The Chair recognized Representative Cabrera.

Rep. Cabrera: Certainly. Mr. Speaker, if my good colleague would turn to page 3. On Section 4, which states, Divestiture of Tobacco Stocks, Securities or Other Obligations from Northern Marianas Retirement Fund, that section is being deleted simply because of the fact that at this point in time we have no knowledge for one, whether or not the Retirement Fund does have investment in any tobacco company. At the same time to restrict that with current state of the economy whether it's a potential for investment by the Retirement Fund may not be good policy at this time. That's for Section 4. The other section that's being deleted which is on page 6, Section 104, which states, Smoking Prohibition on Public Safety and Health Department Employees. Mr. Speaker, if I had my way, I would love to leave that section in. But I don't know whether or not that's going to pose some problems with both departments considering the fact that we cannot ignore that they have employees who do smoke and chew betelnut. I suspect a majority of them do and I don't know what we will be looking at in terms of replacement of manpower if this particular section is left in. So that's the purpose of deleting that language.

Rep. Babauta: Thank you, Mr. Speaker. Ready for the question on the amendment?

Speaker Hofschneider: Representative Babauta, would you be inclined to leave in the no smoking restriction, yourself?

Rep. Babauta: Who, me? Me or the Floor Leader? Both? Yes, at times, Mr. Speaker, but not all the time.

The Chair recognized the Floor Leader.

Floor Leader Attao: I agree with the author for deleting Section 104, Mr. Speaker. I don't think it is fair for public safety and health employees to be restricted, Mr. Speaker. If it's going to be applicable to all departments, Mr. Speaker, then I think the legislation is good. But if we are to apply it to only two, then I think this is unconstitutional. So I agree with the mover.

The Chair recognized Representative Cabrera.

Rep. Cabrera: Mr. Speaker, if my good colleagues have had the opportunity to read through the bill I think the bill falls short of an Anti-Smoking Act in addition to increasing the tax. So, even though we're deleting Section 104, there are other provisions within the bill that further restricts smoking in government facilities as well as other public places.

Speaker Hofschneider: Representative Cabrera, is the Legislature included?

Rep. Cabrera: I believe that it includes every ...

Speaker Hofschneider: All public facilities?

Rep. Cabrera: It should, Mr. Speaker. I think it's not fair to require other government agencies and for us not to ...

Speaker Hofschneider: May we suggest that for the sake of non-smokers -- this facility here shares a uni-duct. One room may be isolating themselves and be able to smoke, but then the secondary smoke is just as bad as the primary smoke.

Vice Speaker Tenorio: Absolutely, Mr. Speaker.

Rep. Cabrera: I agree, Mr. Speaker.

Speaker Hofschneider: So is the Legislative building included?

Rep. Cabrera: May I turn that question over to my good legal counsel Lillian?

The Chair declared a short recess at 10:46 a.m.

RECESS

The House reconvened at 10:46.m.

Speaker Hofschneider: We're back to our session and the answer is yes.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Subsidiary motion, Mr. Speaker, to renumber Section 105 to Section 104.

Speaker Hofschneider: Any second to that good gesture?

The motion was seconded.

Speaker Hofschneider: Subsidiary motion that's been offered by the Vice Speaker to renumber accordingly has been seconded. Discussion on the subsidiary motion?

Several members voiced, "ready."

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

Speaker Hofschneider: Motion carried and we're back to the floor amendment offered by Representative Cabrera. Ready?

Several members voiced, "ready."

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

Speaker Hofschneider: The floor amendment is hereby adopted. We're ready for the main question. Any further discussion? Representative Cabrera, since you're the author, you may take the podium.

Rep. Cabrera: I was promised they were going to do this to me. Thank you, Mr. Speaker and fellow members of the Thirteenth Legislature. I would like to read a position statement that I prepared in support of H. B. NO. 13-202. Let me from the very beginning thank you and the members on behalf of the Department of Public Health and the many mothers, children and people living in the Commonwealth for your special efforts to improve their health care services. The key issues that these amendments address are quite timely and need everyone's undivided attention. I wish to cite a few of these issues for clarification and discussion purposes. As you already know, the United States Centers for Disease Control and Prevention cited tobacco use as the leading cause of preventable illness and death in most states in the United States. We now know that tobacco use is the single most important risk associated with three of the leading chronic diseases in the CNMI: cancer, heart disease, and emphysema. Heart disease and cancer, for example, make up more than 60% of the off-island medical referral costs in the CNMI. Therefore, in terms of costs, the CNMI expends more than two million dollars each year treating these tobacco and alcohol related diseases in the CNMI and in other medical referral facilities outside of the Commonwealth. About eighteen to twenty percent of the total costs of hospital days for Chamorros and Carolinians in our local hospital are attributed to smoking. Mind you, Mr. Speaker and members, this number does not take into account the additional costs for outpatient visits, medications, or emergency off-island referrals (e.g. anyone detected with lung cancer is automatically sent off-island for treatment). Therefore, our medical referral budget has been severely strained due mainly to these emergency or unplanned costs associated with the medical referral services. It is also interesting to note that in the United States, the total amount spent on illnesses related to tobacco exceeds the total amount spent on tobacco products. Yes indeed, the tobacco companies continue to make a lot of money at the expense of our citizens' health and vulnerabilities to the addictive nature of such products. Additionally, the CNMI is deeply affected by tobacco use today. Our local Department of Public Health data also indicate that the prevalence of tobacco use among minors and young adults will decrease if the tobacco price is increased coupled with the various prevention-related programs currently in place. In response to concerns for the health of the youth and public as a whole, a number of states have indeed passed excise taxes on tobacco as a strategy to reduce the use of tobacco, thus improving the health status of the community. Most states cite

improvement in adult health as well as large reduction in youth smoking as the main reasons to increase the excise taxes on tobacco. Evidence from current research indicates that adolescents and young adults are significantly more responsive to changes in cigarette prices. We strongly believe that the increase in prices will ultimately prevent the CNMI youth from developing chronic diseases related to long-term tobacco use. Also in response to concerns for the health of the youth and public as whole, a major goal of the healthy people 2010 initiative is to increase the national average of State and Federal Tax on tobacco products to \$2.00 by year 2010 in order to reduce youth access to buying cigarettes. States like California, Hawaii, Minnesota and Florida have proven successful and are models for us to follow. Considering that our current excise tax in the CNMI is much lower than the national average, we see a great need to increase the excise tax in the CNMI to \$1.75. This effort, Mr. Speaker, is the main thrust of the various amendments proposed in the specific bill now in front of you. We also believe that this increase would not only prevent the youth from having easy access to purchase tobacco, but with the increase in tax, the additional revenue realized from this initiative could be devoted to partially fund some of our more critical preventive programs within the Department of Public Health, as well as the medical referral services for the citizens of the Commonwealth. Furthermore, Mr. Speaker, I would like to simply state my point on the question of whether or not passing this sin tax bill at a time when our economy appears to continue to plunge downhill is the right thing to do. Mr. Speaker, while we can sit here and forever debate the issue of whether or not to increase taxes, I would like to remind my good colleagues and the general public that the matter of ensuring medical referral services to the people is not a debatable issue. Irregardless of the current state of our economy, it is incumbent upon all of us as leaders to ensure that proper health care services are available and capable of addressing the increasing demand for potentially catastrophic care due to the epidemic of chronic diseases among our people. Mr. Speaker, if there is anything that the recent crisis with our off-island health care service providers should have taught us all, it is the need for all of us to reassess our health status here in the CNMI and start putting our money where our mouth is, and that is in preventive care. No Administration, past or current has done so. We can no longer wait and contemplate on the issue. We must act now, if we expect to start reaping the fruits of our efforts. Remember that for every month or year that we put prevention in the back burner, the long-term repercussions will only double if not worst. What we really should all be asking ourselves is, if we can barely afford to pay for health care now, what makes you think that we would in the future? But if we start putting our money into prevention now, I guarantee all of you that within five to eight years the number of chronic diseases will start to decrease and the price for health care will begin to stabilize, at the very least. Mr. Speaker, these are just some of the reasons behind our effort to increase user fees on tobacco and alcohol in the Commonwealth. Thank you for allowing me the opportunity to make this brief statement. I will be able to respond to questions by any members. Thank you.

Speaker Hofschneider: Any discussion? Representative William Torres.

Rep. W. Torres: Thank you, Mr. Speaker. I would like to get a clarification from the author of this bill. While it is laudable, I think we need to figure whether it would pass constitutional muster due to the restrictions inherent in the bill and the differential treatment of where smoking shall be prohibited and where it should be allowed. I would like some sense on that.

Rep. Cabrera: Thank you. Mr. Speaker, the wonderful thing about this bill is that we're not re-inventing the wheel. I am sure most of my colleagues are well informed. I am sure that in the course of everyday life many of us have probably read or seen publicity on the issue of freedom of choice, in particular, the freedom to choose to smoke versus the a person's right to a safe environment. I think that in the research that we've done, most of the bills which are similar to what we have, have proven to stand constitutional scrutiny with respect to equal protection and so forth. I believe the bill is in some ways restrictive with respect to smoking. However, I do not believe that the bill does raise constitutional issues as to who's right should be protected and who not. Again, Mr. Speaker, I believe that the bill can stand on its merits and if the members feel that there may be constitutional issues raised by this bill then I have no control with that. But the legal counsel who was involved in reviewing this bill with myself as well as the committee that worked on the rest of the research and came out with the standing committee report, I believe, have taken into consideration that particular question.

Speaker Hofschneider: Thank you. Representative Torres?

Rep. W. Torres: Mr. Speaker, furthermore, I wonder whether the Board of Retirement is apprised of the restriction inherent in the proposed bill, particularly on page 3, Section 4.

Rep. Cabrera: Mr. Speaker, I believe the amendment addresses that and takes that out. The floor amendment eliminates that language.

Speaker Hofschneider: Representative Torres, the floor amendment that was adopted deleted Section 4 and Section 104, which is under Section 5 of the bill. So that question has been addressed.

Rep. W. Torres: Okay, Mr. Speaker, perhaps we'll just leave the constitutional question to posterity and proceed. Thank you.

Speaker Hofschneider: Any other comments? Representative Palacios.

Rep. A. Palacios: Thank you, Mr. Speaker. As one of the co-authors of this legislation, I'd like to point out that this taxation on cigarettes and some of the alcoholic beverages that's in that legislation potentially can generate about \$8 million of funds of which 30% will go to our funding health care facilities and programs and 70% will go to the general fund, funds that I believe the Commonwealth is in dire need of at this point. I think that taxing cigarettes is probably the most less painful taxation that we can probably do. Thank you.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Mr. Speaker, I was just reviewing the section on enforcement of the prohibition of smoking in public places which includes supermarkets, food outlets, restaurants and others. On the enforcement section, it mentions the Secretary of the Department of Public Health. I support the bill, Mr. Speaker, and I understand the value of health care for the people of the CNMI. However, I think it would be very difficult to enforce this. We should work on the enforcement provision here. You have to man it and you have to fund it and there's no provision here on funding. So who pays for all these?

The Chair recognized Representative Cabrera.

Rep. Cabrera: Mr. Speaker, on the issue of smoking in public places, I believe it's common practice. I believe most stores enclosed and that do have air conditioning have in-house policies on no smoking within the facilities. The bill does nothing more than simply reaffirm that policy. Like I said most facilities has signs up that says, absolutely no smoking in the stores or in other areas. I believe that this particular section with regards to the question that my good colleague Representative Torres raised on the constitutional issue addresses the Equal Protection Act, which protects people from second hand smoke. I know that this is not a problem for many of our stores. I think most people know that when they enter a supermarket or a public establishment with the exception of the restaurants that they're not supposed to smoke in there.

Speaker Hofschneider: I believe that the Vice Speaker's question is directly relating to practical language applying ... for the Secretary of the Department of Public Health versus ... Is there an empowerment given to the Secretary or he, himself, is understood to have that empowerment to delegate that enforcement?

Rep. Cabrera: No. I will admit that this bill does not go into detail in so far as spelling out the details of enforcement. Mr. Speaker, I believe that we do have a Clean Air Act and again this is in line, it just further enforces the Clean Air Act. I think if we need to do that, what we could is probably go back to the Clean Air Act and deal with that particular language of enforcement in that bill or in that statute.

Speaker Hofschneider: Okay. Vice Speaker?

Vice Speaker Tenorio: I just question the practicality of enforcement. In many areas we have restaurants, we have smoking sections and non-smoking sections. By imposition of this bill, if enacted into law, then you don't have smoking section. Normally, if you want to do it for the purpose of health, you have to look at the other side. I'm a non-smoker and I don't want second hand smoke. At the same time, there are people who feel it's their right to smoke if they want to. Everybody is entitled to the Clean Air Act but when you have dirty air you don't impose on the government to come and clean it. Everybody is affected. So on a specific locality for instance, a restaurant, you have to have a smoking area and a non-smoking area. In the airports, there are smoking areas and a non-smoking areas. The reason why they divide the area is so that people who don't want to smoke or wouldn't want to be exposed to second hand smoke are protected. But you have mechanisms to do that. Here, it applies to everybody, whether you're going to be working at the airport, at the restaurants and every area where it's considered a public place. I can understand the schools, I can understand the Legislature and I can understand the Administration building, but in a private setting where you serve ... like a restaurant, what are you going to do?

Speaker Hofschneider: Representative Cabrera, let me make an observation. I think it goes without saying that there is a remarkable change in our culture as we speak. If you go to places like Ace Hardware or retail stores, I notice this, and overtime I've been noticing our people that before they enter those establishments, they'll put out their cigarettes and enter the stores. We need to start somewhere. There are still places, small shops or restaurants and I believe night clubs are pretty notorious in smoking, so we need to start somewhere. I believe what we're asking is to support the bill and have it applied and see if we can tweak it as time goes by, by allowing the Secretary of Public Health to report to us that this is impractical in the enforcement side or just totally inconsistent with the intent of the law. Representative Cabrera?

Rep. Cabrera: Mr. Speaker, if the members do not already know there is under the Department of Public Health a branch of enforcement through the Office of Bureau of Environmental Health. The Bureau of Environmental Health does a lot of the enforcement, carries out a lot of the enforcement responsibilities with respect to restaurants in terms of the square footage per establishment and how divisions within the restaurants are to be implemented. So I believe that that particular branch with the Department of Public Health is tasked with that responsibility. We can debate on this issue further but there is a branch of enforcement as far as the environmental issues are concern.

The Chair recognized Representative Aldan.

Rep. Aldan: Mr. Speaker, I'm just concern with the Enforcement Section here. On paragraph 1, the fine of \$500 and thirty days imprisonment if you get caught smoking in a non-smoking area – I think that's too drastic of a punishment. We have a lot of tourists coming into our islands specifically from Korea, Japan and China and these people smoke a lot. In their countries, they are allowed to smoke almost anywhere. If they're caught smoking here, to be fined \$500 and imprisoned for thirty days – that's a lot.

The Chair recognized Representative Cabrera.

Rep. Cabrera: Mr. Speaker, they are no airports in the continental United States that authorizes smoking without a fine no less than \$5,000. Even in the airport in Tokyo Narita, smoking is not allowed except in specific designated area. As a former enforcement officer a fine of \$500 is not hefty. In fact with respect to stores selling tobacco to minors we assessed them a fine anywhere between \$500 to a \$1,000. At some point in time we have to decide. It's either you want to have that type of an establishment or you don't. Again to debate on whether or not the fines are too drastic, what we could do is probably allow them a range if we need to change that, but personally, I don't feel \$500 is a hefty fine.

The Chair recognized Representative Tebuteb.

Rep. Tebuteb: Thank you, Mr. Speaker. I am a non-smoker and I would like to remain a non-smoker. I sometimes appreciate the smokers who smoke where there are designated areas. Be it \$500 fine or thirty days imprisonment, I would like to decrease injury to those lungs of our tourists so that we can have healthy people come into our islands. Maybe one is to keep increasing the taxes on cigarettes. On the enforcement side it is really incumbent upon the managers of different areas that they are responsible for. This Legislature, for example, we have non-smoking signs throughout the building, but with due respect to you smokers, please also have respect that there are signs that tell us what to do and we should set an example to ourselves, our children and maybe especially our tourists. I am a co-author of this bill. I was really happy when I saw Section 103. Although, I will ask you to please support this bill, I am a little bit hesitant on eliminating Section 104. As it is, I will go for it. I have yet to see statistics for the CNMI that tells us that we have an effective enforcement on designated smoking areas for the non-smokers as well. Thank you.

The Chair recognized Representative Salas.

Rep. Salas: Thank you, Mr. Speaker. First of all, I want to applaud the good Congresswoman from Precinct IV for this bill. As you know a couple of months ago, I introduced a bill to stop smoking in government places but this bill is a lot more far reaching and far more encompassing. I was looking at the enforcement part here and I know the Congresswoman knows that the ABTC enforces tobacco regulations too on the island. As far as the tourists are concern, when the Thursday night street market opened up we had encountered some problems ([end of recording]... [beginning of recording]) and we started passing them out to the business community in that area. My suggestion to the author of this bill is perhaps we should start doing the educational process now. It's not that difficult if you put a

no smoking sign right at the door, tourists would understand and respect it. You'll be amazed. Our tourists are very receptive and they know laws. And if it's good for the people, it's good for now. Thank you, Mr. Speaker.

The Chair recognized Representative Norman Palacios.

Rep. N. Palacios: I yield.

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: I just want to bring the attention of the members to Section 105. Will this infringe on advertisement rights for cigarettes or tobacco products? Or what's going on right now with all those signs that you see on the roads and advertisements in the newspapers and stuffs?

The Chair recognized Representative Cabrera.

Rep. Cabrera: I don't think so, Mr. Speaker. Although, I have to admit I was very tempted to include in there the banning of all tobacco advertisements in the CNMI. This is simply referring to a company stating that your first prize or second prize will be a carton of Benson Lights or something. It specifically talks about giving it out as prizes. I know they do a lot of promotional activities such as you could buy a pack of five for \$5.00 as opposed to paying the actual price. I believe that's usually silent and it is not restrictive by this particular language. Some stores if you solicit to them will issue a gift certificate or something similar to that as a prize that they're donating and that's exactly what this means.

Speaker Hofschneider: Vice Speaker, you have the floor.

Vice Speaker Tenorio: I'm sorry, Mr. Speaker, I'm not convinced with the response. I know what we're trying to do, Mr. Speaker, and I applaud my colleague for trying to come up with a bill for maybe a smoke free Saipan, but we don't want to, at the expense of other people's right to choose and do what they want to do, to impose a prohibition of something that infringes on those rights. I feel a little disturb that this might be infringing on constitutional rights that we might not be able to enforce this particular – I know there's a Severability Clause here so maybe that should take care of that but ...

Speaker Hofschneider: But, Vice Speaker, for clarification. On Section 105, the use of tobacco or any machine that dispenses or otherwise has to do with tobacco is prohibited from an encouragement point of view. I believe that even the national media does not carry advertisement on alcohol where one actually sips it because it's a promotion and this section intends to prohibit using it as a method of awarding individuals tobacco or the instrument that dispenses otherwise.

Vice Speaker Tenorio: So you have to cut all the tobacco machines in effect of doing this?

Speaker Hofschneider: For advertisement purposes, awards, raffles and so forth. We discourage that.

Vice Speaker Tenorio: I don't know.

Speaker Hofschneider: But they still can hand it out.

Vice Speaker Tenorio: Mr. Speaker, I just want to read – the use of any device to promote or induce sales of cigarettes is prohibited.

The Chair declared a recess at 11:17 a.m.

RECESS

The House reconvened at 11:18 a.m.

Speaker Hofschneider: We're back to our session. Representative Cabrera? Representative Palacios?

Rep. A. Palacios: Mr. Speaker, I think there are a lot of legitimate points raised relative to this legislation, but I believe that at the end of the day when we vote for this, we've got to vote with our hearts and our conscience. With that, Mr. Speaker, I move to end debate.

The motion was seconded.

Rep. Babauta: Wait a minute, Mr. Speaker. Are we under discussion?

Speaker Hofschneider: Representative Palacios, could you give the benefit to Representative Quitugua? He has not deliberated.

Rep. A. Palacios: Okay, Mr. Speaker. I withdraw.

Speaker Hofschneider: Thank you. Representative Quitugua.

Rep. Quitugua: Just a short remark, Mr. Speaker. The Vice Speaker has a valid concern. However, I would like to ask the good Vice Speaker if he has any other suggestions, recommendations, or amendments that he would like to propose that would answer his concern?

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Mr. Speaker, to answer the question, I'm not ready to make any specific amendment to this. However, I just want to point that out. And for the record, that if this issue should come out in the future that it's understood that the prohibition does not go to vending machines and other devices that are currently being allowed by law. And I just wanted the good Congresswoman to know, Mr. Speaker, that I'm a non-smoker and I wish everybody else will quit smoking for their own good. Thank you.

Speaker Hofschneider: Thank you. Before I recognize the motion to end debate, Representative Ada you have a ...

Rep. Ada: One simple point here. On page 4, subsection (b), when it comes to, "no person shall smoke in any restaurant," I'm just not in defense of the restaurant owners or with private establishments, especially restaurants like happy hour places. I would like to ask the author if she solicited comments from the public on this? Don't get me wrong. I'm in support of the bill, I'm also a non-smoker but they might just say -- wait a minute, you can't stop our customers from smoking in our establishments whether you have a certain designated area to smoke or not. That's all.

The Chair recognized Representative Cabrera.

Rep. Cabrera: Mr. Speaker, to answer his question. When I first introduced this bill it was referred to the Committee on Ways and Means and that's where most research was done. I did briefly speak to various wholesalers and some of the private entities. Because of the assigning of the seating capacity there was not a whole lot of questions raised by that because some of the bigger establishments that have fifty and above already have smoking and non-smoking sections. And whether or not a business entity can say no you can't smoke in here is the prerogative of the business and I believe if they want smoking in there they would say so. They'll put up the signs. Any place smaller than a fifty seating capacity will not be affected by this bill.

Speaker Hofschneider: Thank you. For the members, let's not forget that business is a privilege, not a right. It is the state's police power, the authority of the state to ensure health, safety and a clean environment. And before the state issues a person or an entity a business license, the state sets the conditions that -- I issue you a license and here are the conditions. One of the conditions we're setting today is restaurants that have fifty or more seating capacity must provide a designated smoking area. So it is without a doubt the authority of the state to set conditions in issuing licenses for commercial activities. It's not taking away your right. You have the choice to go into a restaurant where ever you feel like but it is the state's authority and we're setting the conditions for those business activities. Before we end debate, I want to raise one issue that I want the Chairmen on the Committee on Commerce, the Committee on Ways and Means and the Committee on Health and Welfare -- We have not only on a revenue level a loophole in all these activities whether it's alcohol, cigarettes or tobaccos. We're losing a lot of revenues from activities that we may not be able to impose any law on and I'm talking about AAFES. I don't believe that it is in their policy that active members and reservists are permitted to consume six cases a day of alcohol or how many cartons of tobacco a day in their quota. There is a quota, in other words, and I'm advising the members to please work with them so that they can

revisit their quota. There is a loophole. In comparison of containers coming in versus the retail outlets, it is almost alarming that the shipment ... potentially because of the added advantage of cost and that's fine, they can in fact take advantage of the cost and continue to do so in providing reservists and active members the privilege. But it is alarming that one may be permitted maybe five cases a day. It is alarming to consume two cartons of tobacco a day. That's taking revenue away from the Commonwealth. In the context of this legislation, I'm asking the committees to work with them simply because the shift will be there and we have occasions where people have bought alcohol, soft drinks and tobacco at AAFES and sell it outside. But that is not so much the problem. The problem here is we're trying to provide a state policy or the Commonwealth policy to reduce the impact of alcohol and tobacco by increasing the fees and diverting this revenue towards their medical care. But there is a practical loophole emplaced and we need to work with them. This bill will be immaterial to the shift of what's going on the community. I'm just raising this with you so that one or all of you may embark in getting some discussions going. Representative Salas, for the last time.

The Chair recognized Representative Salas.

Rep. Salas: Thank you, Mr. Speaker. I've been meeting with the wholesalers and we're going to have another meeting with AAFES in about two weeks. When I was at the Department of Commerce, AAFES used to sell ten cases per visit. So if you go there five times, you get fifty cases. When we met with the Regional Managers from Okinawa and Guam we were able to negotiate it down to six. But I feel that the concern the wholesalers brought to our attention three or four weeks ago was that it was competing now with the CNMI economy. I assured the wholesalers on island that we're going to try to ask that the same arrangement with, let's say full-time servicemen living in Germany, which is one case per week and a carton of cigarette per week rather than the six per day. Thank you, Mr. Speaker.

Speaker Hofschneider: Thank you. With that, I'll now recognize the motion to end debate.

The motion to end debate was carried by voice vote.

Speaker Hofschneider: Motion carried. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-202, HS1, HD1 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	no
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	excused
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	excused
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 a vote of 14-1, H. B. NO. 13-202, HS1 as amended, is hereby passed by the House on First and Final Reading. Representative Torres?

Rep. S. Torres: Mr. Speaker, I just want to alert the Clerk that in all the deliberations, I want to make it clear that Representative William Torres was always the one not me. I just want the journal to show that it was Representative William Torres who's being addressed Representative Torres.

Speaker Hofschneider: Thank you. Since we have a rosary to attend may I ask the members to recess and we'll get back at 1:30 p.m.

There was no objection.

Speaker Hofschneider: Recess until 1:30 p.m.

The House recessed at 11:33 a.m.

RECESS

The House reconvened at 2:13 p.m.

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

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move to refer H. B. NO. 13-225 to the Committee on Natural Resources for further review.

The motion was seconded.

Speaker Hofschneider: The motion to refer H. B. NO. 13-225 to the Committee on Natural Resources for further review has been seconded. Discussion on the motion?

Several members voiced, "ready."

There was no discussion, and the motion to refer H. B. NO. 13-225 to the Committee on Natural Resources was carried by voice vote.

Speaker Hofschneider: Motion carried. H. B. NO. 13-225 is hereby referred to the Standing Committee on Natural Resources. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the passage of H. B. NO. 13-033, CS3 reference to S. C. R. NO. 13-044 on First and Final Reading.

The motion was seconded.

H. B. NO. 13-033, CS3: A BILL FOR AN ACT TO AMEND 4 CMC SECTION 8327 (b), CREATED BY PUBLIC LAW 12-39, TO CORRECT THE LOCAL EXCHANGE CARRIER CONTRIBUTION TO THE COMMONWEALTH TELECOMMUNICATIONS COMMISSION; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-033, CS3 reference to S. C. R. NO. 13-044, Telecom Act has been seconded. Discussion on the bill? Short recess.

The House recessed at 2:15 p.m.

RECESS

The House reconvened at 2:21 p.m.

Speaker Hofschneider: We're back to our session and for clarification the House Rule, specifically, House Rule IX, Section 11 has been suspended. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker.

Speaker Hofschneider: I want that to go on record that we have suspended that Rule.

Floor Leader Attao: Thank you, Mr. Speaker. To make a motion, Mr. Speaker ...

Speaker Hofschneider: Have we suspended the Rule?

Floor Leader Attao: Yes, Mr. Speaker. Earlier, we suspended Rule IX, Section 11 for the passage of H. B. NO. 13-033, CS3.

Speaker Hofschneider: Thank you. I now recognize Representative Deleon Guerrero.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. I'd like to offer a floor amendment to address concerns that have been raised about this bill. H. B. NO. 13-033, CS3 is hereby amended as follows: First amendment is new Sections 3 and 4 are inserted to read as follows and affected sections are renumbered accordingly. "Section 3. Amendments. 4 CMC § 8312, as enacted by PL 12-39, is amended by deleting the fourth sentence of the section in its entirety." Second amendment is "4 CMC § 8309, as enacted by PL 12-39, is amended as follows under compensation of commissioners." The amendment strikes out "Notwithstanding the provisions of 1 CMC section 8247", and will read "commissioner shall be compensated in accordance with 1 CMC 8247". Third amendment, PL 12-39 is amended, by adding the following new section, which would be 8335 and it's transition provision, "In the event that utility services, which are administered by the Commonwealth Utilities Corporation as provided under Public Law 4-47 as amended, are privatized, the regulatory responsibility over such utility systems shall be assumed by the Commission." Thank you, Mr. Speaker.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Representative Deleon Guerrero, do we have copies of the amendments.

Rep. Deleon Guerrero: We passed it out yesterday but we're making additional copies.

The Chair declared a short recess at 2:24 p.m.

RECESS

The House reconvened at 2:25 p.m.

Speaker Hofschneider: We're back to our session and the floor amendment offered by Representative Deleon Guerrero has been seconded. Discussion on the floor amendment?

Several members voiced, "ready."

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

Speaker Hofschneider: Motion carried. We're back to H. B. NO. 13-033, CS3, HD1 and under discussion, I recognize Representative Stanley Torres.

Rep. S. Torres: Mr. Speaker, with the unanimous consent, I am submitting a floor amendment with the attachment of a House Substitute offered in lieu of H. B. NO. 13-033, CS3, HD1.

Rep. Babauta: Is that a motion?

Rep. S. Torres: So moved.

The motion was seconded.

Speaker Hofschneider: The floor amendment to H. B. NO. 13-033, CS3, HD1 offered by Representative Stanley Torres has been seconded. We'll take a short recess for review.

The House recessed at 2:28 p.m.

RECESS

The House reconvened at 2:35 p.m.

Speaker Hofschneider: We're back to our session and there's a motion on the floor offered Representative Stanley Torres as a House Substitute to H. B. NO. 13-033, CS3, HD1. The floor is open for discussion. Representative Stanley Torres, any discussion?

Rep. S. Torres: Just to inform my good colleague, Chairman Deleon Guerrero, that his amendments are also incorporated except for the first paragraph.

Rep. Deleon Guerrero: *Esta hu li'e.*

The Chair recognized the Vice Speaker.

Vice Speaker Tenorio: Thank you. Mr. Speaker, there are actually some very substantial changes in the fee structure from 0.5 to 1.0% and they include several others including cable and television. I think in all fairness if we're going to start taxing or assessing fees to broadcast, television or telecommunication we might as well include radio. My second concern, Mr. Speaker, is – will the decrease from 0.5 to 1.0% and the additional inclusion of television companies will bring the projective revenue for CTS to par with the original bill.

Speaker Hofschneider: Obviously the inclusion of wireless now makes it more compounding income or revenue, which for all practical purposes higher on all good assumption. Can any of two, Representative Torres or Chairman on PUTC elaborate or enlighten us as to the gross revenue now before us?

Rep. Deleon Guerrero: For just LEC, long distance or including wireless, cable?

Speaker Hofschneider: Now this is all, inclusive.

Rep. Deleon Guerrero: Ask the author of the substitute, please.

The Chair declared a short recess at 2:38 p.m.

RECESS

The House reconvened at 2:42 p.m.

Speaker Hofschneider: We're back to our session and we were discussing the rationale behind House Substitute 1 proposing to asses 1.0% fee now on all telecommunications including but not limited to land lines, wireless, such as cellular, paging services, television companies, whether cable or broadcast. During recess we were trying to summarize as to whether the 1.0% is adequate for the purposes of the commission as originally intended in the bill and the floor is open for discussion. Chairman Deleon Guerrero.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. I want to raise some points and some questions regarding the amendment. I just got a chance to read it for three or four minutes but just from a cursory review there are some glaring issues here that I'd like to point out. One, Section 2 proposes to redefine telecommunication companies to include wireless such as cell phones, paging companies, television companies, whether cable or broadcast and apply rates to these types of services. Before we entertain that, I think it's important that we understand what the authority is that we have as a state to regulate such rates. The FCC when, it was created by the Communications Act of 1934, was very clear in what jurisdictions the state had and what were jurisdictions for the Federal Government, the FCC. It was clear that wireless and telecommunications that involved interstate, meaning calls that go beyond our state, are regulated by the FCC. The law allowed the states to control intrastate telecommunications and if we were to describe what intrastate telecommunications are, that is Local Exchange Carriers ground landlines. That is why PL 12-39 only regulated LEC's, the landline service of the telecommunication industry here. That's why it only applied here. And I can state, Mr. Speaker, regarding cellular service Section 332 § 3(a) states, notwithstanding Section 2 (b) and 221 (b), no state or local government shall have the authority to regulate the entry of or the rates charged by any commercial mobile service or any private mobile service except ... *bula mas ... etc.* Secondly, under 47 USC 152 the application of the FCC says the provisions of this Act shall apply to all interstate and foreign communication by wire or radio and that all interstate and foreign transmission of energy by radio which originates and/or is received within the United States ... and it goes on, Mr. Speaker, meaning that in terms of application it applies to the FCC not the state. So we have to understand what is within our authority and what is not and what this bill proposed to do is just that. If we do that, I don't know if Verizon realizes this but right now Verizon has LEC and it also has a long distance company. The

LEC only pays for the CTC fee. The long distance company of Verizon does not. By making this bill into law you're going to make them pay. Right now the long distance for Verizon and IT&E and whoever else pays the FCC because the FCC regulates them, wireless and long distance. Now you're saying not only are they going to pay the FCC but they're also going to pay CTC. You're double charging. I hope you realize that. There are other points the floor amendment. I just proposed ...

Speaker Hofschneider: Chairman Deleon Guerrero, may I just ask for clarification on the distinction between subsection 1 (g) and (h). There is a distinction between the definition of telecommunication company who provides – that owns, controls administers, operates, manages, provides or resells, in full or in part, directly or indirectly, any telecommunications line, system or service in the Commonwealth, including but not limited to wireless. There is a distinction here on what you're saying about the facility itself being charged, the service itself being charged. Correct? The 1.0% is imposed on the definition under subsection (g). Correct? If you're a company selling and you gross one million, then the 1.0% is assessed on the one million?

Rep. Deleon Guerrero: Here it includes wireless communications.

Speaker Hofschneider: We're not hampering the services delivery are we?

Rep. Deleon Guerrero: Mr. Speaker, I think we may face a lawsuit because – let me state this example.

Speaker Hofschneider: I want a distinction first so that we're not mixing apples and oranges before we ask the counsel to clarify that for us. Is there a distinction between subsection (g) and (h)?

Rep. Deleon Guerrero: Subsection (g) describes what telecommunication company is. Subsection (h) defines what telecommunication service is. I don't know which is apple and which is orange but one is service and one is a company.

Speaker Hofschneider: Okay, so read further under subsection (h). Except for the definitions under this section the definitions contained in the Federal statutes ...

Rep. Deleon Guerrero: Where are you at, Mr. Speaker.

Speaker Hofschneider: On subsection (h).

Rep. Deleon Guerrero: Which line?

Speaker Hofschneider: Line 18 and 19, "...under subsection (d) including applicable rules and regulations shall apply to this act, including wireless communication services such as cellular phones and paging services..." Is the contention that you have directed at that inclusion or on the definition under subsection (g)?

Rep. Deleon Guerrero: Will the author please explain or elaborate, kind of expound what this section means?

Speaker Hofschneider: Earlier you were reading citations from the Federal Communications Act. And the reason you read that is directly implying that the restriction on the state to regulate mobile services. Correct?

Rep. Deleon Guerrero: That's correct.

Speaker Hofschneider: So where is the matter of difference here on the company or on the services?

Rep. Deleon Guerrero: Mr. Speaker, on the company or on the services?

Speaker Hofschneider: Short recess. On the company, itself, that you stated when you read, you cited out the federal statute that states are prohibited from restricting or prohibiting services including mobile services.

Rep. Deleon Guerrero: No, not services.

Speaker Hofschneider: Companies?

Rep. Deleon Guerrero: Authority to regulate the entry of or the rates charged by ...

Speaker Hofschneider: Correct.

Rep. Deleon Guerrero: Okay.

Speaker Hofschneider: Are we regulating the rates or assessing on the gross?

Rep. Deleon Guerrero: Mr. Speaker, we're assessing on the gross, true.

Speaker Hofschneider: So we're not tinkering with rate, are we? We're assessing a gross fee?

Rep. Deleon Guerrero: True.

Speaker Hofschneider: So there's no conflict with the federal statute you cited?

Rep. Deleon Guerrero: Actually, there is ... not a conflict but they are paying to the FCC. Then now not only will they be paying to the FCC but they'll also be paying to the state regulatory agency.

Speaker Hofschneider: Is that federally prohibited?

Rep. Deleon Guerrero: I think you're going to ...

Rep. Babauta: Are we on recess?

The Chair declared a recess at 2:53 p.m.

RECESS

The House reconvened at 3:30 p.m.

Speaker Hofschneider: We're back to our session and we're discussing H. B. NO. 13-033, CS3, HD1 and as we discuss further the motion on the floor is the floor amendment offered by Representative Stanley Torres. Since we have raised some very serious areas relating to what the state can and cannot do both from the Chairman on PUTC and the mover of the floor amendment, Representative Stanley Torres, I want to recommend that we refer this to a neutral committee that I will appoint from both committees. The Chairman on the Committee on Ways and Means shall submit three names and the Chairman on Committee on Public Utilities, Transportation and Communications shall submit three names including themselves, if they want to serve in the committee and I will appoint the seventh person. Is that amicable?

Rep. Babauta: Very much, Mr. Speaker.

Speaker Hofschneider: So one committee does not overwhelm the mover of the other. Is that clear?

Floor Leader Attao: Very clear.

Speaker Hofschneider: Chairman on the Committee on Public Utilities, Transportation and Communications, is that fair?

Rep. Deleon Guerrero: Provided, Mr. Speaker, you perhaps set a deadline so it doesn't die a natural death.

Speaker Hofschneider: How about thirty days?

Rep. S. Torres: It's acceptable for me.

Rep. Deleon Guerrero: About three weeks.

Speaker Hofschneider: Twenty-one days then. All agreed?

Floor Leader Attao: Yes.

Vice Speaker Tenorio: Let's move forward, Mr. Speaker.

Speaker Hofschneider: So, Floor Leader, move to refer to a Special Committee to be established by the Chair.

Floor Leader Attao: Mr. Speaker, I move to defer action on H. B. NO. 13-033, CS3, HD2 to a Special Committee to be established by the Speaker.

The motion was seconded.

Speaker Hofschneider: Before we recognize that, let's adopt the amendment offered on the floor, dispose the motion and move for a Special Committee.

Rep. Babauta: So moved. Ready for the question.

Speaker Hofschneider: Ready for the question on the floor amendment offered by Representative Torres?

Several members voiced, "ready."

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

Speaker Hofschneider: The floor amendment offered by Representative Torres is hereby adopted and I recognize the Floor Leader.

Floor Leader Attao: Can I offer another oral amendment to the House Substitute?

Speaker Hofschneider: I think it's convoluted enough, Floor Leader.

Floor Leader Attao: Oh. Thank you, Mr. Speaker.

Speaker Hofschneider: Move for referral to a Special Committee.

Floor Leader Attao: Mr. Speaker, I move to defer action on H. B. NO. 13-033, CS3, HD2 to a Special Committee to be established by the Speaker.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Motion to defer H. B. NO. 13-033, CS3, HD2 to a Special Committee to be appointed by the Chair has been seconded. I'm hereby appointing Representative Cabrera to Chair the Special Committee.

Rep. S. Torres: Clarification, Mr. Speaker, will that be the neutral person?

Speaker Hofschneider: Absolutely. Representative Stanley Torres, Chairman on the Committee on Ways and Means submit three names by Tuesday and Representative Deleon Guerrero, Chairman on Committee on Public Utilities, Transportation and Communications submit three names by Tuesday. Ready?

Several members voiced, "ready."

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the passage of H. B. NO. 13-221 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-221: A BILL FOR AN ACT TO AUTHORIZE THE COMMERCIAL OPERATION OF AMUSEMENT MACHINES AT THE AIRPORTS AND SEAPORTS OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS; TO WAIVE THE APPLICABLE LICENSE FEES FOR AMUSEMENT MACHINES OWNED OR OPERATED BY THE COMMONWEALTH PORTS AUTHORITY AT THE AIRPORTS AND SEAPORTS OF THE COMMONWEALTH; AND TO WAIVE ANY RESTRICTION REGARDING THE MAXIMUM NUMBER OF AMUSEMENT MACHINES THAT THE COMMONWEALTH PORTS AUTHORITY MAY OWN OR OPERATE AT THE PUBLIC AIRPORTS AND SEAPORTS OF THE COMMONWEALTH AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-221, relative to amusement machines at the Commonwealth airports and seaports has been seconded. Discussion on the bill?

Rep. S. Torres: Mr. Speaker?

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: I have a floor amendment for H. B. NO. 13-221.

The motion was seconded by Rep. Babauta. [end of recording]

(Rep S. Torres offered the following amendment: On page 2, subsection (f) None of the license fees specified in subsection (a) of the section 1503 shall apply to or be assessed for the commercial operation of amusement machines at the public airports and seaports of the Commonwealth under the jurisdiction of the Commonwealth Ports Authority, provided that the amusement machines are ~~either owned or operated by the authority or are~~ owned by the Authority and operated by a concessionaire authorized by the Authority pursuant to an amusement agreement, and permit ~~or other arrangement~~. “Ownership” of the amusement machines shall mean actual ownership of the machines by the Authority ~~or the leasing of such machines by the Authority from others~~. Further, no senatorial district may impose any local license fee, pursuant to 1 CMC § 1402 (c)(5), for amusement machines (including electronic poker machines, poker slot machines and pachinko slot machines), for jukeboxes and coin-operated music production machine, and for kiddie ride and other amusement machines for children which are owned by the Authority and operated by either the Authority or by others authorized by the Authority, at the public airports and seaports of the Commonwealth; was seconded and under discussion.)

The Chair declared a short recess at 3:36 p.m.

RECESS

The House reconvened at 3:39 p.m.

[beginning of recording]

Speaker Hofschneider: We’re back to our session and I recognize Representative Babauta.

Rep. Babauta: Mr. Speaker, as you have explained eloquently during recess, the amendment purports only to authorize primarily CPA to own the machines and not necessarily as you mentioned, the middleman is out. So if anyone of you have any machine and you’re willing to sell to CPA, please do so because you cannot operate. Thank you. Ready for the question on the amendment.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Mr. Speaker, just to point out a typo misspelled on the heading of the bill on the thirteenth. Instead of “thirteenth” it should be “t – h – i” ... How do you spell thirteenth? Can I relief that to the legal counsel to be corrected?

Speaker Hofschneider: So noted.

Rep. S. Torres: Also to clarify to the Clerk that there is a marking on page 1, line 12. There’s a pen marking under the word “mist”. That’s not intended. I guess that’s just to identify the word. It should be “must”.

Speaker Hofschneider: So noted.

Rep. S. Torres: Thank you.

Speaker Hofschneider: Ready?

Several members voiced, “ready.”

There was no further discussion, and the motion to adopt the floor amendment offered by Representative Stanley Torres was carried by voice vote.

Speaker Hofschneider: Motion carried. The floor amendment is adopted. Ready for the question?

Several members voiced, “ready.”

Speaker Hofschneider: Motion carried. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-221, HD1 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	no
Rep. Pedro P. Castro	excused
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	excused
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 14-1, H. B. NO. 13-221 is hereby passed by the House on First and Final Reading as amended. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the passage of H. B. NO. 13-206 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-206: A BILL FOR AN ACT TO AMEND 1 CMC § 7604 (a), (b), (c) and (e) (PLANNING AND BUDGETING ACT); AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-206, Reporting go Revenue Collection has been seconded. Discussion on the bill?

Rep. Babauta voiced, “ready.”

The Chair recognized the Floor Leader.

Floor Leader Attao: Mr. Speaker, the House Substitute 1 was distributed earlier.

Speaker Hofschneider: Continue.

Floor Leader Attao: The floor amendment is to change the subsection of 1 CMC 7604 (a), (b), (c), and (e) from \$200,000 to \$1 million.

Speaker Hofschneider: Was that a motion?

Floor Leader Attao: Yes.

Rep. S. Torres: Is this the correct grammar?

Floor Leader Attao: Coming from the legal counsel, it's got to be correct.

Speaker Hofschneider: Floor Leader, could you please correct your motion?

Floor Leader Attao: I move and offer a substitute bill, H. B. NO. 13-206, HS1.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: The motion on the floor is to substitute H. B. NO. 13-206 with House Substitute 1 offered by the Floor Leader has been seconded. Discussion on the House Substitute?

Rep. Babauta voiced, "ready."

Speaker Hofschneider: I hope that everyone is aware of the significance of this amendment. This is relating to Planning and Budgeting Act. Whenever the Commonwealth revenue increases or decreases by a million dollars instead of \$200,000 then the Executive Branch is required to report that or the Department of Finance is required to report to the Governor. So by increasing the threshold from \$200,000 to \$1 million it may in fact delay the Legislature or the Executive Branch from reacting or it may also improve bureaucracy in that \$200,000 has been in the books for more than twenty years. Right? Public Law 3-68 is that long. So keeping with time we're now approaching \$200 million of budget. \$1 million is about 0.5% change either increase or decrease they're required. That's the intent of the proposal here.

Rep. Deleon Guerrero: Are we under discussion?

Speaker Hofschneider: Yes. Representative Deleon Guerrero?

Rep. Deleon Guerrero: Wouldn't it be – I recalled that your first bill was to remove the \$200,000 and leave the 3%. Isn't it that by percentage, it gives it the flexibility so that as our revenue increases or decreases the threshold remains the same. It'll be a percentage of whatever the amount is.

Speaker Hofschneider: 3% of \$200 million is what? \$6 million?

Floor Leader Attao: \$6 million.

Speaker Hofschneider: That's 6 times significant than the \$1 million.

Rep. Deleon Guerrero: I realize but to have a static amount versus a flexible percentage rate, would that not be more ...?

The Chair recognized the Floor Leader.

Floor Leader Attao: No, Mr. Speaker. That's why I introduced the substitute to change that. To make certain that only the figure is changed and not the percentage so the House Substitute version changes the \$200,000 to \$1 million, the 3% remains.

Rep. Deleon Guerrero: The 3% remains. Okay. I rest my case.

Floor Leader Attao: Thank you. Ready.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: I think I read that already but this would give more flexibility for screwing around the budget, right? More money.

Rep. Babauta: Absolutely.

Rep. S. Torres: Thank you.

Speaker Hofschneider: Thank you for that eloquent description. Ready?

Several members voiced, "ready."

Speaker Hofschneider: Ready for the question?

Several members voiced, "ready."

Speaker Hofschneider: Representative Cabrera?

Rep. Cabrera: I yield. I'm sorry.

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-206, 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	excused
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	excused
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 15-0, H. B. NO. 13-206, HS1 is hereby passed by the House on First and Final Reading. Recess?

Floor Leader Attao: Can we go back to Item 3, Mr. Speaker, for Representative Cabrera to introduce her bill?

Speaker Hofschneider: If there's no objection on the floor, we'll go back to Prefiled and Introduction of Bills.

There was no objection, and the House went back to Prefiled and Introduction of Bills.

PREFILED AND INTRODUCTION BILLS

The Chair recognized Representative Cabrera.

H. B. NO. 13-226: A Bill for an Act to establish a Tobacco Settlement Expenditure Fund by repealing PL 12-44, and to appropriate the money in the fund for the purpose of developing and implementing a CNMI Comprehensive Tobacco Prevention and Control Strategic Plan of Action; and for other purposes.

Offered by: Rep. Gloria DLC. Cabrera

Rep. Cabrera: If there's no objection, Mr. Speaker, I would like to request that this be included on today's calendar for action.

There was no objection.

Speaker Hofschneider: For clarification, this is the same bill that was recalled by the Senate to have the amendments incorporated as suggested by the Administration. So instead of waiting for that recall we will pass the same bill with the incorporated amendments and send it up to the Senate for their next session. Senator Reyes, thank you. Ready? We go back to Bill Calendar.

BILL CALENDAR

Floor Leader Attao: Mr. Speaker, if there's no objection from the members, I would like to withdraw H. B. NO. 13-199 from the Committee on Ways and Means.

There was no objection.

Speaker Hofschneider: Could you read the title please?

Floor Leader Attao: A Bill for an Act to require refunds for security deposits be issued in a timely manner. It was introduced by Vice Speaker Tenorio.

There was no objection.

Speaker Hofschneider: Chairman on the Committee on Ways and Means?

Rep. S. Torres: I have no problem with that as long as it's for calendar purposes. Is that what you want, Floor Leader?

Floor Leader Attao: No. Mr. Speaker, I think this bill is very, very important. Let me read Section 2, "Timely Refund Requirement. Businesses in the Commonwealth that require security deposits as a condition for the lease of equipment shall refund the balance of the security deposit within ten business days after the equipment is returned." Maybe the Vice Speaker can enlighten us when we're ready to discuss the bill.

Vice Speaker Tenorio: I'll be very glad to do that.

Speaker Hofschneider: Motion to recall H. B. NO. 13-199 from the Committee on Ways and Means has been seconded. Discussion on the recall motion?

Rep. Babauta voiced, "ready."

There was no discussion, and the motion to withdraw H. B. NO. 13-199 from the Committee on Ways and Means was carried by voice vote.

Speaker Hofschneider: Motion carried. H. B. NO. 13-199 is hereby recalled from the committee. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Motion to place H. B. NO. 13-199 on today's calendar for action.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Motion for the placement of H. B. NO. 13-199 on today's calendar for action has been seconded. Discussion on the placement motion?

Several members voiced, "ready."

There was no discussion, and the motion to place H. B. NO. 13-199 on the calendar was carried by voice vote.

Speaker Hofschneider: H. B. NO. 13-199 is hereby placed on the calendar. Floor Leader?

Floor Leader Attao: One minute recess, Mr. Speaker, I'm waiting for the number.

The Chair declared a short recess at 3:54.m.

RECESS

The House reconvened at 3:55 p.m.

Speaker Hofschneider: We're back to our session and I recognize 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 passage of H. B. NO. 13-226 and H. B. NO. 13-199 on First and Final Reading.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Suspension motion for the passage on First and Final Reading of H. B. NO. 13-226 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 H. B. NO. 13-226 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-226: A BILL FOR AN ACT TO ESTABLISH A TOBACCO SETTLEMENT EXPENDITURE FUND BY REPEALING PL 12-44, AND TO APPROPRIATE THE MONEY IN THE FUND FOR THE PURPOSE OF DEVELOPING AND IMPLEMENTING A CNMI COMPREHENSIVE TOBACCO PREVENTION AND CONTROL STRATEGIC PLAN OF ACTION; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage on First and Final Reading H. B. NO. 13-226, Tobacco Settlement Expenditure Fund has been seconded. Discussion on the bill?

Several members voiced, "ready."

Speaker Hofschneider: Representative Cabrera, has the amendment been incorporated?

Rep. Cabrera: Yes, Mr. Speaker. If everyone would turn to page 3, it's under section 5.

Rep. A. Palacios: Mr. Speaker?

The Chair recognized Representative Arnold Palacios.

Rep. A. Palacios: I'm a little perplexed as to this Tobacco Settlement issue. Can I get a very short briefing as to what it is exactly are we doing here? We've gone through the Tobacco Settlement twice before and I'm kind of perplexed.

Speaker Hofschneider: Representative Cabrera, could you give a brief history on the Tobacco Settlement and the purpose of this bill in three minutes?

Rep. Cabrera: Yes, Mr. Speaker. Mr. Speaker, the Tobacco Settlement, which the CNMI participated in since 1998 allows the CNMI to receive moneys from the tobacco companies that participate within the settlement agreement. This is a lawsuit against tobacco companies for the medical consequences of cigarette smoking. Since 1998, the CNMI has received a substantial amount of money. The first two years of which went into the general fund. And in the absence of a specific tobacco fund or account, it went into the general fund, it was appropriated or it was used. As to what it was used for, I have no idea. There's no way of tracking. Since 2001 we've received to date about \$520,000, which was available for appropriation and this bill basically appropriates that money. It establishes an expenditure fund and appropriates that amount of money to different agencies. However, in line with the Administration's desire to use this money for health related cost, specifically medical treatment as opposed to the original intent of the appropriation bill, which was for preventive, strictly prevention we have compromised this amount of money in addition to the additional \$200,000 that is to be received by the CNMI in January 2003. This amount of money, if this bill will pass into law, will appropriate what is in the account now, which is \$520,000 to the Department of Public Health and whatever amount of money comes in Fiscal Year 2003. The reprogramming language is limited to Fiscal Year 2003 after which the bill if enacted into law will serve its intent, which is – whatever future amounts of money that comes into the CNMI will be specifically for prevention under subsection 3 of this bill.

Speaker Hofschneider: And Section 5, authorizing the Governor to spend a minimal ...

Rep. Cabrera: Under Section 5, we basically eliminated the reprogramming restriction authorizing the Governor to reprogram the funds currently in there and the amount of money that we're scheduled to receive in January thru March of 2003 for health related purposes. I don't believe that it deviates that much further from what it was intended to. However, it's not strictly prevention, Mr. Speaker. So for the record, it was a painful amendment.

Speaker Hofschneider: Section 5 is authorizing the Governor to use for Fiscal Year 2003 up to \$1 million in his discretion?

Rep. Cabrera: Yes, Mr. Speaker. I doubt it if we will receive up to that amount for Fiscal Year 2003. I think we're slightly short of that but the bill does specify that the Governor is authorized to use up to that amount for Fiscal Year 2003.

Rep. A. Palacios: Mr. Speaker, so the only change is in Section 5, correct?

Rep. Cabrera: Yes. That is the only amendment.

Rep. A. Palacios: That's the only concern I have.

The Chair recognized Representative Quitugua.

Rep. Quitugua: Just a clarification, Mr. Speaker. My linguistic efficiency is fooling me. Congresswoman, can you turn to page 3, line 14 and 17?

Rep. Cabrera: Yes, sir.

Rep. Quitugua: Am I reading that right?

Rep. Cabrera: I'm sorry, Mr. Speaker, I think there's a need – I'm sorry that's a typo. Second Senatorial District should be First. On line 15, page 3 and on line 19 that should be Second Senatorial District. Thank you, Representative Quitugua.

Speaker Hofschneider: Representative Cabrera, you have an attachment to this for the record? A legislative history?

Rep. Cabrera: Yes, Mr. Speaker, I already provided the Clerk with the letter from the Administration on their specific request specifying the amended language.

Speaker Hofschneider: And the additional information for the record?

Rep. Cabrera: Mr. Speaker and members, for the record, I have before us about four hundred signatures essentially a petition supporting the original intent of the appropriation bill for the Master Settlement Funds, which is what is in this bill with the exclusion of the reprogramming language.

Speaker Hofschneider: Are you officially submitting that on the floor as a legislative history?

Rep. Cabrera: I would like to submit it as a supplement, Mr. Speaker.

Speaker Hofschneider: Thank you. Ready for the question?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-226 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	excused
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	excused
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 15-0, H. B. NO. 13-226 is hereby passed by the House on First and Final Reading. Floor Leader, recess?

Floor Leader Attao: *Etyo i H. B. NO. 13-199 pues ta fan recess.*

Speaker Hofschneider: Okay.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-199 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-199: A BILL FOR AN ACT TO REQUIRE REFUNDS FOR SECURITY DEPOSITS BE ISSUED IN A TIMELY MANNER.

Speaker Hofschneider: Motion for the passage of H. B. NO. 13-199 on First and Final Reading has been seconded. Discussion on the bill?

Rep. Babauta: Just a clarification, Mr. Speaker.

The Chair recognized Representative Babauta.

Rep. Babauta: Thank you. On page 2, "Section 3 Regulatory Authority." I just want to clarify from the author what type of enforcement and compliance do we have with the Department of Commerce?

Vice Speaker Tenorio: What kind?

Rep. Babauta: Yes.

Vice Speaker Tenorio: Well, we have to force Department of Commerce to adopt or come out with the regulation.

Rep. Babauta: But which enforcement compliance? We have the ABTC, we have the ...

Vice Speaker Tenorio: I understand that there's an Enforcement and Compliance Office within the Department of Commerce. That will be the office.

Rep. Babauta: No, because the business licensing division was transferred to the Department of Finance and I'm trying to clarify.

Rep. S. Torres: Weights and measures.

Rep. Babauta: Oh, weights and measure.

Vice Speaker Tenorio: Enforcement and Compliance Office. So I don't know what ... Do you want to create a particular enforcement office, Congressman Babauta?

Rep. Babauta: No.

Speaker Hofschneider: Order on the floor.

Rep. Babauta: That answers my question. Thank you.

Vice Speaker Tenorio: Thank you. Mr. Speaker, if I may? This is a very simple straightforward bill and this is really a Consumer Protection Act. What it does is prohibits the practices of holding refunds longer than ten days. I guess if we can do this with our own government, it will help a lot too. So I urge the passage of this bill and the support of every member and it's very simple straight forward. Thank you.

Speaker Hofschneider: Representative Babauta, you still have the floor.

Rep. Babauta: I'm satisfied with my colleague's explanation, Mr. Speaker.

Speaker Hofschneider: May I ask just out of curiosity why limit it to lease when there are services and other ...

Vice Speaker Tenorio: Mr. Speaker, at one time during the early drafting of the bill, I included services too, but I think it makes the bill much more difficult to implement.

Speaker Hofschneider: Okay.

Vice Speaker Tenorio: And this is very specific. That's the reason.

The Chair recognized Representative Salas.

Rep. Salas: I'm alright, Mr. Speaker.

The Chair recognized Representative Ada.

Rep. Ada: Thank you, Mr. Speaker. To the author of this bill, it has been called to my attention about East West Rental Services. If you rent backhoe, for example, there has to be a safety officer with a pick up truck guiding the backhoe. It's a requirement and it had been called to my attention that you make deposit for that pick up truck to be there – sort of like for safety – Have you seen the Mayor's Office equipments being guided by a truck? I think that's another area to look at because it's happening. I was given a call that this person was being charged just for the guidance when they can do it themselves, they can guide the equipment over to their place. I think it's a ...

The Chair declared the House recessed at 4:10 p.m.

RECESS

The House reconvened at 4:11 p.m.

Speaker Hofschneider: We're back to our session and Representative Ada, you still have the floor.

Rep. Ada: Thank you. I move to end debate, sir.

The motion to end debate was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-199 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	excused
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	yes
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	excused
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 15-0, H. B. NO. 13-199 is hereby passed by the House on First and Final Reading. Floor Leader, recess subject to the call of the Chair.

Rep. Aldan: Mr. Speaker?

MISCELLANEOUS BUSINESS

The Chair recognized Representative Aldan.

Rep. Aldan: Thank you, Mr. Speaker. Mr. Speaker and members of the House of Representatives, today, as it has been from the day that this elected body first met to deliberate on issues that beset our Commonwealth, we are here again to address several complicated legislative matters as set forth in today's order of business. What I have to say is by no means a diversion from the significance of today's session. Rather, what I have to say addresses the very essence of what we are as legislators and what we stand for as a group elected by the people of the Commonwealth.

What I have to say is well in line with today's order of business. A few a days ago, I became another one of Harry Blalock's innocent victims when he publicly accused me of neglecting to fulfill the terms of my fine for the removal of coconut crabs from the Northern Islands. I would like to discuss the truth of the matter today. But I will not do such a thing. Instead, I will wait for Mr. Blalock to stumble with his wrongful allegations then I will take him to court. It is easier to trap a pseudo-journalist than it is to trap a coconut crab!!! And I should know if you were to believe Mr. Blalock. Even though the issue and resolution of the almost comical incident will never make the evening news in any town or city in the United States, Mr. Blalock took it upon himself to perpetuate a rather insignificant matter, even in an island community such as ours. Mr. Blalock also assailed my trip to China to meet with officials from China Eastern Airline and the Minister of Tourism to promote the CNMI as a tourism destination. I was also in Manila to meet with officials of Asia-Pacific Medical Center to discuss medical referral site initiatives with the Lieutenant Governor. If we leave pro-active initiatives such as these in the hands of Mr. Blalock, the CNMI will still be in the dark ages. You see, my dear colleagues, statesiders like Mr. Blalock want us to live in the days of bull carts and thatch huts. A sorry statesider's view of island paradise. I say let him in the old days. But let us forge forward toward progress and continue to work with nations in the Asia Pacific region like China, Korea and the Philippines to enhance tourism and health services in our island community. With his twisted so-called reporting, it is clear that Mr. Blalock is bent on making a mockery of truth and integrity. I have a long held the belief that malicious unbalanced media tactics such as those used by Mr. Blalock should not be legitimized by a response. On the other hand, I am not one to back down from a good fight. Today, I decided it that it is time for me take on a good for nothing, hide behind The First Amendment, Mr. Blalock. My dear colleagues, Mr. Blalock would like us to think that he is a Socratic gadfly in our island community. I say that the man does not even come remotely close to such a role in this or any community, in our lifetime for that matter. His lack of journalistic ethics and skills is a clear demonstration that a mongrel lives in our gentle island environment. He represents to the listening public that what he is reporting is newsworthy, but he had never attempted to portray a story that is balanced and informative. No one that I talked to can tell me of a time that this so-called newscaster portrayed both sides of a story. Rather, he selectively chooses the spin that ridicules people. As to the incident at the Northern Islands, I challenge this sorry of a man to air any interview with any government investigator involved or with myself. The truth is he never did. Yet, he holds himself out as the purveyor of the truth of the incident, and all of the incidents that he lays his slimy hands on, for that matter. Mr. Speaker, it is common knowledge within the legislative corridors that you have befriended this pseudo-journalist; that you use this man to air your side of the story, so to speak. The flip side of reality is that this man uses you to legitimize his malicious and mean-spirited propaganda against the many good people that we represent. Today, with the indulgence of my colleagues, I would like to say this. As one of the Congressmen who call upon you to lead this house in this Thirteenth Legislature, I ask you to divest yourself of this man. To continue your association with a pseudo-journalist is a compromise on the integrity and honor of deserving the House. Today, I call upon my colleagues to stand up against the likes of Mr. Blalock who drifted upon our shores and dare to desecrate our sanctity and pollute our minds. Thank you.

Speaker Hofschneider: Thank you, Representative Aldan, and I will heed your advice. However, often times being asked to lead, being a father yourself, at times, when you have kids and they see that you have aligned yourself with friends that you, yourself, make choices in life to befriend, your kids, nonetheless, look at your friends that you surround yourself with and may have the same thoughts that you've echoed today. Dad, we don't like your friends. Please part yourself from your friends or the likes. As a father in leading your family, it is at times difficult to sit down with your kids and explain to them at whatever age they are in. Only time will tell whether the choices we've made in our lives, and history will be on our side or against us, and those judgments that we've made today may have come to be revisited and have changed our hearts and our minds about what we have seen or what we have made as choices in our lives. In leading the House of Representatives, it is the most difficult challenge one is asked to do. There are times when you question motives of the Speaker. There are times when you question the leadership of the Speaker. There are times when you question the leadership, the kind of choices that the Speaker has made for all of us. And in my heart and in my mind the seventeen members in this chamber come first before my family on most occasions, especially the last ten days. I may have heard in that the defense for some actions of a few of you, totally responsible on your own accords, may not have entered the parameters of the leadership or the Speaker rising to the occasion to defend a violation of the laws of the Commonwealth. Nonetheless, my heart and my mind are still with the seventeen members on the floor constantly. For that, I allow the criticisms, I allow the differences of opinion, and I allow the second-guessing of the leadership that I have portrayed so far. As a leader, you have to be tolerant of indifferences or differences. As a leader, it is called upon you to take on the extra load and everyday it piles higher and higher and heavier and heavier the challenges that we are mandated by the people in this chamber. That does not constitute the challenges that we have set on our own by violating regulations and laws of the Commonwealth. Those are to be attended to by the individual's actions. It speaks not of the office that we occupy; it speaks not of the camaraderie, the cohesiveness of the leadership, but it speaks of the individual's responsibility to uphold the trust and the confidence of

the people that put us in this office. For that, I rest those laurels in the shoulders of history either they rest with me or against me and I shall await history when it is written and said over and over again. I will continue to defend every one of you as I've always but I will not make choices for the betterment, for the defense or for hiding one individual in this house. It is collective protection; it is collective defense and all I ask is that we uphold the higher degree of what this office requires us of different from the rest of the people that call themselves the public. This office requires that we adhere appropriately to decorum. This office requires that we uphold ourselves a bit higher in ethics, in moral judgments and in good conduct. The media will continue to be the media. In no defense to the media, they need no reminder that in most instances. It suits in the perpetuation of selling articles and selling the paper. It is incumbent of them to adhere to ethical standards in criticizing baseless or argumentative facts. The onus is on the media to uphold those ethics. The onus is on us individually and collectively to uphold our ethics. We have equal duty to uphold to respective ethics and conducts. Then again, I always welcome constructive criticisms and I will continue to have the tolerance. But like I opened my comment, picture yourself being a father and your children asking you to part yourself from the friends that you surround yourself. Find it in your heart to work with people not against people and that's the bottom line. With that, motion for recess.

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 4:27 p.m.

Respectfully submitted,

Lavida S. Palacios, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

None