



House Journal

THIRD REGULAR SESSION, 2003

Second Day

February 4, 2003

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its **Second Day, Third Regular Session**, on **Tuesday, February 4, 2003**, at **10:21 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.

The clerk called the roll. **Eleven** members were recorded present. Representatives **Manuel A. Tenorio** and **William S. Torres** came in late and Representatives **Gloria DLC. Cabrera**, **Herman T. Palacios**, **Norman S. Palacios**, **Daniel O. Quitugua** and **Andrew S. Salas** were excused.

Speaker Hofschneider: Thank you. For the record, I apologize to the members who made arrangements in spite of the agreement yesterday in our leadership meeting to postpone the session. I completely forgot about our commitment to the students today and I apologize. However, it is fitting that we meet up to the request of the students and the teachers at Marianas Baptist Academy. I thank you for accepting the short notice. For those who have made arrangements after the agreement to postpone the session, they are excused.

ADOPTION OF JOURNALS

Floor Leader Attao moved for the adoption of the Journals for the **8th Day** (11/21/02) **9th Day** (11/22/02), **10th Day** (11/27/02), **11th Day**, (12/13/02), *Second Regular Session Journals*; **1st Day**, Seventh Special Session, 2002, and **1st Day** (01/06/03), *Third Regular Session Journal*.

The motion was seconded.

Speaker Hofschneider: Discussion on the motion? Representative Palacios.

Rep. A. Palacios: For the record, I would like to submit some corrections.

Speaker Hofschneider: So noted. Any other comments on the adoption of journals?

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

Speaker Hofschneider: Motion carried. Before we continue I want to recognize every member here and we'll start with Representative Pete Castro. To the students this is Representative Pete Castro representing Precinct I; Representative Frank Aldan representing Precinct IV; Representative Martin Ada representing Precinct I; Representative Ben Seman representing Precinct I; Representative Stanley Torres Precinct III; and the Floor Leader Representative Jesus Attao Precinct III; Representative Oscar Babauta Precinct II; Representative Ray Tebuteb Precinct III; Representative Arnold Palacios Precinct III and Representative Joe Deleon Guerrero Precinct I, Saipan. Representatives from Rota and Tinian are excused. We have for Rota, Representative Danny Quitugua, and for Tinian, Representative Norman

Palacios. Also we have three officers of the House myself, the Floor Leader and the Vice Speaker who is ill, he has a bad cold. Manny Tenorio is the Vice Speaker of the House and is from Precinct I, Saipan.

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 13-245: A Bill for an Act to establish the CNMI Vocational Training Institute; to designate certain funds for the continuing support of the Institute; to amend 3 CMC Section 1305(b)(2) and 3 CMC 4424(c)(1); and for other purposes.

Offered by: Rep. Martin B. Ada
Referred to: Committee on Education

H. B. NO. 13-247: A Bill for an Act to punish the acts of forging or counterfeiting private labels and illegal possession and reproduction materials; and for other purposes.

Offered by: Rep. Stanley T. Torres

H. L. B. NO. 13-039: A Local Bill for an Act to re-appropriate the sum of One Hundred Twenty Thousand Dollars (\$120,000.00) from the fees collected under Saipan Local Law 11-2 and appropriated by Section 3.1. of Saipan Local Law 13-7, for the A & E design and construction of a social hall within the As Matuis community and the paving of a parking lot for the social hall; and for other purposes. [First Appearance]

Offered by: Rep. Francisco DLG. Aldan and one other

Speaker Hofschneider: Thank you. Any other bills? None.

PREFILED AND INTRODUCTION OF RESOLUTIONS

H. J. R. NO. 13-023: A House Joint Resolution to adopt the Articles of Incorporation of the Mariana Islands Legislatures Association. (REP. WILLIAM S. TORRES)

Speaker Hofschneider: Since, Representative William Torres is excused today, H. J. R. 13-023 shall appear again next session.

MESSAGES FROM THE GOVERNOR

GOV. COMM. 13-372 – December 13, 2002 – P.L. 11-6 notification of exemption for Golden Dragon Chinese Restaurant.

GOV. COMM. 13-373 – December 17, 2002 – P.L. 11-6 notification of exemption for S.T.a.R. Marianas, Inc.

GOV. COMM. 13-374 – December 17, 2002 – P.L. 11-6 notification of exemption for Century Travel Agency, Inc.

GOV. COMM. 13-375 – December 17, 2002 – P.L. 11-6 notification of exemption for Vision 21 Corporation.

GOV. COMM. 13-376 – December 17, 2002 – P.L. 11-6 notification of exemption for Image Home Video Production.

GOV. COMM. 13-377 – December 17, 2002 – P.L. 11-6 notification of exemption for Sonic International, Inc.

GOV. COMM. 13-381 – December 23, 2002 – P.L. 11-6 notification of exemption for Markikat Company dba Multiline Supply.

GOV. COMM. 13-382 – December 23, 2002 – P.L. 11-6 notification of exemption for JD's Corporation dba Bargain Center Retail & Wholesale.

GOV. COMM. 13-383 – December 23, 2002 – P.L. 11-6 notification of exemption for Saipan Sea Ventures, Inc.

GOV. COMM. 13-384 – December 23, 2002 – P.L. 11-6 notification of exemption for J. Scott Magliari Company.

GOV. COMM. 13-385 – December 23, 2002 – P.L. 11-6 notification of exemption for Rota Coconut Village.

GOV. COMM. 13-386 – December 23, 2002 - P.L. 11-6 notification of exemption for Rock Heart, Inc.

GOV. COMM. 13-388 – December 30, 2002 – P.L. 11-6 notification of exemption for Golden Bakery.

GOV. COMM. 13-389 – December 30, 2002 – P.L. 11-6 notification of exemption for R & C Tours Saipan, Inc.

GOV. COMM. 13-391 – December 26, 2002 – Appointment of Ms. Meliza S. Guajardo as the Scholarship Administrator.

GOV. COMM. 13-392 – January 2, 2003 – Directive No. 223 on Expansion of Expenditure Controls.

GOV. COMM. 13-393 – January 2, 2003 – P.L. 11-6 notification of exemption for Pacific Island Traders.

GOV. COMM. 13-394 – January 7, 2003 – Informing the Legislature that he signed H. L. B. NO. 13-035, D1 (\$750,000 for retroactive salary compensation) into **Saipan Local Law No. 13-11**.

GOV. COMM. 13-395 – January 8, 2003 – Informing the Legislature that he signed H. L. B. NO. 13-034 (re. \$185,000 for San Antonio Elementary School Walkway Cover), into **Saipan Local Law No. 13-12**.

GOV. COMM. 13-396 – January 8, 2003 – Informing the Legislature that he signed H. B. NO. 13-241 (re \$2 Million public debt for Rota infrastructure systems) into **Public Law No. 13-44**.

GOV. COMM. 13-397 – January 8, 2003 – Informing the Legislature that he signed H. B. NO. 13-065 (re. \$31,458 for Dandan Elementary School collateral equipment), into **Public Law No. 13-45**.

GOV. COMM. 13-398 – January 13, 2003 – Informing the Legislature that he signed S. B. NO. 13-57 (Disposition of Government Property Act f 2002) into **Public Law No. 13-46**.

GOV. COMM. 13-399 – January 17, 2003 – P.L. 11-6 notification of exemption for Blue Horizon Enterprises, Inc.

Rep. Babauta: Mr. Speaker?

The Chair recognized Representative Babauta.

Rep. Babauta: (Inaudible.)

Speaker Hofschneider: No objection. In fact all the Messages from the Governor shall remain for the next session.

SENATE COMMUNICATIONS

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the acceptance of SEN. COMM. 13-129, SEN. COMM. 13-130, SEN. COMM. 13-131, SEN. COMM. 13-132, SEN. COMM. 13-133, SEN. COMM. 13-134, SEN. COMM. 13-135, SEN. COMM. 13-136, SEN. COMM. 13-137, SEN. COMM. 13-138, SEN. COMM. 13-139, SEN. COMM. 13-140, SEN. COMM. 13-141, SEN. COMM. 13-142, SEN. COMM. 13-143, SEN. COMM. 13-144, SEN. COMM. 13-145, SEN. COMM. 13-146 and SEN. COMM. 13-147.

The motion was seconded.

SEN. COMM. 13-129 – Certified copy of S. R. NO. 13-31, commending six police officers upon their retirement, which the Senate adopted on November 27, 2002. [For inf.]

SEN. COMM. 13-130 – Transmittal of S. J. R. NO. 13-12, entitled, “A Senate Joint Resolution to respectfully request that the United States Department of Defense increase its military presence on the island of Tinian so that the United States Army, United States Navy, United States Air Force, and United States Marine Corps are better prepared to implement the United States Homeland Security Program,” which the Senate adopted on January 16, 2003. [For action]

SEN. COMM. 13-131 – Transmittal of S. J. R. NO. 13-13, entitled, “A Senate Joint Resolution to respectfully request the United States House of Representatives to convey non-voting delegate status to the Commonwealth of the Northern Mariana Islands,” which the Senate adopted on January 16, 2003. [For action]

SEN. COMM. 13-132 – Transmittal of S. J. R. NO. 13-14, entitled, “A Senate Joint Resolution extending appreciation to and commending the Honorable Judge Virginia S. Sablan-Onerheim for her dedication and diligence in serving the Commonwealth of the Northern Mariana Islands with distinction as an Associate Judge of the Commonwealth Superior Court and for her lifelong dedication to the issues

and concerns of the people of the Commonwealth of the Northern Mariana Islands,” which the Senate adopted on January 16, 2003. [Calendared and Adopted]

SEN. COMM. 13-133 – Transmittal of S. B. NO. 13-35, SD3, entitled, “A Bill for an Act to amend 4 CMC § 8141(d) regarding utility rates; and for other purposes,” which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-134 – Transmittal of S. B. NO. 13-106, entitled, “A Bill for an Act to establish a Civilian Volunteer Police Reserve Unit to assist the Department of Public Safety in the exercise of its duties and responsibilities,” which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-135 – Transmittal of S. B. NO. 13-112, entitled, “A Bill for an Act to amend 2 CMC § 3412(d) to clarify the duties and responsibilities of the Department of Public Safety and the Department of Public Health and Environmental Service by transferring the responsibility of removing the carcasses of dead animals found on public roads from the Department of Public Safety to the Department of Public Health and Environmental Services,” which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-136 – Transmittal of S. B. NO. 13-116, entitled, “A Bill for an Act to establish reasonable restrictions on manner and location of the operation of poker machines; and for other purposes,” which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-137 – Transmittal of S. B. NO. 13-118, entitled, “A Bill for an Act to amend Section 6(e) of Public Law 12-12 to clarify the scope of the Department of Lands and Natural Resources’ authority to promulgate regulations in the furtherance of fundamental management policies pertaining to marine conservation areas to ensure that such regulations do not restrict the rights of person to engage in non-commercial net-fishing, provided that such right be restricted to non-commercial net-fishing for the purpose of obtaining fish for personal or immediate family consumption; and for other purposes; to amend Section 3 of Public Law 12-14 to also ensure that the definition of ‘non-traditional fishing methods’ is not misinterpreted to include non-commercial net-fishing; and for other purposes,” which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-138 – Transmittal of S. B. NO. 13-119, entitled, “A Bill for an Act to amend PL 10-84 to allow a gradual phase-out of cattle ranching in the Marpi Commonwealth Forest; and for other purposes,” which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-139 – Transmittal of S. B. NO. 13-120, entitled, “A Bill for an Act to amend 4 CMC § 5554 of the Alcoholic Beverage Control Act to allow ‘on-sale’ licensees, those licensees permitted to sale alcoholic beverages for consumption on the premises of the seller, to remain open for business until four a.m. in the morning; provided however, that the selling and serving of alcoholic beverages shall cease at two a.m. in the morning; and for other purposes,” which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-140 – Transmittal of S. B. NO. 13-122, entitled, “A Bill for an Act to amend Public Law 13-38; and for other purposes,” which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-141 – Transmittal of S. B. NO. 13-123, entitled, “A Bill for an Act authorizing the Marianas Public Lands Authority to grant land title, in fee simple and free of any encumbrance, to those persons whose homestead property on Rota was destroyed or damaged by Typhoon Chata’an and Super-Typhoon Pongsona so that such persons may use such land as collateral to borrow money from

the United States Small Business Administration or other financial institutions for the purpose of repairing their homestead property; to require that a two-year additional grace period be given for recipients of homestead lots in the completion of their improvements to compensate for the damages done to their property by Typhoon Chata'an and Super-Typhoon Pongsona; and for other purposes," which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-142 – Transmittal of S. B. NO. 13-124, SD1, entitled, "A Bill for an Act to exempt the Mayors of the Municipalities of Rota, Tinian and Aguiguan, Saipan, and the Northern Islands from permit applications and fees required in performing their duties by amend § 2649 Division Chief: Rules and Regulations: Exemption from Regulations and § 1532 Coastal Resource Management: Permit Process; and for other purposes," which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-143 – Transmittal of S. B. NO. 13-125, entitled, "A Bill for an Act to amend 1 CMC § 1402 of 'The Local Law Act of 1983' to clarify the definition of the term 'Local bill' to ensure that legislation enacted by a legislative delegation for a particular senatorial district is limited in scope, effect and applicability to the senatorial district and to ensure that any such legislation does not unlawfully affect, indirectly or directly, another senatorial district," which the Senate passed on January 16, 2003. [For action]

SEN. COMM. 13-144 – Certified copy of S. R. NO. 13-32, entitled, "A Senate Resolution extending appreciation to and commending KP Company, Limited, for their effort and contribution to a cleaner and safer environment in the Commonwealth by initiating the free collection and disposal of certain heavy metal materials a that posed a threat to the esthetic and environmental beauty of the Commonwealth." [For inf.]

SEN. COMM. 13-145 – Certified copy of S. J. R. NO. 13-33, "A Senate Resolution to request the Marianas public Lands Authority and the Department of Public Works to expedite the implementation of Public Law 13-17, 'the Land Compensation Act of 2002,' as amended by public Law 13-25, by prioritizing the creation of severance maps and property value appraisals for those private lands to be used to complete the Rota Route 100 road project." [For inf.]

SEN. COMM. 13-146 – Return of H. B. NO. 13-148, "Employment and Labor Services Act of 2002," which the Senate passed without amendment on January 16, 2003. [At the Governor (1/31-3/12/03)]

SEN. COMM. 13-147 – Return of H. B. NO. 13-238, re. Tinian Airport Appropriation and Application of Funds (Amending PL 12-23), which passed the Senate without amendment on January 16, 2003. [At the Governor (1/31-2/20/03)]

There was no discussion, and the motion to accept SEN. COMM. 13-129, SEN. COMM. 13-130, SEN. COMM. 13-131, SEN. COMM. 13-132, SEN. COMM. 13-133, SEN. COMM. 13-134, SEN. COMM. 13-135, SEN. COMM. 13-136, SEN. COMM. 13-137, SEN. COMM. 13-138, SEN. COMM. 13-139, SEN. COMM. 13-140, SEN. COMM. 13-141, SEN. COMM. 13-142, SEN. COMM. 13-143, SEN. COMM. 13-144, SEN. COMM. 13-145, SEN. COMM. 13-146 and SEN. COMM. 13-147 was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move to place SEN. COMM. 13-132 on today's calendar.

The motion was seconded. There was no discussion, and the motion to place S. J. R. 13-14 reference to SEN. COMM. 13-132 on the calendar was carried by voice vote.

Speaker Hofschneider: Motion carried. I'd like to ask the indulgence of the members to skip the following order of business (Items 7 thru 11) and move down to Resolution Calendar. But before that, Representative Stanley Torres?

Rep. S. Torres: I'd like to request that all Messages from the Governor on today's agenda to remain on the agenda for our next session.

Speaker Hofschneider: So noted. We have with us the Vice Speaker of the House, Representative Manny Tenorio. Vice Speaker Tenorio, please rise for the students -- we have MBA students.

Vice Speaker Tenorio: Mr. Speaker, privilege.

Speaker Hofschneider: You're excused.

Vice Speaker Tenorio: I'd like the record to reflect that I'm present for today's session.

HOUSE COMMUNICATIONS

HSE. COMM. 13-39 – Rep. Arnold Palacios' request for a joint committee assignment of H. B. NO. 13-231; approved by the Speaker and jointly referred to W&M.

HSE. COMM. 13-40 – Rep. Pete Castro's trip report for the period of January 5-6, 2003.

There was no discussion.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

None

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

None

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT. & AGENCY COMM. 13-121 – From Commerce Secretary Fermin Atalig, re. CNMI's quarterly economic indicators for July-September 2002.

DEPT. & AGENCY COMM. 13-122 – Commonwealth Register Vol. 24, No. 12: RE. Poker, Land Claims, CRM, PSS, CHC, and Scholarship.

DEPT. & AGENCY COMM. 13-123 – January 3, 2003 – From Public Auditor Mike Sablan, submitting a draft report regarding the termination of 11 employees from NMC.

DEPT. & AGENCY COMM. 13-124 – January 3, 2003 – From DLNR Secretary Tom Pangelinan transmitting the proposed CIP for DLNR.

DEPT. & AGENCY COMM. 13-125 – January 6, 2003 – From MPLA Acting Commissioner Frank Eliptico submitting comments of H. B. NO. 13-114.

DEPT. & AGENCY COMM. 13-126 – January 7, 2003 – From Personnel Director Juan I. Tenorio regarding PL 13-1.

DEPT. & AGENCY COMM. 13-127 – January 8, 2003 – From Finance Secretary Villanueva providing a copy of a comprehensive “Property Management Policy and Procedures Manual.

DEPT. & AGENCY COMM. 13-128 – January 14, 2003 – From Mr. Francisco S. Ada, Acting Director of Personnel, providing a copy of FY 2002 Annual Report on Personnel Management and FY 2003 Personnel Management Plan.

There was no discussion.

OTHER COMMUNICATIONS

MISC. COMM. 13-94 – December 11, 2002 – From Ms. Marcia Hartsock, Hawaii Kids Count, enclosing a copy of the report by the Population Reference Bureau and the Annie E. Casey Foundation of *Children in the CNMI*.

MISC. COMM. 13-95 – December 12, 2002 – From Ms. Frances Muña, SNIMC Administrative Officer, transmitting a copy of 7SMC-4RS-65 and 7SMC-4RS-66.

MISC. COMM. 13-96 – December 27, 2002 – From Lt. Gov. Benavente regarding 902 talks scheduled for January 8, 2003.

MISC. COMM. 13-97 – January 3, 2003 – From Mayor Valentin Taisacan submitting comments on H. B. NO. 13-188, H. L. I. NO. 13-008 and H. L. I. NO. 13-009.

MISC. COMM. 13-98 – January 6, 2003 – From Mayor Juan Tudela regarding the Saipan Street Project status and funding.

MISC. COMM. 13-99 – January 8, 2003 – From Mayor Juan B. Tudela regarding funding for heavy equipment.

MISC. COMM. 13-100 – January 6, 2003 – From HAMNI President Ronald Sablan requesting for an amendment to PL 13-38, specifically the no-smoking restriction.

There was no discussion.

REPORTS OF STANDING COMMITTEES

None

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: Mr. Speaker, before we proceed can we assign a number for the bill that was introduced by Representative Stanley Torres?

Speaker Hofschneider: We have – H. B. NO. 13 13-247. It's being passed around. What you have in front of you is the same bill. Please ink it in – H. B. NO. 13-247 – and the photocopies would be provided to the students as we try and save paper. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the adoption of the S. J. R. 13-14.

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

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of S. J. R. 13-14.

The motion was seconded by Rep. Babauta.

S. J. R. 13-14: A SENATE JOINT RESOLUTION EXTENDING APPRECIATION TO AND COMMENDING THE HONORABLE JUDGE VIRGINIA S. SABLAN-ONERHEIM FOR HER DEDICATION AND DILIGENCE IN SERVING THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS WITH DISTINCTION AS AN ASSOCIATE JUDGE OF THE COMMONWEALTH SUPERIOR COURT AND FOR HER LIFELONG DEDICATION TO THE ISSUES AND CONCERNS OF THE PEOPLE OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

Speaker Hofschneider: Motion for the adoption of S. J. R. 13-14 has been seconded. Discussion on the joint resolution? Any comments? Representative Babauta.

Rep. Babauta: Thank you, Mr. Speaker. Mr. Speaker, several years ago, we, the people of the Commonwealth, have overwhelmingly supported a legislative initiative to permanently include the Supreme Court of the Judicial Branch into our CNMI Constitution. In that legislative initiative, there is a provision provided for a question to be placed on the ballot for the retention of justices and judges upon expiration of their initial term. It's sad that the outcome of the last election met the number of required votes from the people not to retain the Honorable Judge Virginia Sablan-Onerheim. It is fitting that we rise and honor a resident, a citizen and indigenous person of the Commonwealth to partake in the delivery of justice to our CNMI citizens. Judge Sablan-Onerheim has initiated the administration of the so-called Family Court in its inception. I join the House members and the Senate in commending her for her vital role in addressing social problems that comes to her chamber. With that, Mr. Speaker, I wish Judge Sablan-Onerheim and her family the best in whatever endeavor and goal she would be pursuing in the near future. Thank you.

Speaker Hofschneider: Since we're having this regular session as an exercise for the students – for you students, this is an interesting issue that perhaps by way of your teachers and class should take up and look into it. The issue here is that once a judge is first appointed and sits for six-year term, the Constitution requires that a judge wishing to remain as a judge upon the expiration of the six-year term, his or her name should be placed on the ballot during an election for the question of retention before the expiration of his or her six-year term. We have two exercises in the past. One is former Judge Tim Bellas and the next one is obviously Judge Virginia Sablan-Onerheim. The issue here is whether the Legislature should consider a legislative initiative to make it harder for you, the voting public, to oppose or to support retaining a judge. Now it's a simple majority and it's obvious that the last two judges that were placed on the ballot were not supported by the voters to remain as a judge for a subsequent term. Should the Legislature and should the people make it harder for a judge to be considered to remain on the bench?—That's a good topic for you all to talk about in class and also raise as a concern. Any other comment? Ready on the resolution?

Several members voiced, “ready.”

Speaker Hofschneider: There are two ways to adopt a resolution. One way is to just have a voice vote – yea or nay – or a roll call vote and in this case, we go through the exercise of asking the clerk to take the roll. Clerk.

The roll called on the motion to adopt S. J. R. 13-14 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	excused
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	excused
Rep. Daniel O. Quitugua	excused
Rep. Andrew S. Salas	excused
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	abstained
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 11 “yes”, 1 “abstention”, S. J. R. NO. 13-14 is hereby adopted by the House. Vice Speaker?

Vice Speaker Tenorio: Mr. Speaker, if there's no objection from the members, I'd like to request that we go back to Item 3, Prefiled and Introduction of Resolutions on our Agenda.

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

PREFILED AND INTRODUCTION OF RESOLUTIONS

The Chair recognized the Vice Speaker.

H. R. NO. 13-024: A House Joint Resolution respectfully urging the United States Congress to authorize the amount of \$10,000,000.00 earmarked for CNMI construction for Fiscal Year 2003 be reprogrammed for disaster assistance and hazard mitigation grants and for government operation of the Northern Mariana Islands.

Offered by: Rep. Manuel A. Tenorio
 Referred to: Committee on United States and Foreign Affairs

Vice Speaker Tenorio: Mr. Speaker, may I ask if we could act on this by our next session on Friday?

Speaker Hofschneider: We have an agreement and policy in the House that any bill or a resolution relating to federal agencies or the U.S. Congress is to be reviewed appropriately by the counsels.

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the passage of H. B. NO. 13-247 on First Reading.

The motion was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-247 on First Reading only.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-247: A BILL FOR AN ACT TO PUNISH THE ACTS OF FORGING OR COUNTERFEITING PRIVATE LABELS AND ILLEGAL POSSESSION AND REPRODUCTION MATERIALS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: Motion for the passage of H. B. NO. 13-247 on First Reading has been seconded. Discussion on the bill? For the benefit of the students, may we ask the author to enlighten us, and the students as to the purpose of the bill?

Rep. S. Torres: Mr. Speaker, the bill that we have in front of us now is a product of merchandise that are being brought into the Commonwealth not of rightful owners, labels and trademarks. We do not have such statute or law in our book so this is the right time to introduce a bill to protect private labels, whether products produced in the CNMI or being brought in from outside the Commonwealth. Thank you.

Speaker Hofschneider: Again, for the benefit of the students, as the title states this is a counterfeit bill. So when you go down to gift shops that are not authorized to sell Prada bags, Gucci, Nike and you think you're getting a good deal for a Nike Shoes for \$20.00 perhaps it's time to look into whether those are legitimate and genuine labeled product. We have over the years, records of confiscations of Rolex watches that are counterfeit and luxury bags and luxury items that have been duplicated or copied and they're not necessarily genuine. It has in fact been hurting businesses that are legitimate and carry the name brand or the trademarks. They pay the taxes when they import those products. For some reason,

the fake copies that come by way of other nations or countries get through the ports, as a result declaring the value of those goods as being cheaper than the genuine products and we're talking about – name brands. And like the author, Representative Stanley Torres states, this also includes local products. So perhaps when you have written a song and you have a CD out and someone copies it and sells it, is that a counterfeit? And if that is the intention of the author, we should look into whether that's a trademark problem. So this is a protection for you, the consumers in general. And since we're just going through the exercise of passing a bill – what we do is pass it on First Reading, meaning it will stay on the Bill Calendar for the final vote next time. So this is just going to allow you to see the process of the bill being introduced and dated and then passed on First Reading. Any other comments on the bill? Representative Ada.

Rep. Ada: (Inaudible)...genuine tapes and we have other shops who are duplicating these. Everybody has gone through this – has been renting videotapes and have seen it. When you rent a videotape and you don't see the original label, you know what an original label is like, and so that's why. This has been an on going problem and I've been approached by shop owners. They're really hurting out there and to my colleague, thank you for introducing this. I think it's about time.

The Chair recognized Representative Palacios.

Rep. A. Palacios: One question. The bill is timely and I fully support the intent. Having said that, I wonder under what authority then do our Custom Officers have when confiscating all these *other declared counterfeit items*. Apparently, there's a statute in the book already that authorizes them to confiscate. I looked at the bill and a cursory review of the bill shows that there are penalty provisions, which is good. But I was just wondering under what authority have our Custom Officers been confiscating all these counterfeit Gucci bags and whatnot in the past. Like I said, this is a timely bill and I believe it expands the authority when there's a penalty clause.

Speaker Hofschneider: We have in our laws under smuggling so that's a different precept. What we're trying to do with this bill is those that are sold or have made it through the ports of entry, at the seaport or airport, and have made it to the stores retail on the assumption that it is a genuine product. This is what the Representative is trying to provide for in our books and those items that have manufactured and duplicated here on island without the authorization of the proper owner. Representative Ada?

Rep. Ada: (Inaudible.)

Speaker Hofschneider: Thank you. Ready? Representative Tebuteb.

Rep. Tebuteb: (Inaudible.)

Speaker Hofschneider: We'll take that under advice. Ready? We're voting on H. B. NO. 13-247 on First Reading only. Clerk, roll call. Before the roll call, I want to recognize the presence of Representative William Torres – please stand for the students – representative of Precinct III, Saipan. Roll call.

The roll called on the motion to pass H. B. NO. 13-247 on First 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	excused

Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	excused
Rep. Daniel O. Quitugua	excused
Rep. Andrew S. Salas	excused
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	yes
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 13 “yes”, H. B. NO. 13-247 is hereby passed by the House on First Reading. For the students, if the motion was for First and Final Reading then that bill is considered final passage by the House and it will be forwarded to the Senate. But just to show you the process, the motion that was made by the Floor Leader was to pass it on First Reading. That means that at the next session, the same bill will appear on the Bill Calendar and any member can raise discussion on the bill again before we vote on it for it’s final disposition. With that, Floor Leader, recess until Friday.

Floor Leader Attao: I move to recess until Friday at 10:00 a.m.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: The motion to recess until Friday at 10:00 a.m. has been seconded. Before I recognize that motion – thank you to all you students for coming, and Mr. Villagomez, please help the students to refreshments that we have provided on behalf of the House.

The motion to recess until Friday, February 7, 2003 at 10:00 a.m. was seconded and carried by voice vote.

The House recessed at 10:57 a.m.

Respectfully submitted,

Lavida S. Palacios, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

None