



House Journal

THIRD REGULAR SESSION, 2003

Fifth Day

March 6, 2003

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its **Fifth Day, Third Regular Session**, on **Thursday, March 6, 2003**, at **10:29 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.

Floor Leader Attao: Mr. Speaker, can I ask the members to include in their prayers the speedy recovery of our two who are colleagues in the Philippines for medical treatment.

A moment of silence was observed.

The clerk called the roll. Fourteen members were present; Representatives Martin B. Ada, Herman T. Palacios, and Manuel A. Tenorio were excused and Representative Francisco DLG. Aldan came in late.

Speaker Hofschneider: Representatives Aldan and Ada are excused for an emergency. Representatives Palacios and Tenorio are still hospitalized and therefore, they are excused.

ADOPTION OF JOURNALS

Floor Leader Attao moved for the adoption of the Journal for the 2nd Day, Third Regular Session, was seconded and carried by voice vote.

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 13-255: A Bill for an Act to designate public land located at the site of the former Samoan Housing in Garapan for the development of an attractively landscaped system of constructed ponds and wetlands; and for other purposes.

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

H. B. NO. 13-256: A Bill for an Act to designate and transfer titles of public land parcels to the Department of Community and Cultural Affairs for permanent sites of CNMI motorcross and auto-racing tracks; and for other purposes.

Offered by: Rep. Pedro P. Castro
Referred to: Committee on Natural Resources

H. B. NO. 13-257: A Bill for an Act to make it illegal to operate an automotive repair shop in the village homestead sub-division; and for other purposes.

Offered by: Rep. Pedro P. Castro

H. B. NO. 13-258: A Bill for an Act to repeal and re-enact all applicable laws relating to nomination and confirmation of members; and for other purposes.

Offered by: Rep. Pedro P. Castro

Referred to: Committee on Judiciary & Governmental Operations

H. B. NO. 13-259: A Bill for an Act to deposit any and all capital improvement projects fund balances into a special account for each senatorial district; and for other purposes.

Offered by: Rep. Pedro P. Castro

Referred to: Committee on Ways and Means

H. B. NO. 13-260: A Bill for an Act to impose liability and responsibility on non-resident workers for causes arising from personal acts; and for other purposes.

Offered by: Rep. Pedro P. Castro

H. B. NO. 13-261: A Bill for an Act to reduce the non-resident workers renewal documentation requirements; and for other purposes.

Offered by: Rep. Pedro P. Castro

Referred to: Sub-Committee on Labor & Immigration

H. B. NO. 13-262: A Bill for an Act to protect pedestrians in the Commonwealth by establishing safe limits on motor vehicle window tinting.

Offered by: Rep. Benjamin B. Seman

Referred to: Committee on Judiciary & Governmental Operations

H. B. NO. 13-263: A Bill for an Act to repeal and re-enact the early retirement benefits for Class I members (1 CMC § 8342(a)); and for other purposes.

Offered by: Rep. Benjamin B. Seman and two others

Referred to: Committee on Ways and Means

H. B. NO. 13-264: A Bill for an Act to re-appropriate fund balances from Public Laws 9-1 and 10-38; and for other purposes.

Offered by: Rep. Jesus T. Attao and two others

H. B. NO. 13-265: A Bill for an Act to amend the Northern Mariana Islands Retirement Act of 1988; and for other purposes.

Offered by: Rep. Heinz S. Hofschneider

Referred to: Committee on Ways and Means

Speaker Hofschneider: And by way of compromising with the Senate...

H. B. NO. 13-266: A Bill for an Act to appropriate Five Hundred Thousand Dollars (\$500,000.00) for the completion of the Rota Route 100 Road Project in the First Senatorial District; to appropriate Five Hundred Thousand Dollars (\$500,000.00) for the completion of the Water Reservoir Project in the Second Senatorial District; and for other purposes.

Offered by: Rep. Heinz S. Hofschneider

H. L. I. NO. 13-010: A House Legislative Initiative to amend Article XI of the Constitution of the Northern Mariana Islands to assure that the revenues from public lands are used for the benefit of the people of the Commonwealth who are of Northern Mariana Islands descent and to provide for the payment of a dividend from such revenues to such people.

Offered by: Rep. Oscar M. Babauta
Referred to: Committee on Ways and Means

Rep. Babauta: For the record, Mr. Speaker, this is introduced by request.

H. L. I. NO. 13-011: A House Legislative Initiative to amend Article XI Section 6 (d) of the Constitution of the Commonwealth of the Northern Mariana Islands to require the Marianas Public Land Trust to disburse earnings from MPLT investments to persons of Northern Mariana Islands descent.

Offered by: Rep. Daniel O. Quitugua
Referred to: Committee on Ways and Means

H. L. I. NO. 13-012: A House Legislative Initiative to amend Article III, Section 20 of the NMI Constitution to protect and to ensure the integrity of the government retirement system.

Offered by: Rep. Heinz S. Hofschneider
Referred to: Committee on Ways and Means

Speaker Hofschneider: This initiative is providing language so that no law shall be made that creates an unfunded obligation of the Commonwealth to the retirement system.

PREFILED AND INTRODUCTION OF RESOLUTIONS

H. R. NO. 13-115: A House Resolution recognizing the outstanding achievements and service of The Honorable Edward Manibusan, Presiding Judge of The Superior Court of the Northern Mariana Islands.

Offered by: Rep. Heinz S. Hofschneider and seventeen others

Rep. Babauta: Introduced by the Committee of the Whole, Mr. Speaker.

Speaker Hofschneider: Committee of the Whole. Thank you.

H. R. NO. 13-116: A House Resolution recognizing and congratulating Kagman High School Student Miss Alvie Omega Sanchez for making the 2002-2003 National Honor Roll list for her excellent academic achievement, and for bringing global recognition and honor to the people of the CNMI.

Offered by: Rep. Pedro P. Castro and four others

H. R. NO. 13-117: A House Resolution respectfully requesting the rock quarry establishments to provide the Mayor of Saipan special rates on rock quarry products, equipment rentals and services.

Offered by: Rep. Pedro P. Castro and four others

H. R. NO. 13-118: A House Resolution to extend our utmost congratulations to Mr. Alexander A. Sablan the recipient of the 2002 Chamber of Commerce Business Person of the Year Award.

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

H. R. NO. 13-119: A House Resolution requesting the Board of Directors of the Marianas Public Lands Authority to designate at least half of lot 076D18 to the Public School System to build a permanent Garapan Headstart Center.

Offered by: Rep. Ramon A. Tebuteb and twelve others

H. R. NO. 13-120: A House Resolution to request Governor Juan N. Babauta to explore the implementation of Electronic Tax filing system provided through the Free File Alliance.

Offered by: Rep. Oscar M. Babauta and three others

H. J. R. NO. 13-027: A House Joint Resolution to support United States Congress H. R. 675, to remove the cap on Medicaid payments and to adjust the Medicaid statutory matching rate for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands and American Samoa.

Offered by: Rep. Ramon A. Tebuteb and twelve others

MESSAGES FROM THE GOVERNOR

GOV. COMM. 13-402 – 1/31/03 – Certification of annual salary in excess of \$50,000 for Dr. Adrian Brenn.

GOV. COMM. 13-403 – 1/31/03 – Certification of annual salary in excess of \$50,00 for Dr. Vanessa Ince.

GOV. COMM. 13-404 – 1/31/03 – P.L. 11-6 notification of exemption for Real Live Fish Restaurant.

GOV. COMM. 13-405 – 2/3/03 – P.L. 11-6 notification of exemption for TJD (CNMI), Inc.

GOV. COMM. 13-406 – 2/3/03 – P.L. 11-6 notification of exemption for Blue Jasper Corporation.

GOV. COMM. 13-407 – 2/3/03 – P.L. 11-6 notification of exemption for Solid Builders.

GOV. COMM. 13-408 – 2/3/03 – P.L. 11-6 notification of exemption for the Department of Public Health.

GOV. COMM. 13-409 – 2/3/03 – P.L. 11-6 notification of exemption for Pacific Utility Construction.

GOV. COMM. 13-410 – 2/3/03 – P.L. 11-6 notification of exemption for FC Auto Repair Shop.

GOV. COMM. 13-411 – 2/3/03 – P.L. 11-6 notification of exemption for Saipan Sunset Cruise.

GOV. COMM. 13-412 – 2/3/03 – P.L. 11-6 notification of exemption for Masa Shiatsu Studio.

GOV. COMM. 13-413 – 2/3/03 – P.L. 11-6 notification of exemption for Equitable Adjusting & Service company.

GOV. COMM. 13-414 – 2/3/03 – P.L. 11-6 notification of exemption for Seokjung Restaurant.

GOV. COMM. 13-415 – 2/10/03 – P.L. 11-6 notification of exemption for Dandan Driving Range.

GOV. COMM. 13-416 - 2/10/03 – P.L. 11-6 notification of exemption for Aqua Del Rey Saipan, Inc.

GOV. COMM. 13-417 – 2/10/03 – P.L. 11-6 notification of exemption for Pacific Star Enterprise.

GOV. COMM. 13-418 – 2/10/03 – P.L. 11-6 notification of exemption for C & R Corporation.

GOV. COMM. 13-419 – 2/12/03 – P.L. 11-6 notification of exemption for the Department of Public Health.

GOV. COMM. 13-420 – 2/13/03 – P.L. 11-6 notification of exemption for Khaza Restaurant.

GOV. COMM. 13-421 – 2/13/03 – P.L. 11-6 notification of exemption for TDI Top Development Inc.

GOV. COMM. 13-422 – 2/12/03 – P.L. 11-6 notification of exemption for Lucky R Restaurant.

GOV. COMM. 13-423 – 2/12/03 – P.L. 11-6 notification of exemption for New Rainbow Pacific Corporation.

GOV. COMM. 13-424 – 1/31/03 – P.L. 11-6 notification of exemption for Visitors Channel.

GOV. COMM. 13-425 – 1/31/ 03 – P.L. 11-6 notification of exemption for Pacific Island Aviation.

GOV. COMM. 13-426 – 1/31/03 – P.L. 11-6 notification of exemption for SNM Corporation.

GOV. COMM. 13-427 – 1/17/03 – P.L. 11-6 notification of exemption for the Department of Public Health.

GOV. COMM. 13-428 – 1/16/03 – P.L. 11-6 notification of exemption for Children’s World Day Care.

GOV. COMM. 13-429 – 1/16/03 – P.L. 11-6 notification of exemption for Aims Plus.

GOV. COMM. 13-430 – 1/16/03 – P.L. 11-6 notification of exemption for Pacific Destinations, Inc.

GOV. COMM. 13-431 – 1/10/03 – P.L. 11-6 notification of exemption for Hit Tours Saipan, Inc.

GOV. COMM. 13-432 – 1/2/03 – P.L. 11-6 notification of exemption for ASG Corporation.

GOV. COMM. 13-433 – 1/2/03 – P.L. 11-6 notification of exemption for Pacific Utility Construction.

GOV. COMM. 13-434 – 12/31/02 – P.L. 11-6 notification of exemption for Pacific Utilities Corporation.

GOV. COMM. 13-435 – 12/31/02 – P.L. 11-6 notification of exemption for Saipan Diamond Hotel.

GOV. COMM. 13-436 – 12/31/02 – P.L. 11-6 notification of exemption for Sai-Chi International Inc.

GOV. COMM. 13-437 – 12/31/02 – P.L. 11-6 notification of exemption for Bianca International, Inc.

GOV. COMM. 13-438 – 12/31/02- P.L. 11-6 notification of exemption for Energy Corporation

GOV. COMM. 13-439 – 12/30/02 - P.L. 11-6 notification of exemption for Chun Hwa Corporation.

GOV. COMM. 13-440 – 12/30/02 – P.L. 11-6 notification of exemption for Jade International Inc.

GOV. COMM. 13-441 – 12/30/02 – P.L. 11-6 notification of exemption for L.C. Corporation.

GOV. COMM. 13-442 – 2/14/03 – Invitation to Puerto Rico Dump Closure & Marpi Landfill Opening Ceremony.

GOV. COMM. 13-443 – 2/12/03 – P.L. 11-6 notification of exemption for New Rainbow Pacific Corporation.

GOV. COMM. 13-444 – 2/12/03 – P.L. 11-6 notification of exemption for Lucky R. Restaurant.

GOV. COMM. 13-445 – 2/13/03 – P.L. 11-6 notification of exemption for Khaza Restaurant.

GOV. COMM. 13-446 – 2/13/03 – P.L. 11-6 notification of exemption for TDI Top Development, Inc.

GOV. COMM. 13-447 – 2/12/03 – P.L. 11-6 notification of exemption for the Department of Public Health.

GOV. COMM. 13-448 – 2/18/03 – P.L. 11-6 notification of exemption for golden Harvest Chinese Restaurant.

GOV. COMM. 13-449 – 2/18/03 – P.L. 11-6 notification of exemption for Pacific Rainbow CNMI.

GOV. COMM. 13-450 – 2/18/03 – P.L. 11-6 notification of exemption for FC Auto Repair Shop.

GOV. COMM. 13-451 – 2/19/03 – Submitting proposed legislation to reduce government spending, enhance revenues, and stimulate economic activity.

GOV. COMM. 13-452 – 2/19/03 – Delegation of Authority to Lt. Governor Benavente. (Gov. Office)

GOV. COMM. 13-453 – 2/14/03 – Delegation of Authority to Mr. Mark S. Pangelinan. (EMO)

GOV. COMM. 13-454 – 2/21/03 – Delegation of Authority to Sen. President Manglona. (Gov. Office.)

GOV. COMM. 13-455 – 2/21/03 – P.L. 11-6 notification of exemption for the Commonwealth Utilities Corporation.

GOV. COMM. 13-456 – 2/21/03 – P.L. 11-6 notification of exemption for Kagman High School.

GOV. COMM. 13-457 – 2/21/03 – P.L. 11-6 notification of exemption for AFH Inc.

GOV. COMM. 13-458 – 2/21/03 – P.L. 11-6 notification of exemption for Hotel Nikko Saipan, Inc.

GOV. COMM. 13-459 – 2/21/03 – P.L. 11-6 notification of exemption for EFC Engineers & Architects Corporation.

GOV. COMM. 13-460 – 2/28/03 – P.L. 11-6 notification of exemption for Yodan Enterprises, Inc.

GOV. COMM. 13-461 – 2/28/03 – P.L. 11-6 notification of exemption for Mandara Spa.

GOV. COMM. 13-462 – 2/28/03 – P.L. 11-6 notification of exemption for Saipan Sunzen Co., Ltd.

GOV. COMM. 13-463 – 2/28/03 – P.L. 11-6 notification of exemption for Joy Clinic & Acupuncture, Inc.

GOV. COMM. 13-464 – 2/28/03 – P.L. 11-6 notification of exemption for Asia Pacific Overseas, Inc.

GOV. COMM. 13-465 – 2/21/03 – Delegation of Authority to Sen. President Manglona. (Gov. Office)

GOV. COMM. 13-466 – 2/28/03 – P.L. 11-6 notification of exemption for ASG Corporation.

GOV. COMM. 13-467 – 2/28/03 – P.L. 11-6 notification of exemption for Micro-Environmental Services.

Speaker Hofschneider: Any comment on the messages from the Governor so that we may dispose of these messages this session? Representative Stanley Torres?

Rep. S. Torres: Mr. Speaker, I'm not ready yet. Can we wait for the Floor Leader?

Speaker Hofschneider: Well, I want to direct the attention of the members to GOV. COMM. 13-459, P. L. 11-6 notification of exemption, and similar messages from the Governor. If there are no comments today, can we agree to dispense of these communications? Otherwise, if you have comments please address them now so that we can clean up the agenda. We've been keeping these things...

Rep. S. Torres: Mr. Speaker, may I ask that we see these exemptions again on the next session?

Rep. Babauta: No objection.

Speaker Hofschneider: No objection. Thank you. Clerk, all messages from the Governor will reappear.

SENATE COMMUNICATIONS

None

HOUSE COMMUNICATIONS

HSE. COMM. 13-42 – 1/23/03 – From Rep. Torres re. H. B. NO. 13-202.

HSE. COMM. 13-43 – Ways & Means Committee Status Report of measures as of 1/2/03.

HSE. COMM. 13-44 – 1/23/03 – From Rep. Quitugua regarding the Kagman High School textbook issue.

HSE. COMM. 13-45 – 2/5/03 – From Rep. Stanley Torres to Mr. Vincent Seman, regarding NMC Politics and media remarks.

HSE. COMM. 13-46 – 2/7/03 – From Rep. Salas regarding the assignment of legal counsel and legislative assistant to the Commerce Committee.

HSE. COMM. 13-47 – 12/30/02 – From Rep. Arnold Palacios requesting the reassignment of H. B. NO. 13-166 to the Committee on Ways and Means.

HSE. COMM. 13-48 – 2/19/03 – From Rep. Aldan attaching a copy of MVA's comprehensive travel industry update report.

Speaker Hofschneider: Any comment? Representative Babauta.

Rep. Babauta: Thank you. Since I'm a member of the Committee on Commerce, I wonder whether or not the request of Chairman Salas on HSE. COMM. 13-46 has been met?

Speaker Hofschneider: I will take that up. Representative Salas, if you care to – have you resolved that?

Rep. Salas: Mr. Speaker, I think we need to meet.

Speaker Hofschneider: Okay. Thank you. Representative Arnold Palacios?

Rep. A. Palacios: I was hoping, Mr. Speaker, to get some clarification on HSE. COMM. 13-48. This is a communication from our Chairman of the Committee on Tourism. He's not here but perhaps you can clarify some of my concerns. I've looked at this travel industry update report and it's very informative. Having said that, I want to pose some queries relative to the performance of MVA with regards to the \$2.6 million that we've allotted them the last year for marketing and promotional purposes. I want to get at least a preliminary assessment of the types of promotional and marketing activities that MVA has expended these funds on. I don't believe the report that was submitted to us gave us any indication of such and perhaps, Mr. Speaker, you may instruct our Chairman on the Committee on Tourism to see if MVA could give us at least a preliminary or true valuation and assessment of the activities and the success of whatever marketing program they have embarked on. Thank you.

The Chair recognized Representative William Torres.

Rep. W. Torres: On the same subject, I find the report rather interesting because page 2, shows a lot of positive percentage changes and if you look at the details closely on page 3, they're all negative. Something is happening here that is rather puzzling and perhaps we should call MVA for clarification on these things. I want to reinforce that need to see whether or not we're receiving and getting our monies worth on investment especially when the report is rather confusing. It talks about a positive change and then on the details, it's all negative. Meaning it's all on the downhill. So, I would like to reinforce on that issue as well. Thank you.

Speaker Hofschneider: Thank you. Any other comments? Floor Leader.

Floor Leader Attao: Mr. Speaker, this is relative to HSE. COMM. 13-44, a letter from Representative Quitugua, the Chairman of the Committee on Education, to you. First, I would like to commend the Chairman for the speedy action taken on this particular issue. Mr. Speaker, the first paragraph of his letter appears to me that this is something that we need to take action on as soon as possible because PSS was given at least 30% on the first quarter allocation. Looking at this particular letter, Mr. Speaker, for a company to stop order for PSS most especially on the books.... It is very, very important that we resolve this kind of problem. The order was stopped due to the slow payment made by PSS. I don't see any reason why PSS will delay payment because PSS have their own procurement, have their own accounts payable and have their own payroll. So, unless PSS is not taking this as a priority then I think the Chairman on the Committee on Education has to call in PSS and let's resolve this once and for all. It is very important that we resolve this. This is one of the basic necessities for our students especially the books. So may I ask, Mr. Speaker, to have the Chairman of the Committee on Education and his committee to call in PSS and try to resolve this kind of problem so that we will not see this thing in the future? Thank you.

Speaker Hofschneider: Thank you. By way of that, Representative Quitugua, about a week and a half ago I had a visit again from a parent this time from Garapan Elementary on the same problem relating to lack of textbooks in classrooms. It seems that most classrooms in Garapan Elementary are only limited to thirteen textbooks for the entire grade level for respective subjects: science, math in particular this parent complained. So, I will officially request from you to look into all of the schools, both elementary and high schools as to the status of books and materials and hopefully a report is due by the next session. I think this is going on too frequent or too often. In four months the school will be out and it's quite disappointing to hear that textbooks are not in the classrooms with the students. And I don't know why the silence on this matter.

Rep. Cabrera: Mr. Speaker?

The Chair recognized Representative Cabrera.

Rep. Cabrera: Mr. Speaker, in line with that, there also seems to be a problem with copy machines in various schools. I've been informed that most of the students have to copy their tests of a board and in doing so have taken away crucial time to complete their tests. I would like to officially request that that issue be also looked into.

Speaker Hofschneider: We all could chip in some assistance to the Chairman with respective precincts. I believe that we should take the initiative to visit our respective schools and compile that with the Chairman's report. So that we can facilitate all these information gathering if we divided them in terms of precincts level and we can assist the Chairman in compiling the report as to the status of books and materials and other concerns the schools may have and more importantly, the reason behind it. If it's nonpayment, then state so. If it's management problem that the respective schools are not ordering, then state so. Any other comments? Representative William Torres.

Rep. W. Torres: I understand that the officials of the Public School System have reversed their decision in not providing federal funds to the private schools and it is noteworthy that such a decision was made to not forego giving the private schools federal funds but to at least allot some federal funds to the private schools. So, it's good that the Mount Carmel students are here so they can hear that. There is a new Federal Law, known as "the No Child Left Behind." And how ironic that it's titled as such, "No Child Left Behind" and the interpretation of that statute in the minds of some officials is that private schools are not entitled to these funds. I'm happy that PSS decided to change their minds on that and provide federal funds to private schools. So having said that, I would like, Mr. Speaker, if this house would endorse requesting to publish the student performance of all schools specifically to PSS pursuant to the requirement of the No Child Left Behind Law, which, appears that the interpretation again, is that the full implication of the No Child Left Behind Law does not apply to the CNMI and that's quite interesting. So, if we may perhaps endorse the public issuance of that report card so that everybody knows how our students are performing not only for our own purposes but especially for the Federal government's purposes pursuant to that statute, which gives us a huge sum of funding from the U. S. Department of Education. Thank you.

Speaker Hofschneider: Any other comments? Representative Quitugua.

Rep. Quitugua: Mr. Speaker, I took note of all the issues that were raised this morning and rest assured that the committee will take a look into all of these. In joining the good colleague Congressman Torres' concern with respective to requiring the Public School System to publish report cards of the various schools here in the CNMI, by virtue of their participation in receiving grants under the No Child Left Behind Act they are required to make that public access. So, if the House wishes to put that in as an official request, I'm in support of that, Mr. Speaker. Thank you.

Speaker Hofschneider: Since you're the Chairman of the Committee on Education, you're going to take the lead and raise that issue with PSS. See if we can in fact get information for printing and most especially for the purposes of the House. Any other comments? Representative Salas.

Rep. Salas: On the same note, Mr. Speaker, I met a teacher at one of the restaurants several months ago from Garapan Elementary School and her concern was her third graders did not have textbooks and I came by and visited the students for about an hour. It's true that they didn't have any textbooks. I had offered to pay for their textbooks but about two weeks later, one of the management called me up and said that the books have arrived. So, there are books in some of the classrooms and we're willing to help them. We just need to know the status. Thank you, Mr. Speaker.

The Chair recognized Representative Tebuteb.

Rep. Tebuteb: Thank you, Mr. Speaker. In line with the conversations and concerns that were raised on this particular issue, we also have other agencies' communications that would enlighten the

members and the committee to also really look into so that by the time the committee comes up with their report and we're ahead of everything. One of it is DEPT. & AGENCY COMM. 13-141 and the other, DEPT. & AGENCY COMM. 13-140 is from the Principal of Oleai Elementary School on the water issue and water concerns for Oleai. The most recent one is DEPT. & AGENCY COMM. 13-152 and that is the...

Speaker Hofschneider: Let's not get out of bound. Let's stick to the House Communications for now.

Rep. Tebuteb: I'm just putting a line on what are some of the things that we all can get ahead of in terms of addressing the concerns that were raised by our good Floor Leader. Thank you, Mr. Speaker.

Speaker Hofschneider: Thank you. When we get down there, Representative Tebuteb. Any other comments? Representative Stanley Torres.

Rep. S. Torres: Mr. Speaker, if there are no more discussions on House Communications, can I ask that we go back to Messages from the Governor?

Rep. Babauta: No objection.

Speaker Hofschneider: Keep it short since the students would like to see how a bill becomes a law.

There being no objection; the House went back to Item 5, Messages from the Governor.

MESSAGES FROM THE GOVERNOR

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Thank you, Mr. Speaker and members. Mr. Speaker, your Committee on Ways and Means has considered a proposal enumerated on GOV. COMM. 13-451, received by your office on February 20, 2003, and is highly concerned about the policy and impact of raising taxes on consumers and businesses at this time. The first facet of this proposal is the "Commonwealth Responsible Government Act of 2003," which reduces benefits paid to government employees. This includes the suspension of holidays, differential pay, merit pay, within-grade increases, the 30% retirement bonus, and lumpsum payments of annual leave. Your Committee agrees with the suspension of the proposed benefits for one year, but the proposal fails to identify the purpose or use of the savings that will be generated. This proposal is void of specific objectives for the use of the monies saved. There should be a tangible benefit such as the savings being directly used to address the Retirement Fund. Government employees have the right to know that the suspension of their benefits will have a direct impact on the government's finances. Your Committee is contemplating separate legislation to address the suspension of benefits, but with a specific objective, such as the use of the savings to safeguard the Retirement Fund. The second facet of this proposal is the "Commonwealth Revenue Enhancement and Economic Stimulus Act of 2003." The first revenue enhancement measure is to increase the garment user fee. However, this measure has already been debated in H. B. NO. 13-158 and defeated. The second revenue enhancement measure is to increase the hotel occupancy tax from 10% to 11%. Our nearest competitor for the tourist market is the Territory of Guam, and our visitor arrival rates and hotel occupancy rates already fall behind them.

To further antagonize this situation by increasing the hotel occupancy tax to match that of Guam's will be disastrous to our tourism industry and is not a prudent business decision. This tax increase is not aligned with our policy to strengthen our tourism industry. The increase of vehicle-related fees is a plausible measure that has been introduced in the House (H. B. NO. 13 253) and will be considered in the committee. The fourth revenue enhancement measure is increasing the non-resident worker fee by \$100. Your Committee finds that the qualification of increasing this fee to \$325 is questionable. This increase may lead into issues of this measure being a tax rather than a fee and exposes the government to a potential liability. Overall, your Committee does not agree with the policy of increasing taxes to increase revenues for purposes of maintaining current expenditure trends. Rather, your Committee is inclined to further reduce government expenditures, such as personnel costs. The third facet of this proposal is the "Economic Stimulus" section, which relates to the development of an education industry. Your Committee supports the general concept of expanding the capacity of the Northern Marianas College by capturing the foreign student market. Your Committee further agrees that such an approach is a needed economic expansion. However, your Committee is uncommitted with the costs and financing approach. Your Committee will reconsider its position upon submission by NMC of a complete business plan. This detailed plan should include the acquisition of La Fiesta along with other similar alternatives, and strategic marketing plans that include the financing of such an endeavor. Thank you.

Speaker Hofschneider: Thank you. Any other comments on the Messages from the Governor? Representative Deleon Guerrero.

Rep. Deleon Guerrero: Mr. Speaker, I'd like to make a comment on the comment that was just made.

Speaker Hofschneider: Out of order. Debate is not allowed on the Messages from the Governor.

Rep. Deleon Guerrero: Clarification, Mr. Speaker.

Speaker Hofschneider: Clarification then.

Rep. Deleon Guerrero: I'd like to get a clarification, Mr. Speaker, from our good Chairman on the Committee on Ways and Means if a committee meeting was ever held to review the Governor's Communication per your instruction. Thank you, Mr. Speaker.

Speaker Hofschneider: Thank you. For clarification purposes, I recognize Representative Stanley Torres.

Rep. S. Torres: Mr. Speaker, a few members of your Committee met and came up with a position to deliver in this chamber this morning.

Speaker Hofschneider: Thank you. No further comments on any of the Messages from the Governor?

Rep. Babauta voiced, "ready."

Speaker Hofschneider: Ready. We move down to Item 8, Communications from the Judicial Branch.

Rep. S. Torres: Mr. Speaker.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: With the indulgence, can we go back to Item 7, please?

There being no objection, and the House went back to Item 7, House Communications.

HOUSE COMMUNICATIONS

Speaker Hofschneider: For the last time. Thank you, Representative Torres.

Rep. S. Torres: Thank you, Mr. Speaker and colleague. Please forgive me that I may be insulting some of you in this house. I am not a college graduate but my understanding of government rests on the principle of the separation of powers between the three branches of government. I understand that this body introduces and passes laws; the Executive Branch enforces the laws, and the courts interprets the laws. Somehow, since the inception of this Administration, our Governor continues to break our laws left and right. We all know about the salary cap violations for his gang; slow repayment of rebates and refunds for our taxpayers; asking government employees to donate half hour per day -- without asking his gang to take a pay cut to come into compliance with the law and not even asking for the Legislature's sanction; the \$19 million "is not an operational fund loan." I am starting to sound like that old Dolly Parton tune, cause "here you come again," with another disregard of our laws. With the ink not even dry on Public Law 13-1, the Governor was very transparent in his desire to get rid of Jose Mafnas, the current Director of Customs. Now, mind you, my English is not the greatest, but it is very clear that the Governor can only appoint his political directors when such position is found to be vacant. For those current directors that are under the Civil Service System, the only way for those positions to become exempted service is through a vacancy caused by one of the four: the incumbent resigns, the incumbent dies, the incumbent retires, or the incumbent is terminated for cause. To my knowledge, none of the four has taken place. The only thing that has transpired is the Governor's ulterior motives -- so transparent it's too sticky, like duck tape. Still not getting his way, the Lieutenant Governor gets even more transparent and appoints Mr. Frank I. Taitano to be the Governor's Special Assistant for Customs and Quarantine Policy and Research. And by adding insult to injury, he even gives Mr. Taitano a hefty raise above the salary cap. I guess the Governor felt that given a super long title was justification to break the law. Now let's look forward to last month. The Governor on February 19, wrote a letter to Senate President Paul Mangloña nominating Mr. Taitano to serve on the Civil Service Commission. I doubt it that any of you knew about it. On February 24, 2003, the Acting Executive Director of the Civil Service Commission wrote to inform the Governor that there was a "potential problem with the appointment." It seems that Mr. Taitano's appointment violated CNMI Code Section § 8111. The Acting Executive Director was kind enough to include the statute as a footnote in her letter to the Governor. I'll get to the heart of the matter, the statute is very clear and it states that "no member of the commission may be a candidate for public office or hold an elected position or a position in the Executive Branch, which is filled by appointment by the Governor." To my limited understanding of the English language, I am pretty sure in your memos introducing Mr. Taitano as the Director of Customs Service and then as the Governor's Special Assistant for Customs and Quarantine Policy and Research that the word "appointed" was used in one memo and "appointment" was used in another. And I would just say a little in vernacular -- *ombre i ya', ti gof mauleg yo' fumino' English*

lao chámu pumopólu na tres gradu ha yo' sa taya difirensia para un sangan kao appuntao hao pat osino ma appuntao hao solo guaha mas tiningomu ya ti hu tungo. By the way, where's the Attorney General when we needed her? NMC in their latest audit has joined the ranks of the Governor of being outlaws and violators of laws. Yet, the Attorney General decides not to look into the NMC violation as discovered by the Public Auditor. She considers Northern Marianas College a part of the Executive Branch and that the Attorney General only answers to the Governor. I wonder if Perry Mason would rest his case. Thank you.

Speaker Hofschneider: Thank you, Representative Torres.

Floor Leader Attao: Privilege, Mr. Speaker.

Speaker Hofschneider: State your privilege.

Floor Leader Attao: Under privilege, Mr. Speaker, and if there's no objection from the members, time is of essence and I would like to move down to Resolution Calendar.

Rep. Babauta: No objection.

Speaker Hofschneider: Before we move down, I would like to make a short comment on Item 8, Communications from the Judicial Branch.

COMMUNICATIONS FROM THE JUDICIAL BRANCH

JUD. BR. COMM. 13-9 – From Presiding Judge Manibusan informing the House that he is retiring from government service effective March 14, 2003.

Speaker Hofschneider: This is a letter from the Presiding Judge attached in your materials for today, JUD. BR. COMM. 13-9. This is one person that will be leaving public service. Judge Manibusan has served in numerous capacities in public or community roles and he will be leaving public service comes next Friday, March 14, 2003. And appropriately we should all thank him for his dedication to public service and numerous capacities and hope that he will be a role model for future public servants in any capacity of public service. So we will miss him. For the record, the House salutes him and wishes him well in his retirement life. With that, I recognize the request to move to the Resolution calendar.

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

WASH. REP. COMM. 13-13 – 1/28/03 – Enclosing the Office of the Resident Representative Budget Proposal for FY 2004.

WASH. REP. COMM. 13-14 – 1/30/03 – Attaching a copy of the US President's State of the Union speech.

WASH. REP. COMM. 13-15 – 1/30/03 – Reporting on US H.J. Res. 2, the Omnibus Appropriations Bill now before the US Congress.

There was no discussion.

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

DEPT. & AGENCY COMM. 13-134 – 2/6/03 – From CPA Executive Director Carlos Salas regarding Triennial Disaster Drill.

DEPT. & AGENCY COMM. 13-135 – 12/4/02 – From Personnel Director Juan I. Tenorio re. PL 13-1.

DEPT. & AGENCY COMM. 13-136 – 1/20/03 – From OMB Special Assistant Edward Tenorio, enclosing for consideration Federal Grant Applications for Juvenile Justice and Delinquency Prevention Program and Rural Domestic Violence and Child Victimization Discretionary Grant.

DEPT. & AGENCY COMM. 13-137 – 1/21/03 – From DLNR Secretary Tom Pangelinan regarding S. B. NO. 13-118.

DEPT. & AGENCY COMM. 13-138 – 1/23/03 – From CRM Administrator Joaquin Salas regarding H. B. NO. 13-128 and S. B. NO. 13-118.

DEPT. & AGENCY COMM. 13-139 – 1/27/03 – From MPLA Commissioner Henry Hofschneider regarding incidental cost in the execution of the Land Compensation Act.

DEPT. & AGENCY COMM. 13-140 – 1/24/03 – From OES Acting Principal Jesus Wabol requesting for assistance for the school's drinking water.

DEPT. & AGENCY COMM. 13-141 – 1/31/03 – From BOE Chair Herman T. Guerrero enclosing the PSS's FY 2004 budget proposal.

DEPT. & AGENCY COMM. 13-142 – 1/31/03 – Commonwealth Register Volume 25, No. 1 on Solid Waste Collection, Private Letter Ruling, Used Oil Management Rules, Cash Receipt and Compliance Regulations.

DEPT. & AGENCY COMM. 13-143 – 1/31/03 – From DLNR Secretary Tom Pangelinan, re. CIP projects for DLNR.

DEPT. & AGENCY COMM. 13-144 – 2/5/03 – From CIP Administrator Virginia Villagomez enclosing an update of the CNMI's Covenant Section 702 CIP status report.

DEPT. & AGENCY COMM. 13-145 – 2/6/03 – From Dr. Kenneth Wright, NMC President, re. H. B. NO. 13-229.

DEPT. & AGENCY COMM. 13-146 – 2/10/03 – From CDD Executive Director Thomas Camacho, providing a copy of CDD's Inclusive Education Policy Statement.

DEPT. & AGENCY COMM. 13-147 – 1/16/03 – SAPLR's summary report for the Senate Session of 1/16/03.

DEPT. & AGENCY COMM. 13-148 – 1/13/03 – From CJPA Executive Director Doris Pladevega regarding the VOI – TIS Awards for new Adult Prison Facility.

DEPT. & AGENCY COMM. 13-149 – Listing of job vacancies published by the Office of Personnel Management.

DEPT. & AGENCY COMM. 1-3150 – From Board of Governors Chair Herman T. Guerrero enclosing the Fiscal Year 2004 Budget request for the Commonwealth Museum of History and Culture.

DEPT. & AGENCY COMM. 13-151 – 1/31/03 – From Personnel Director Juan I. Tenorio regarding volunteer service.

DEPT. & AGENCY COMM. 13-152 – 2/10/03 – From Education Commissioner Rita Inos, providing a copy of the report on the state of public education in the CNMI.

DEPT. & AGENCY COMM. 13-153 – 2/12/03 - From SAPLR Office, acknowledging receipt of H. R. NO. 13-108 and H. R. NO. 13-112.

DEPT. & AGENCY COMM. 13-154 – 2/21/03 – From SAPLR Office, acknowledging receipt of H. R. NO. 13-102, H. R. NO. 13-109 – 13-111, H. R. NO. 13-113 – 13-114.

DEPT. & AGENCY COMM. 13-155 – 2/21/03 – From the NMIRF Board of Trustees submitting a copy of GHLITF Annual Pharmacy Benefits Report.

DEPT. & AGENCY COMM. 13-156 – 2/19/03 – From Dr. James Hofschneider, DPH Secretary, regarding groundwater contamination.

DEPT. & AGENCY COMM. 13-157 – 2/21/03 – From NMIRF Board Chair, re. Delegation of Authority.

DEPT. & AGENCY COMM. 13-158 – 2/18/03 – From Mr. Edward S. Tenorio, SA-OMB, forwarding for review a copy of the grant application for Safe Havens: Supervised Visitation & Safe Exchange Program.

DEPT. & AGENCY COMM. 13-159 – 2/27/03 – From SAPLR Office, acknowledging receipt of H. R. NO. 13-105, H. R. NO. 13-106, H. R. NO. 13-107.

DEPT. & AGENCY COMM. 13-160 – 2/18/03 – From Mr. Isaac Magofna, NMI Council for Humanities, re. FY 2004 Budget request.

DEPT. & AGENCY COMM. 13-161 – 2/18/03 – From Public Auditory Mike Sablan, transmitting OPA Proposed Budget for FY 2004.

DEPT. & AGENCY COMM. 13-162 – 2/6/03 – From NMC President Kenneth Wright commenting on H. B. NO. 13-229.

DEPT. & AGENCY COMM. 13-163 – Office of Personnel Management listing of job vacancies.

DEPT. & AGENCY COMM. 13-164 – 2/18/03 – AG Opinion No. 03-02 re. Personnel Action for the Mayor of Saipan.

DEPT. & AGENCY COMM. 13-165 – 2/19/03 – From Mr. Thomas Camacho, CDD, forwarding a copy of the Position Paper on Discipline Issues relating to the Reauthorization of the IDEA.

DEPT. & AGENCY COMM. 13-166 – 2/19/03 – From Public Auditor Mike Sablan submitting the final audit report regarding the termination of 11 FTE's at NMC.

DEPT. & AGENCY COMM. 13-167 – From Education Commissioner Rita Inos providing a copy of the Student Academic Achievement Report of School Year 2001-2002.

There was no discussion.

OTHER COMMUNICATIONS

MISC. COMM. 13-108 – 1/20/03 – From Mr. Juan T. Guerrero, Paras Enterprises Saipan, Inc., re. cost comparison of direct nurse hiring vs. manpower hiring.

MISC. COMM. 13 –109 – 2/9/03 - From Ms. Ruth Tighe - On My Mind... column.

MISC. COMM. 13-110 – 1/20/03 - From Ms. Ruth Tighe - On My Mind... column.

MISC. COMM. 13-111 – 1/27/03 – From Mr. Froilan C. Tenorio, enclosing a copy of a proposed initiative on the revenues received from public lands.

MISC. COMM. 13-112 – 1/29/03 – From Saipan Mayor Juan B. Tudela providing a copy of the MOS FY 2002 budget proposal.

MISC. COMM. 13-113 – 2/4/03 – From Rota Mayor Benjamin T. Manglona enclosing a proposed amendment to PL 13-44.

MISC. COMM. 13-114 – 2/3/03 – From Mr. Fidel T. Manglona, Jr., 9th Rota Municipal Council, regarding the change of leadership position of the Council.

MISC. COMM. 13-115 – 2/21/03 – From Mr. Walden KC Weilbacher, APIL Secretariat, transmitting copies of the APIL Resolutions adopted during the 43rd Meeting.

MISC. COMM. 13-116 – From USF&W Field Supervisor Paul Henson, Ph.D., regarding designation of critical habitat for three endangered species.

MISC. COMM. 13-117 – 1/30/03 – From Ms. Linda Worrell, re. 2003 Annual Meeting on NCSL.

MISC. COMM. 13-118 – 1/29/03 – From Ms. Molinari, The Century Council, enclosing a copy of Report on Alcohol-Related Traffic Fatalities in the United States for 2001.

MISC. COMM. 13-119 – 1/29/03 – New York Post Online Edition regarding music downloads over the internet.

MISC. COMM. 13-120 – Rota Municipal Council Resolution (MCR-09-006), regarding personnel conversion and transfer.

MISC. COMM. 13-121 – 2/3/03 - From Ms. Frances Muña, SNIMC Administrative Officer, transmitting certified copies of resolutions 7SMC-5RS-05 thru 7SMC-5RS-12.

MISC. COMM. 13-122 – 2/11/03 - From Ms. Frances Muña, SNIMC Administrative Officer, transmitting a certified copy of resolutions 7SMC-5RS-13 and 7SMC-5RS-14.

MISC. COMM. 13-123 – 2/12/03 – From Attorney Robert T. Torres, MPLT legal counsel, regarding information requested by Sen. Reyes on RLL 13-4.

MISC. COMM. 13-124 – From Mr. Herman Q. DLGuerrero regarding the transfer of Verizon's Assets of Pacific Telecommunications, Inc.

MISC. COMM. 13-125 – 2/11/03 – From Saipan Mayor Juan Tudela enclosing a copy of the Office of the Mayor of Saipan Personnel Manual.

MISC. COMM. 13-126 – 12/23/02 – From Mr. Eric Plinske regarding the proposed NMI film Office, H. B. NO. 13-236.

MISC. COMM. 13-127 – Invitation to the American International University (AIU) art exhibition and commencement ceremony.

MISC. COMM. 13-128 – 2/14/03 – From Mr. Steve Coleman, MCV General Manager, announce MCV Broadband services.

MISC. COMM. 13-129 – 2/3/03 – From Mr. Fidel T. Manglona, 9th Rota Municipal Council, re. change of leadership positions.

MISC. COMM. 13-130 – 2/14/03 – From Mr. Victor Balian, GM-Telesource, Inc., re. Adult Correctional Facility Project delay of payment and change orders.

MISC. COMM. 13-131 – 2/21/03 – From Mr. Efrain Camacho, EFC Services, regarding the his agreement with Citadel Holdings on the Verizon acquisition.

MISC. COMM. 13-132 – 2/24/03 – From Mr. Jack T. Ogumoro, transmitting a copy of a resolution recognizing the late Mr. Calistro Falig adopted by the Western pacific Regional fishery Management Council.

There was no discussion.

RESOLUTION CALENDAR

Floor Leader Attao: Mr. Speaker, one-minute recess.

The Chair declared a recess at 11:21 a.m.

RECESS

The House reconvened at 11:43 a.m.

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

Floor Leader Attao moved for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the adoption of H. R. NO. 13-115, H. R. NO. 13-116, H. R. NO. 13-117, H. R. NO. 13-118, H. R. NO. 13-119, H. R. NO. 13-120, H. J. R. NO. 13-026, and H. J. R. NO. 13-027, was seconded by Rep. Babauta and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of H. R. NO. 13-115 thru H. R. NO. 13-120.

The motion was seconded by Rep. Babauta.

H. R. NO. 13-115: A HOUSE RESOLUTION RECOGNIZING THE OUTSTANDING ACHIEVEMENTS AND SERVICE OF THE HONORABLE EDWARD MANIBUSAN, PRESIDING JUDGE OF THE SUPERIOR COURT OF THE NORTHERN MARIANA ISLANDS.

H. R. NO. 13-116: A HOUSE RESOLUTION RECOGNIZING AND CONGRATULATING KAGMAN HIGH SCHOOL STUDENT MISS ALVIE OMEGA SANCHEZ FOR MAKING THE 2002-2003 NATIONAL HONOR ROLL LIST FOR HER EXCELLENT ACADEMIC ACHIEVEMENT, AND FOR BRINGING GLOBAL RECOGNITION AND HONOR TO THE PEOPLE OF THE CNMI.

H. R. NO. 13-117: A HOUSE RESOLUTION RESPECTFULLY REQUESTING THE ROCK QUARRY ESTABLISHMENTS TO PROVIDE THE MAYOR OF SAIPAN SPECIAL RATES ON ROCK QUARRY PRODUCTS, EQUIPMENT RENTALS AND SERVICES.

H. R. NO. 13-118: A HOUSE RESOLUTION TO EXTEND OUR UTMOST CONGRATULATIONS TO MR. ALEXANDER A. SABLAN THE RECIPIENT OF THE 2002 CHAMBER OF COMMERCE BUSINESS PERSON OF THE YEAR AWARD.

H. R. NO. 13-119: A HOUSE RESOLUTION REQUESTING THE BOARD OF DIRECTORS OF THE MARIANAS PUBLIC LANDS AUTHORITY TO DESIGNATE AT LEAST HALF OF LOT 076D18 TO THE PUBLIC SCHOOL SYSTEM TO BUILD A PERMANENT GARAPAN HEADSTART CENTER.

H. R. NO. 13-120: A HOUSE RESOLUTION TO REQUEST GOVERNOR JUAN N. BABAUTA TO EXPLORE THE IMPLEMENTATION OF ELECTRONIC TAX FILING SYSTEM PROVIDED THROUGH THE FREE FILE ALLIANCE.

Speaker Hofschneider: The motion for the adoption of the H. R. NO. 13-115 thru H. R. NO. 13-120 has been seconded. Discussion on any of the resolutions?

Rep. Babauta: Mr. Speaker?

The Chair recognized Representative Babauta.

Rep. Babauta: I was looking at the copies and I'm lacking H. R. NO. 13-115, H. R. NO. 13-116, H. R. NO. 13-117 and what's the number of the judge's resolution?

Speaker Hofschneider: We recessed for twenty-five minutes.

Floor Leader Attao: Ready, Mr. Speaker.

Rep. Babauta: No copies, Mr. Speaker. I trust that I'll be provided a copy at a later time.

The Chair declared a short at 11:45 a.m.

RECESS

The House reconvened at 11:46 a.m.

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

Rep. Babauta: Thank you, Mr. Speaker. Mr. Speaker, if there's no objection from the members, I so move that H. R. NO. 13-115 be sponsored by the Committee of the Whole.

Speaker Hofschneider: If there's no objection.

Floor Leader Attao: No objection.

Speaker Hofschneider: Clerk, H. R. NO. 13-115 is sponsored by the Committee of the Whole. Ready?

Several members voiced, "ready."

There was no further discussion, and the motion to adopt H. R. NO. 13-115, H. R. NO. 13-116, H. R. NO. 13-117, H. R. NO. 13-118, H. R. NO. 13-119 and H. R. NO. 13-120 was carried by voice vote.

Speaker Hofschneider: H. R. NO. 13-115 thru H. R. NO. 13-120 are hereby adopted by the House. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of H. J. R. NO. 13-026 and H. J. R. NO. 13-027.

The motion was seconded by Rep. Babauta.

H. J. R. NO. 13-026: A HOUSE JOINT RESOLUTION TO APPROVE THE COMPENSATION AND SALARY SCHEDULE OF THE OFFICE OF THE PUBLIC AUDITOR PURSUANT TO 1 CMC § 2305(a).

H. J. R. NO. 13-027: A HOUSE JOINT RESOLUTION TO SUPPORT UNITED STATES CONGRESS HOUSE RESOLUTION 675, TO REMOVE THE CAP ON MEDICAID PAYMENTS AND TO ADJUST THE MEDICAID STATUTORY MATCHING RATE FOR PUERTO RICO, THE VIRGIN ISLANDS, GUAM, THE NORTHERN MARIANA ISLANDS, AND AMERICAN SAMOA.

Speaker Hofschneider: The motion for the adoption of H. J. R. NO. 13-026 and H. R. NO. 13 027 has seconded. Discussion on any of the joint resolution?

Several members voiced, “ready.”

Speaker Hofschneider: If there’s no discussion, I have a House Substitute 1 to offer to H. J. R. NO. 13-026. It’s basically just correcting some of the typos on the language. Do we need to wait for that or...

Rep. Babauta: No objection, Mr. Speaker.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Can you inform the full house as to why Representatives Ada and Aldan left?

Speaker Hofschneider: Yes. Representative Aldan was called, I guess as a parent, that there’s a family member involved in a head-on collision, and Representative Ada’s grandson is now undergoing surgery at CHC.

Rep. S. Torres: Thank you.

There was no further discussion, and the motion to adopt H. J. R. NO. 13-026, as amended, and H. J. R. NO. 13-027 was carried by voice vote.

Speaker Hofschneider: H. J. R. NO. 13-026, as amended, and H. J. R. NO. 13-027, are hereby adopted by the House. Floor Leader, Bill Calendar.

Floor Leader Attao: Mr. Speaker, can we go back to Item 12?

Speaker Hofschneider: Okay. [end of recording]

There being no objection; the House went back to Item 12, Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

[beginning of recording]

Floor Leader Attao: ...H. B. NO. 13-183. I move for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the adoption of S. C. R. NO. 13-071.

The motion was seconded by Rep. Babauta and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: I move for the adoption of S. C. R. NO. 13-071.

The motion was seconded by Rep. Babauta.

S. C. R. NO. 13-071: Reporting on H. B. NO. 13-183, entitled, "To designate the Department of Lands and Natural Resources as the administering authority over those islands protected under NMI Const. art. XIV, § 2." *Your Committee on Natural Resources recommends the passage of the bill in the form of CDI.*

Speaker Hofschneider: The motion for the adoption of S. C. R. NO. 13-071 reference to H. B. NO. 13-183 has been seconded. Discussion on the committee report?

Rep. Babauta voiced, "ready."

Speaker Hofschneider: Discussion on the committee report? This is to allow the Department of Lands and Natural Resources administering authority for the island north of Saipan for purposes of regulating and enforcing wildlife and regulations and laws.

Floor Leader Attao: Mr. Speaker, if there's no objection from the members, may I ask the Chair to just read the committee findings so that the findings can be reflected in the journal?

Speaker Hofschneider: And what generated the interest now to transfer the authority to DLNR. I recognize, Representative Palacios, Chairman on the Committee on Natural Resources.

Rep. A. Palacios: Thank you, Mr. Speaker. Mr. Speaker, let me refer to page 2 on the committee findings. Primarily, there are four islands to the north that have been preserved by the Constitution. The First Constitutional Convention preserved the island of Maug and the island of Sariguan. The Second Constitution of Convention made amendments and took out the island of Sariguan and set aside three additional islands -- the island of Guguan, the island of Asuncion and the island of Uracas for conservation and wildlife refuge or reserve. So these islands have been set aside for such by the Constitution. If you all recall the incident where there were violations when some folks got on these islands and were issued citations by DLNR, we found out that the Department of Lands and Natural Resources does not have any enforcement authority to issue such citations and that the Constitution was ambiguous. Is not clear as to who has this authority. I find it ironic that we have set aside these islands as wildlife reserves and wildlife conservation areas and there's no enforcement authority delegated to any agency. I also found it appropriate that since Public Law 1-8, which organized the government of the Northern Marianas made references and mandates this authority of responsibility

to the Department of Lands and Natural Resources, particularly, the Division of Fish and Wildlife additionally under Public Law 2-51, that the Department of Lands and Natural Resources be the appropriate agency to be given this authority. In a nutshell, Mr. Speaker, that is the intent of this legislation. We believe that the Department of Lands and Natural Resources via the Division of Fish and Wildlife is the appropriate agency to have this authority. Thank you.

Speaker Hofschneider: Representative Palacios, in the preamble of the CNMI Constitution and in the first article, the preservation of culture and the traditions and way of life of the people of the Commonwealth should be nurtured and protected. The virtue of the embodiment of those four islands that you mentioned being designated in the Constitution as sanctuaries does not conflict with now to enforce those contrary to the traditions of the of the Commonwealth and cultural practices? If eating fruit bat is a culture of the people of the Northern Marianas for thousands of years and now the embodiment of the prescription for purposes of ensuring that such species continue to be protected by way of enforcement now delegated to the Department of Lands and Natural Resources, would it in fact impede, dilute, or diminish the intent of the first article of the Constitution?

Rep. A. Palacios: Thank you, Mr. Speaker. I really don't believe so. The practice of culture is just that. There's also a reason and a logic to doing this in terms of preserving the biodiversity of the native wildlife fauna and flora that is part of culture.

Speaker Hofschneider: Do you disagree that the population has multiplied sufficiently in terms of fruit bats, coconut crabs and green sea turtles in the Northern Islands? Do you disagree that it has in fact increased in population?

Rep. A. Palacios: The green sea turtles, I believe, is a very healthy population in the Northern Islands. Coconut crab population **has a lead** and the fruit bat population in some of the Northern Islands have remained stable and increased and decreased to some extent depending not just in human man-made activities but natural activities, such as typhoons. So, it is not necessarily stable but it goes up, it goes down. It depends on the impact of particular year or decade.

Speaker Hofschneider: Chairman, being a student of science yourself, Darwin, in his book, *In the Galapagos* stipulated that population for certain species, absent of a predator, may overwhelm its survival and therefore an automatic extinction of such a species. Correct? So, the virtue of the Constitution selecting and protecting those four islands in themselves contradict the earlier articles of the CNMI Constitution in preservation and propagation of our culture and practices. We love and we enjoy eating fruit bat, coconut crab and green sea turtle. Correct?

Rep. A. Palacios: Correct, Mr. Speaker, but again...

Speaker Hofschneider: By delegation of this authority now would, in fact, prohibit it extensively and the survival of the species of coconut crabs, fruit bats and sea turtles in themselves because no one is allowed in those sanctuary designated islands proves Darwin to be true and correct.

Rep. A. Palacios: No, not necessarily. Again, the framers of the Constitution recognized again that we preserve our culture...

Speaker Hofschneider: For future generations right?

Rep. A. Palacios: For future generations...

Speaker Hofschneider: Currently, we're not the future.

Rep. A. Palacios: Not yet. Not in terms of the biodiversity of these species. It's also part of our culture, Mr. Speaker and members, to make sure that we preserve, again, the native of our wildlife.

Speaker Hofschneider: This is reminiscence of the MPLT section under Constitution. We preserve those incomes and investments for future generations. What about the current generations who are salivating and catechetic as a result of economic hardships?

Rep. A. Palacios: Perhaps they can go Tinian, Rota and Anatahan, which are not conservation islands, Mr. Speaker.

The Chair recognized Representative Castro.

Rep. Castro: Mr. Speaker, as a member of the Committee on Natural Resources, I fully support the intent of the good Chairman. I believe in the near future we can also encourage or recommend to the Department of Lands and Natural Resources to remove all these wildlife – the wobblers – here in Saipan and send them up to these four islands so that we can have more areas for improvement.

Speaker Hofschneider: Is that a recommendation, Representative Castro?

Rep. Castro: Yes, Mr. Speaker.

Speaker Hofschneider: Should we include it in the bill provided by Representative Palacios?

Rep. Castro: Maybe in the future, Mr. Speaker.

Speaker Hofschneider: Maybe in the future. Before I recognize, Representative Tebuteb – I hope that this bill is not a consolation for the consequences of last year.

Rep. A. Palacios: No, Mr. Speaker, it really isn't. And honestly in my heart, when I found out that the Department of Lands and Natural Resources really did not have the authority of something that we have assumed has always been there, I was dumbfounded. And it is from my heart that I introduced this bill to rectify what I believe is a complete oversight on part of our institutional government. In fact I was taken a tasked by the press with that impression saying, we wonder if that is what it is. It has nothing to do with that. I was part of the family of the Department of Lands and Natural Resources for eighteen years and we had always assumed that we had the power, the authority to manage and enforce whatever regulations or laws relative to the conservation acts. Thank you.

The Chair recognized Representative Tebuteb.

Rep. Tebuteb: If you noticed we have Representative Arnold Palacios, Representative Castro and now Representative Tebuteb...

Speaker Hofschneider: So, I noticed.

Rep. Tebuteb: But it's not because of that really, Mr. Speaker. I had the chance to thoroughly review the committee report and I share some of the concerns that you have. If we give the authority to DLNR for consideration, I do not see any language in the committee report taking into consideration our cultural conservation practices and I would like that to...(inaudible).

Speaker Hofschneider: I guess what Representative Tebuteb is alluding to is that as much as we're desirous to conform to that section of the Constitution to protect and enforced those designated sanctuaries, we are also quite cognizant that we do not want diminish or impair the earlier articles of the Constitution in preserving who we are in terms of our cultural practices.

Rep. A. Palacios: The way I see it, Mr. Speaker, this is consistent with protecting and perpetuating who we are.

Speaker Hofschneider: By not eating it?

Rep. A. Palacios: By making sure that we don't overdo ourselves. I think that's the intent of the framers. My good colleague from Precinct III also talked about the cultural take on this issue, it is our cultural practice and it's always been. If you look at conservation measures that were taken by other Pacific Islands and even our islands we have always had some sort of traditional conservation practices. One is what we call an area closure or setting aside an area where we don't go in and fish or hunt, which in essence preserves and from that area whatever you try to preserve will migrate to other islands where you allow hunting and fishing. A case in point here, Mr. Speaker, is the Managaha sanctuary, which we have established. That is the essence, that is the logic that goes into conserving a certain area for the species. Thank you.

Speaker Hofschneider: Any more endangered questions? Representative William Torres.

Rep. W. Torres: The report is talking about enforcement authority but in the face of the bill itself, it's talking about administering authority. So, I wonder which is which? Is it enforcement authority or is it administering authority? And if it is administering authority, then I would like to ask the legal counsel for a position on this because this might be subverting the authority of the Administration or for that matter the Marianas Public Lands Authority as the administering authority over public lands. So clarification is needed.

Speaker Hofschneider: Yes. To facilitate the word administering authority is reference in the Purpose section. The effective language is in Section 2. Because the Constitution gives the authority to MPLA for all public lands including those islands north and inclusive of those designated sanctuaries, I don't believe that the Legislature has the authority to enact laws that takes away or diminishes the constitutional responsibility of MPLA today. Therefore it's merely stating that in consultation with MPLA that MPLA will in fact consider granting designated domains over to DLNR but not by way of enacting a law taking it away from MPLA.

Rep. W. Torres: And that's for purposes of enforcement?

Speaker Hofschneider: Correct. Because MPLA is not responsible by way of enforcing endangered species or what DLNR is charged with.

Rep. W. Torres: So, for the record, administering is synonymous to enforcing?

Speaker Hofschneider: In this context, yes.

Rep. W. Torres: Okay, for the record.

Speaker Hofschneider: Ready? Chairman Palacios.

Rep. A. Palacios: I understand the concern of the Representative from Precinct III. Like I said and like you've mentioned, Mr. Speaker, the Department of Lands and Natural Resources under Public Law 1-8 is the only agency in our government that is charged with such role whether administering of resources as protection resource management. Public Law 2-51 empowered the Department of Lands and Natural Resources through the Division of Fish and Wildlife to manage, protect, serve, perpetuate wildlife and fisheries marine resources. That is their function.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: I understand that in the event the Marianas Public Lands Authority wants to open an island out there that will get into a **lock time** with Department of Lands and Natural Resources because the Department of Lands and Natural Resources will not give in to relocation of the endangered.

Speaker Hofschneider: This is not impairing or adding on to what is already prescribed constitutionally. In the Purposes section, there are four islands that are in the context of this authority requested to be transferred over to...

Rep. S. Torres: Are we going to see any MPLA in the future moving in for the purpose of distributing the land? I think we're encountering problem with the Division of Fish and Wildlife here in Saipan, too. Marianas Public Lands Authority is having difficulties moving with their subdivisions because of the *paluman Kakak gi halom kariso*. I didn't know that they're more protected than human life.

Speaker Hofschneider: That shows that with or without this bill, if an endangered species is in question then regardless of this authority the endangered species comes first. So, in spite of this authority given to the DLNR even in the absence if MPLA wants to authorize or designate Anatahan, Pagan, Agrihan and Alimagan for purposes of homesteading or other use they will still be forced to comply with the Endangered Species Act. Ready? Clerk, roll call.

The roll called on the motion to adopt S. C. R. NO. 13-071 reference to H. B. NO. 13-183 is as follows:

Rep. Martin B. Ada	excused
Rep. Francisco DLG. Aldan	excused
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes

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

Speaker Hofschneider: By a vote of 14-0, S. C. R. NO. 13-071 is hereby adopted by the House. Floor Leader.

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

Floor Leader Attao moved to place Special Committee Report 13-2 on the calendar, was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Representative Stanley Torres?

Rep. S. Torres: Mr. Speaker, correction on the committee report on page 3 where it shows “H. B. NO. 13” on the third paragraph – H. B. NO. 13-033, CS1 – Is it a typo or intentional?

Rep. Babauta: Typo.

Speaker Hofschneider: Can we get down to discussing the committee report?

Rep. S. Torres: This is the committee report.

Speaker Hofschneider: *Suspension motion para hu ma pega gi calendar.* Floor Leader?

Floor Leader Attao voiced, “ready.”

There was no further discussion, and the motion to include Special Committee Report No. 13-2 on the calendar was carried by voice vote.

Speaker Hofschneider: Again, for the second time around, motion carried. Floor Leader.

Floor Leader Attao: I move for the adoption of Special Committee Report No. 13-2.

The motion was seconded by Rep. Babauta.

Special Committee Report No. 13-2: Reporting on H. B. NO. 13-033, HD1, HS1, entitled, “To amend 4 CMC §§ 8304(g), (h), 8306(d), 8307, 8309, 8310(e), 8311(d), 8312, 8327(b), as enacted by Public Law 12-39, to change the Local Exchange Carrier contribution to the

Commonwealth Telecommunications Commission, to insert a new section 4335 into PL 12-39; and for other purposes.” *Your Special Committee recommends that the bill be filed.*

Speaker Hofschneider: The motion for the adoption of Special Committee Report No. 13-2 has been seconded. Discussion on the committee report? Representative Stanley Torres.

Rep. S. Torres: May I ask the clerk to make the correction?

Speaker Hofschneider: Clerk.

Floor Leader Attao voiced, “ready.”

Speaker Hofschneider: Discussion on the committee report? Representative Deleon Guerrero.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. Mr. Speaker, when you appointed the Special Committee to review this bill, there were two floor amendments that were offered, CS1 and HD1 offered by myself and HS1 offered by the good colleague Representative Torres. Mr. Speaker, the intention of that Special Committee was to review the merits of both proposals. The committee report that we all have here only proposes to file our colleague Torres’ proposal, but I would like to state for the record, that there wasn’t any meaningful attempt to review, evaluate, discuss the merits of the committee’s substitute. Even my colleague’s proposal had some merits to it. It proposes to include cable under Public Law 12-39, which is good. We all know right now that cable has just instituted high speed internet, which is a telecommunication function or service. Mr. Speaker, I’m not very comfortable right now for several reasons. One, there is no stated reason for filing the bill, there’s no discussion. All it says is that it’s in the interest of the people to file this bill at this time. There is no discussions in terms of the merits of the original bill that I proposed. Second, I was deeply concerned about a statement that was made here on page 3 in which the Committee stated that it is contemplating the repeal of Public Law 12-39. It does not offer any reason why they’re contemplating the repeal. As far as I’m concern, Mr. Speaker, Public Law 12-39 is a progressive law. It’s intended to regulate that local exchange carrier, it’s intended to protect the consumers and it’s intended to stimulate competition.

Speaker Hofschneider: Representative Deleon Guerrero, may I bring your attention to the second paragraph because you’re stating that the committee did not provide sufficient reason. On page 4 of 5 of the committee report.

Rep. Deleon Guerrero: Second paragraph on page 4?

Speaker Hofschneider: Of the committee report.

Rep. Deleon Guerrero: Yes, what about it? That refers to Verizon’s request for the two proposals.

Speaker Hofschneider: Yes. And it clearly addresses the concern of imposing a 2.5% franchise fee for the purposes that the Committee considered that Verizon Micronesia did not provide any data or reason to support its request that the fees it has long paid under the former franchise agreement should now be passed on to its customers. Further, that absent compelling data or reasons to support these requests, the Committee declined to consider either request. Committee member

Representative Salas was especially adamant that the Committee refrain from amending the law to allow the fees to be passed on to consumers.

Rep. Deleon Guerrero: Mr. Speaker, this was pulled out of the original committee report.

Speaker Hofschneider: Right.

Rep. Deleon Guerrero: And this paragraph...

Speaker Hofschneider: It just strengthens the argument.

Rep. Deleon Guerrero: All this paragraph refers to is Verizon's request to either, one, pass it on to consumers, or two, for them to exercise to receive nonrefundable credits. It doesn't relate to the fundamental intent of the bill. This paragraph...

Speaker Hofschneider: Increasing the fee, right?

Rep. Deleon Guerrero: No, the paragraph that you're referring to only talks about the two options recommended by Verizon.

Speaker Hofschneider: It answers the primary question of raising the fee.

Rep. Deleon Guerrero: No, it answers the question of whether Verizon should be granted either or and/or the two options.

Speaker Hofschneider: That's the remedy. The fundamental question is still raising the franchise fee to 2.5%.

Rep. Deleon Guerrero: I don't how you interpret that, Mr. Speaker. It's...

Speaker Hofschneider: What is H. B. NO. 13-033 trying to attempt or attempting to do?

Rep. Deleon Guerrero: Raise the fee.

Speaker Hofschneider: Raise the fee. Correct?

Rep. Deleon Guerrero: Right.

Speaker Hofschneider: That section alludes to two possible remedies for raising the fee: Verizon could consider passing it through to the customers, or Verizon to consider asking the Legislature for a tax credit on the impact of 2.5%.

Rep. Deleon Guerrero: Right.

Speaker Hofschneider: So, it clearly answers the question. The Committee did not have sufficient data whether one or the other or both should be taken up. That's what this paragraph is stating.

Rep. Deleon Guerrero: Whether the two options should be...

Speaker Hofschneider: The Legislature should answer one or the other. The fundamental question on H. B. NO. 13-033 is to raise the user fee by 2.5%. Correct?

Rep. Deleon Guerrero: Correct.

Speaker Hofschneider: How that is going to impact the consumers? – Two remedies, pass it through or do not pass through and allow Verizon to take a tax credit. No one proposed that. We're the legislators. We have to make a clear direction on this issue that we're giving Verizon the tax credit so that they don't pass it through to the customers or it is okay for us not to give the tax credit but pass it through the customers. Which of that has the Committee deliberated on under the original committee report?

Rep. Deleon Guerrero: Mr. Speaker, can I answer your question?

Speaker Hofschneider: Yes.

Rep. Deleon Guerrero: It's in the committee report.

Speaker Hofschneider: What is the answer to that? Pass it through?

Rep. Deleon Guerrero: Neither, and let me state why.

Speaker Hofschneider: Please, do so.

Rep. Deleon Guerrero: Mr. Speaker, the first option they're requesting is can they pass it on to consumers. The Committee decided against that for the following reasons: Verizon has...

Speaker Hofschneider: Representative Deleon Guerrero, can you take the podium so that we can all deliberate.

Rep. Deleon Guerrero: Certainly. I feel I'm answering a question that has already been provided to all the members through the committee report. It was in there but let me rehash it again, for the record. The reason it did not approve passing it on to customers was because this was an established fee. It was paid during the initial execution of the agreement between the Commonwealth and MTC in 1976. It was subsequently agreed in a 1978 amendment to that contract, and a third one I believe in early 1980's. I forgot the exact date for it. But throughout this, over twenty years period, Verizon was paying this fee as a franchise fee. There was no evidence to show that they had not relieved customers when the Twelfth Legislature reduced the amount from 2.5% to 0.5%.

Speaker Hofschneider: Representative Deleon Guerrero...

Rep. Deleon Guerrero: In other words, Mr. Speaker, it would have been built in already in their current rates.

Speaker Hofschneider: That's the assumption. We have no proof on that.

Rep. Deleon Guerrero: Logic is our only proof, Mr. Speaker.

Speaker Hofschneider: Okay. The logic in comparison is in 1990 the government had \$.10 fuel tax. In 1999 we raised the fuel tax to \$.15. Now, today if we reduce the fuel tax back to \$.10 does that assume that Shell and Mobil will pass through the cost based on assumption and did not invest the savings on a new tank or a new service station? In this context, we're assuming that Verizon did not invest the savings thereabout to 2% in expanding or improving its infrastructure. It is only an assumption. It has to be based on facts. Where did the 2% savings that Verizon enjoyed under the Twelfth Legislature's enactment of that law that took away or reduced the 2.5% to 0.5%? So the savings of 2%, we're only running on the assumption that the rates was sufficiently adjusted to reflect the impact of this proposed 2% franchise increase. Correct?

Rep. Deleon Guerrero: Mr. Speaker, we did request the information – we haven't received any information relevant to that.

Speaker Hofschneider: This is what that paragraph is stating. Essentially, the Chairman of the Special Committee clearly addresses that that insufficient of facts and that is the reason behind it. We're only running on the assumption that the current rates are sufficient to cover the additional or reverting the 2.5% today. Therefore, the assumption is that if the 2% under the Twelfth Legislature enacting that law turns into a savings and did not improve the facility, did not reinvest into the facility, then the assumption is correct that they should reduce the rate. But in the matter of private business matters we cannot go on the assumptions but we need facts as to where did the savings go. Correct?

Rep. Deleon Guerrero: No comment on that, Mr. Speaker.

Speaker Hofschneider: No, because it's either we pass it through to the customers – and your assumption is that Verizon should not pass it through because there were accustomed to the rates are already built into the 2.5% impact prior to the Twelfth Legislature enacting that law reducing the 2.5%. – or raise the franchise back to its normal or previous level of 2.5% and give Verizon a tax credit to relief itself the burden of equally answering the same assumption that if the rates were already built in to shoulder the 2.5% then don't give Verizon the tax credit because you're correct. The rates were adequately adjusted to reflect the impact of the 2.5%. So why give Verizon the tax credit when in fact it's already there? On the contrary, if you're argument is telling Verizon do not pass it through to the customers the impact of bringing it back to the old 2.5% because you've sufficiently adjusted the rates, which is it? The Legislature is interfering, so what do we want to tell Verizon? We need to make that decision in others words and the Chairman and the members of the Special Committee clearly pointed out that insufficient of data for our purposes of considering which route to take and which to offer the end result is potentially Verizon would have to pass it through the customers. Correct?

Rep. Deleon Guerrero: Mr. Speaker, if we're going to debate on this point...

Speaker Hofschneider: No, I'm just clarifying the logic that in the original committee report, you stated that there are two options. Continue.

Rep. Deleon Guerrero: Mr. Speaker...

Speaker Hofschneider: We're already kind of confused on this committee report.

Rep. Deleon Guerrero: The points I'm raising now, Mr. Speaker are basically – one, that the Special Committee considers Representative Stanley Torres' proposal and no discussion, no debate was really made. The last time I attended this meeting they requested information. I passed on information to the Chairman and I'm kind of surprised that a meeting was held when I was off-island and Representative Salas was off-island.

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

Speaker Hofschneider: State your point.

Rep. Babauta: I believe Chairman Deleon Guerrero have personally received my memo for a meeting prior to his departure to Manila with Representative Salas and so as the record indicated. He had instructed in his off-island memo that a staffer would be coming to any meeting that his a member of. Apparently on February 18, we met and because of the deadline that the Chair had instructed the Special Committee, I vigorously pursued the issue that was assigned to the Special Committee to try and resolve. So the Special Committee met on February 18, at 9:00 in the morning as called in the original memo that I issued out one week before February 18. All the members have that. Apparently majority of the committee members were there and we decided that this is the route that the Special Committee will take provided that the substitute that Chairman Stanley Torres introduced will be refurbish and would be introduced at a later date as a new bill, Mr. Speaker.

Speaker Hofschneider: Continue.

Rep. Deleon Guerrero: Mr. Speaker, the Legislature created this regulatory body, CTC. The intentions of creating this regulatory body have very good merit. It's mandated in the U. S. Telecom Act of 1996 to further the intent of that piece of legislation. It's intended to serve as the regulatory arm for consumers to protect its interest but in the process this body was created and was not given the sufficient resources to render it effective. That's the bottom line. All the original bill intended to do was to allow it to do its job – protect our people. And if we do not empower that agency to do its job right now CNMI is in a serious juncture, critical juncture with the sale of Verizon. It has very limited resources to do its job, to hire the staff, the legal counsels to protect its interest. We're just standing by the way side preventing it from doing its job. The people here are the ones that are being protected as well as the intent for further completion. So let's do our job.

Floor Leader Attao: Mr. Chairman?

The Chair recognized the Floor Leader.

Floor Leader Attao: Raising 2.5% is just to accommodate all the people who are to be employed by CTC. Is that what you're trying to say?

Rep. Deleon Guerrero: I don't have the original committee report with me but we've looked at whether the figure of 2.5% is adequate. We looked at it independently. We looked at the budget, what CTC would need to be funded and 2.5% is consistent with that. So for it to do its job, yes.

Floor Leader Attao: For an executive director with a hundred thousand salary?

Rep. Deleon Guerrero: Floor Leader, I think we met later on and the Legislature has the discretion, it has to review the budget of that agency. If we feel that it should sixty thousand dollars we have the opportunity to make that review.

Floor Leader Attao: Yes. What you have just stated is that the 2.5% will be sufficient to cover the operation, the personnel costs of the CTC. Correct?

Rep. Deleon Guerrero: Not just personnel – the operation cost too.

Floor Leader Attao: What about the forty-five? Is that enough to operate the CTC?

Rep. Deleon Guerrero: Right now, no.

Floor Leader Attao: Why?

Rep. Deleon Guerrero: I believe right now it has an Acting Executive Director and it has one staff. Attorney's fees right now are being shouldered by the Administration not the agency.

Speaker Hofschneider: Let me just make a point of observation. CTC was in existence prior to the installment of this new administration and CTC was already in place and functioning [end of recording]

Rep. Babauta: [beginning of recording]... bill pending the negotiations and of course definitely the outcome of FCC with respect to the new consortium, that is PTI, and I understand a potential investor is vying for such slot. The committee felt that intrusion of legislative matters pending the solutions of these issues should be suspended for the time being, Mr. Speaker. That's the whole conclusion of your Special Committee at this time with respect to the committee report.

Floor Leader Attao: End debate, Mr. Speaker.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Chairman, you may continue and close up.

Rep. Deleon Guerrero: That's all I have to say, Mr. Speaker.

Floor Leader Attao: I move to end debate.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Ready?

Several members voiced, "ready."

Speaker Hofschneider: Clerk, roll call on the committee report.

The roll called on the motion to adopt Special Report 13-2 reference to H. B. NO. 13-033, HD2, HS1 is as follows:

Rep. Martin B. Ada	excused
Rep. Francisco DLG. Aldan	excused
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	abstained
Rep. Joseph P. Deleon Guerrero	no
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	abstained
Rep. Daniel O. Quitugua	no
Rep. Andrew S. Salas	no
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. William S. Torres	abstained
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 8-6, Special Committee Report 13-2 is hereby adopted by the House.

Rep. Babauta: Mr. Speaker?

The Chair recognized Representative Babauta.

Rep. Babauta: With that, Mr. Speaker, if there's no objection from the members, I humbly make a motion to the Chair to dissolve the Special Committee until such time that there are other issues that would require attention.

Speaker Hofschneider: I think it's specifically implied in the letter to you that it will be upon your submission of the report. Floor Leader?

Floor Leader Attao: Recess for lunch.

Speaker Hofschneider: We have three important bills to act on.

Rep. Babauta: Division on the floor, Mr. Speaker.

Floor Leader Attao: Why don't we do it this afternoon, Mr. Speaker?

Speaker Hofschneider: Okay. We'll get back at 2:30 p.m.

Floor Leader Attao: 2:30 p.m.

Rep. Babauta: Yes. That's good.

Speaker Hofschneider: Recess until 2:30 p.m.

The House recessed at 12:34 p.m.

RECESS

The House reconvened at 3:34 p.m.

UNFINISHED BUSINESS

None

BILL CALENDAR

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

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move to withdraw S. B. NO. 13-114 and H. B. NO. 13-157 from the Committee on Ways and Means.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Could you read the title for S. B. NO. 13-114?

Floor Leader Attao: S. B. NO. 13-114, HD1, entitled, A Bill for an Act to amend Section 4(a) of Public Law 13-1 to clarify the definition of the "Office of the Governor"; to repeal Section 5 of Public Law 13-1 and to re-enact a new Section 5 that clearly delineates the transition process whereby those employees affected by Public Law 13-1 may avail themselves of the protections and increased transition benefits provided for herein; and for other purposes.

Speaker Hofschneider: Can I ask the indulgence of the members since that is referred and I instructed the committee to get moving with it. There are some constitutional questions that we must allow the counsels to really look into that since there are recent cases issued by the Federal Court we want to make sure since this is a concern of the Attorney General that she and I talked about this morning. So we want to give some time to the counsels to make sure that those are not included. What was the case? Dyack vs. CNMI, which was recently issued. So can you rephrase your motion?

Floor Leader Attao: Subsidiary motion, Mr. Speaker, to exclude S. B. NO. 13-114.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: Floor Leader, we don't have to recall H. B. NO. 13-157 since the committee is now presenting a committee report. It is now included in the committee report so it'll automatically appear. So we go back to Reports of Standing Committees, Item 12.

The House went back to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Floor Leader Attao moved for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the adoption of S. C. R. NO. 13-072 and S. C. R. NO. 13-073, was seconded by Rep. Babauta and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of S. C. R. NO. 13-073 reference to H. B. NO. 13-157, CD1.

S. C. R. NO. 13-073: Reporting on H. B. NO. 13-157, CD1, entitled, “To amend 4 CMC § 1818 to add a new section to the Tax Code, specifically Title 4, Division 9, Chapter 8, by adding a new § 1818 that provides the Secretary of Finance with waiver authority in response to an emergency for reasonable cause or in the event of an unforeseeable circumstance; and for other purpose.” *Your Committee on Ways and Means recommends the passage of the bill in the form of CD1.*

The motion was seconded by Rep. Babauta. There was no discussion, and the motion to adopt S. C. R. NO. 13-073 was carried by voice vote.

Speaker Hofschneider: S. C. R. NO. 13-073 is hereby adopted by the House. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the adoption of S. C. R. NO. 13-072.

The motion was seconded by Rep. Babauta.

S. C. R. NO. 13-072: Reporting on the GOV. COMM. 13-451.

Speaker Hofschneider: The motion for the adoption of S. C. R. NO. 13-072 has been seconded. Discussion on the committee report?

Several members voiced, “ready.”

The Chair recognized Representative Deleon Guerrero.

Rep. Deleon Guerrero: Mr. Speaker, my comments would basically expound what I have mentioned earlier. For the most part, I agree with the contents of the committee report. I just feel that this is a package that deserves consideration and as a member of the Committee on Ways and Means, I really wish that the Chairman would hold committee meetings so that all the members can have the opportunity to participate, to debate, to offer suggestions and to have a meaningful participation in the drafting of the committee report. The only participation I was afforded is to sign the committee report after it was drafted. So *enao ha'*. It's nothing new – I've said this before when the budget for this fiscal year was drafted. I really want to ask that the Chairman would hold committee meetings so we can have meaningful participation, *Mr. Speaker, enao ha'*.

Speaker Hofschneider: Okay. Representative Torres?

Rep. S. Torres: So noted.

Rep. Deleon Guerrero: Thank you.

Speaker Hofschneider: Any other comment? This is an important piece of legislation. Representative Salas?

Rep. Salas: Mr. Speaker, I too share the same sentiment with Congressman Deleon Guerrero. I wanted to give Chairperson Torres the benefit of the doubt and I participated in the past where I just went along and signed his committee report. But there's a time when we really need to sit down and have everybody's input and I think that this is one of them. I know that the Chairperson of the Committee on Ways and Means maybe at times is overwhelmed on the amount of bills in his office but nevertheless this is very important and I feel that he should at least allow us to participate rather than just coming in on the day of the session and signing the committee report. Thank you, Mr. Speaker.

The Chair recognized Representative Palacios.

Rep. A. Palacios: I share the same sentiment, Mr. Speaker, and I'm glad that the Chair has noted the sentiment. Hopefully we have more deliberations on this issue.

Floor Leader Attao: Mr. Speaker, I think this is very identical to H. B. NO. 13-158 where the Committee on Ways and Means never conducted a meeting and those people who aired their concerns, at the time when they signed off the report did not even bothered to say anything. So this is just the same, this is just the same. I think the Chairman is just doing his work. Thank you.

Speaker Hofschneider: May I..

Floor Leader Attao: Seriously, Mr. Speaker, if you look at H. B. NO. 13-158 these people who signed the committee report did not questioned whether the committee met or not, they just signed it. Now they question this because there was no committee meeting.

Speaker Hofschneider: What's H. B. NO. 13-158, Floor Leader?

Floor Leader Attao: That's the user's fee.

Speaker Hofschneider: Oh.

Floor Leader Attao: And this is also part of the user's fee.

Rep. S. Torres: Mr. Speaker, clarification. Is the Floor Leader defending me or...

Speaker Hofschneider: Yes. He's defending you.

Floor Leader Attao: I'm defending you.

Rep. S. Torres: Thank you.

Floor Leader Attao voiced, "ready."

Speaker Hofschneider: Any other comments on the proposed revenue generating legislation by the Governor.

Rep. Babauta: I have no comments, Mr. Speaker. I'm not a member.

Speaker Hofschneider: In general concept for purposes of discussing this bill today, the committee report is sufficient to highlight the three main facets of those proposals submitted by the Governor. But in all seriousness, I'd like to see that the Committee on Ways and Means report out a section by section analysis of those three main facets of the proposals. Particularly, why is it impacting, and to what extent is the degree of the impact on suggested revenue increasing taxes. Two, if the college is sound in its proposal to be self-sustaining by expanding enrollment to include foreign students and third, is the Responsible Government Act, which suggests not to repeal but suspend the benefits that are given to government employees to help curtail the cash crunch being realized or experienced today. I think these are quite targeted in approach and I'd like to see a section-by-section cost benefit analysis for each facet of proposal. We will vote on this, but in the end we need to substantiate our votes and why we disagree with the Governor. I think that we may in fact qualify ourselves on one section of the tax increase proposal, which is the user fee. We have acted on it and we waited for the Governor to come on board. We kept that bill on the calendar for five months and the Administration never stated their position until after the defeat of the user's fee bill. To revisit it, there must be a sound reason behind reviving the interest of the House to deal with the user fee again. Under the original proposal there's a specific target for its use. Under their proposal there's no specific target as to its use and likewise in the report it clearly labeled the proposal as being void of a specific purpose other than to continue to protect the existence of the government in terms of its cash situation. And like in the report all government employees deserve to know where the savings is going when it comes suspending their benefits. In that respect, I'd like to see that the Committee on Ways and Means come up with a detailed cost benefit analysis of the three facets proposed by the Governor by the next session and preferably within two weeks time, we should be able to get a detailed report of the cost benefit analysis for this proposal. And since the committee also alluded that it may in fact reconsider its position particularly on NMC and some sections of the fee escalation, vehicle related fees and firearms for instance, those – if it is the intent of the House to revisit them and we have similar bills in the committee then we have to bring that to the floor at the same time with detailed cost benefit analysis of the proposal by the Governor. We owe it to the Governor. With that, ready?

Floor Leader Attao voiced, "ready."

There was no further discussion, and the motion to adopt S. C. R. NO. 13-072 was carried by voice vote.

Speaker Hofschneider: S. C. R. NO. 13-072 is hereby adopted by the House. We go to Bill Calendar since we have the Assistant Attorney General to discuss with us the MRC. Let me first officially introduce the bill then we'll get down to the Bill Calendar. So, with no objection on the floor, may we go back to Item 3, Prefiled and Introduction of Bills on our agenda?

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

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 13-267: A Bill for an Act to approve the settlement agreement between the Government of the Commonwealth of the Northern Mariana Islands and the Marine Revitalization Corporation and Anthony Pellegrino; to appropriate \$800,000 as the initial payment under the settlement agreement; and for other purposes.

Offered by: Rep. Heinz S. Hofschneider

The House went back to Bill Calendar.

BILL CALENDAR

Speaker Hofschneider: Thank you. Floor Leader, include H. B. NO. 13-267 under Bill Calendar so we may openly discuss it.

Floor Leader Attao moved to place H. B. NO. 13-255, H. B. NO. 13-257, H. B. NO. 13-260, H. B. NO. 13-264, H. B. NO. 13-266 and H. B. NO. 13-267 on the calendar, was seconded and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao moved for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the passage of H. B. NO. 13-157, H. B. NO. 13-183, H. B. NO. 13-255, H. B. NO. 13-257, H. B. NO. 13-260, H. B. NO. 13-264, H. B. NO. 13-266 and H. B. NO. 13-267, was seconded by Rep. Babauta 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. 13-267 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-267: A BILL FOR AN ACT TO APPROVE THE SETTLEMENT AGREEMENT BETWEEN THE GOVERNMENT OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS AND THE MARINE REVITALIZATION CORPORATION AND ANTHONY PELLEGRINO; TO APPROPRIATE \$800,000 AS THE INITIAL PAYMENT UNDER THE SETTLEMENT AGREEMENT; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion for the passage of H. B. NO. 13-267 reference to the Settlement Agreement between the Commonwealth of the Northern Marianas government and the Marine Revitalization Corporation and Anthony Pellegrino has been seconded. And under discussion, Floor Leader, move to resolve into Committee of the Whole to receive the Assistant Attorney General.

Floor Leader Attao: Thank you, Mr. Speaker. I move to resolve into Committee of the Whole Resolution so that we can have the Assistant Attorney General enlighten us on H. B. NO. 13-267.

The motion was seconded by Rep. Babauta. There was no discussion, and the motion to resolve into Committee of the Whole was carried by voice vote.

Speaker Hofschneider: Motion carried. We're under Committee of the Whole.

The House went into Committee of the Whole at 4:02 p.m.

COMMITTEE OF THE WHOLE

The House returned to plenary session at 5:12 p.m.

Speaker Hofschneider: Motion carried. We're back to H. B. NO. 13-267.

Floor Leader Attao voiced, "ready."

Speaker Hofschneider: Ready. I would like to offer an oral floor amendment. On page 1 on the last sentence beginning with "The funds appropriated herein shall be from" strikeout "the" and insert the following words "unencumbered capital improvement project funds, including but not limited to" and it continues. Any second?

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

Speaker Hofschneider: Motion carried. We're back to the bill as amended and, members, in the Findings section on line 5 after the word "from" insert similar language and just strikeout the word "the" there. Those that have not been committed – monies that were not legislated, that was not appropriated and lying around in CDA previous bonds for instance the hundred and forty million during the Teno's Administration in the second term. The hundred and forty million is in the New York bank and there's a bit of money there maybe fifty thousand or hundred thousand but collectively we can pull this resources to help the eight hundred thousand dollars. That's what it means. But that is not to construe to mean that those that have been legislated or appropriated for specific projects would be included. That's not the correct...

Rep. S. Torres: I understand that we don't have any more money at CDA.

Speaker Hofschneider: No, we have.

Rep. S. Torres: What about the \$2.5 million that you appropriated for the jailhouse?

Speaker Hofschneider: It's up in the Senate. That's why we're voting on the other bill to get the Rota and Tinian to agree with us because they wanted to piggyback the five hundred thousand dollars. Ready? Clerk, roll call.

Floor Leader Attao: The floor amendment?

Speaker Hofschneider: No. H. B. NO. 13-267 as amended. Representative Palacios, you have a question?

Rep. A. Palacios: No question, Mr. Speaker, I want to make comments for the record.

Speaker Hofschneider: Continue.

Rep. A. Palacios: With your indulgence, Mr. Speaker, this is a very difficult decision. At the same time I credit you for pushing this and seeing that we need to settle this. What is ironic, Mr. Speaker, is that the Ninth Legislature was the one that approved this MRC Lease Agreement and you alluded to the fact that perhaps the Legislature that enacted this public law that enabled this agreement should have really looked at this agreement for what it was. What is further ironic, Mr. Speaker, is that the Administration is now the one negotiating with this house. We've come to a juncture now where we have to cut our losses. From the very beginning, Mr. Speaker, as a staff of DLNR under the Division of Fish and Wildlife, I opposed this agreement for the record. I opposed it when it was negotiated under the directorship of the late Nick Guerrero and I opposed it when it came under subsequent predecessor Mr. Ben Sablan...[end of recording]

Speaker Hofschneider: [beginning of recording]...as a member of a corporation, for instance, conveniently enjoin a local so that that local can have accessibility to the approving body. We open our hearts, our minds and our doors because how often do we see a local participate in any development. When a local steps in, he was knocking for assistance on the consideration on the submerge land lease because he was a member of the corporation when it was incorporated. We told him in the committee deliberations that make sure that you're not going to be treated like a *zori*, a slipper or a shoe. Once they have accomplished what they want to do they kick out conveniently or tactfully, pay you off or send you off with a suitcase of empty promises. That's what happened with this lease. But the most glaring mistakes of the government – and Representative Palacios attempted to allude to it or expose it – are the subsequent amendments to that original lease that was adopted by the Legislature. One obvious amendment was the downsizing of the berthing, which was used to compute the feasibility, the economics of that development arbitrarily without the approval of the Legislature amended through the CRM process and DLNR. They left the approving body out. Now is that a commitment on the Commonwealth on the damages due? Yes. It was the government who blessed the changes in spite of the approved lease agreement. But the most important thing that we should not forget is let this be a lesson for all. Whenever you see a person being used to get something off the block we always use this experience in retrospect, in hindsight – I should have done this; I should have done that. Yes, it was a mistake in the history of the Legislature by not being too attentive or attentive enough. But, let this not be repeated. We cut our losses and move on. Managaha is a melting pot and the point to reach Managaha begins with the Outer Cove Marina and the countless numbers of people trying to make a living being a fisherman who have families to feed and loans to pay. When things are laden with greed this is what happens. We fail as a government. So let's cut our losses, minimize it and move on and hope that we can be ever more attentive to the needs of the Outer Cove Marina, for the tourism industry and for those countless fishermen who are trying to make a living too. No denying it, it was a mistake and believe me it will not be repeated. With those remarks you guys made, it's in legislative history. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-267, HD1 on First and Final Reading is as follows:

Rep. Martin B. Ada	excused
Rep. Francisco DLG. Aldan	no
Rep. Jesus T. Attao	yes

Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes (with reservations)
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused
Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	excused
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	no
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 12-2 in the affirmative, H. B. NO. 13-267, HD1 is hereby passed by the House on First and Final Reading. The appropriation for Rota and Tinian, Floor Leader.

Floor Leader Attao: Do we pass that first, Mr. Speaker, or H. B. NO. 13-157?

Speaker Hofschneider: Continue.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-157, HD1 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-157, HD1: A BILL FOR AN ACT TO AMEND 4 CMC § 1818 TO ADD A NEW SECTION TO THE TAX CODE, SPECIFICALLY TITLE 4, DIVISION 9, CHAPTER 8, BY ADDING A NEW § 1818 THAT PROVIDES THE SECRETARY OF FINANCE WITH WAIVER AUTHORITY IN RESPONSE TO AN EMERGENCY FOR REASONABLE CAUSE OR IN THE EVENT OF AN UNFORESEEABLE CIRCUMSTANCE; AND FOR OTHER PURPOSE.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-157, HD1 has been seconded. Discussion on the bill?

Floor Leader Attao voiced, "ready."

Speaker Hofschneider: Ready. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-157, HD1 on First and Final Reading is as follows:

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

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

Speaker Hofschneider: By a vote of 14-0, 4 “absent”, H. B. NO. 13-157, HD1 is hereby passed on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-193, HS1 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-193, HS1: A BILL FOR AN ACT TO AMEND 4 CMC §§ 5941 (a) TO REMOVE THE REQUIREMENT FOR A \$100,000 SECURITY DEPOSIT FOR LONG-TERM BUSINESS CERTIFICATE APPLICANTS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion for the passage on the First and Final Reading H. B. NO. 13-193, HS1 reference to the \$100,000 Deposit for Foreign Investment has been seconded. Discussion on the bill?

Rep. Babauta voiced, “ready.”

Speaker Hofschneider: Ready. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-193, HS1 on First and Final Reading is as follows:

Rep. Martin B. Ada	excused
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes
Rep. Arnold I. Palacios	yes
Rep. Herman T. Palacios	excused

Rep. Norman S. Palacios	yes
Rep. Daniel O. Quitugua	excused
Rep. Andrew S. Salas	yes
Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 14-0, H. B. NO. 13-193, HS1 is hereby passed on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-183 reference to S. C. R. NO. 13-071 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-183: A BILL FOR AN ACT TO DESIGNATE THE DEPARTMENT OF LANDS AND NATURAL RESOURCES AS THE ADMINISTERING AUTHORITY OVER THOSE ISLANDS PROTECTED UNDER NMI CONST. ART. XIV, § 2.

Speaker Hofschneider: Could you just read the title, Floor Leader?

Rep. Babauta: *Etyo i endangered.*

Speaker Hofschneider: Oh, okay. The motion for the passage of H. B. NO. 13-183 on First and Final Reading has been seconded. Discussion on the bill?

Rep. Babauta voiced, "ready."

Speaker Hofschneider: Ready. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-183 on First and Final Reading is as follows:

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

Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	excused
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 14-0, H. B. NO. 13-183 is hereby passed on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-264 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-264: A BILL FOR AN ACT TO RE-APPROPRIATE FUND BALANCES FROM PUBLIC LAWS 9-1 AND 10-38; AND FOR OTHER PURPOSES.

Speaker Hofschneider: What's H. B. NO. 13-264?

Rep. Babauta: Appropriation – removal of Precinct I money to Precinct II.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-264 has been seconded. Discussion on the bill?

Rep. Babauta voiced, “ready.”

Speaker Hofschneider: What was it, Representative Babauta, you stated?

Rep. Babauta: Removal of Precinct funds from Precinct I to Precinct II.

Speaker Hofschneider: Thank you. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-264 on First and Final Reading is as follows:

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

Rep. Benjamin B. Seman	yes
Rep. Ramon A. Tebuteb	yes
Rep. Manuel A. Tenorio	excused
Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 14-0, H. B. NO. 13-264 is hereby passed on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-255 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-255: A BILL FOR AN ACT TO DESIGNATE PUBLIC LAND LOCATED AT THE SITE OF THE FORMER SAMOAN HOUSING IN GARAPAN FOR THE DEVELOPMENT OF AN ATTRACTIVELY LANDSCAPED SYSTEM OF CONSTRUCTED PONDS AND WETLANDS; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-255 has been seconded. Discussion on the bill?

Several members voiced, "ready."

Speaker Hofschneider: Ready. Clerk, roll call.

Rep. S. Torres: What's the title?

Speaker Hofschneider: Designation of public land in the old Samoan Housing for ponding.

Floor Leader Attao: Mr. Speaker?

The Chair recognized the Floor Leader.

Floor Leader Attao: Can I take \$400,000 from the \$1.2 that was originally dedicated to MRC to fund this project?

Speaker Hofschneider: No.

Floor Leader Attao: Just like Tinian and Rota, Mr. Speaker.

Speaker Hofschneider: Later on.

Floor Leader Attao: Later on?

Speaker Hofschneider: Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-255 on First and Final Reading is as follows:

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

Speaker Hofschneider: By a vote of 14-0, H. B. NO. 13-255 is hereby passed by the House on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-100, HS1 on First and Final Reading.

The motion was seconded.

H. B. NO. 13-100, HS1: A BILL FOR AN ACT TO PROHIBIT THE USE OF HAND HELD CELLULAR PHONES AND OTHER HAND HELD COMMUNICATION DEVICES WHILE OPERATING A MOTOR VEHICLE.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-100, HS1 reference to Cell Phones has been seconded. Discussion on the bill?

Several members voiced, "ready."

Speaker Hofschneider: Ready. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-100, HS1 on First and Final Reading is as follows:

Rep. Martin B. Ada	excused
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes

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

Rep. S. Torres: Mr. Speaker and members, I just want to put on the record that I know that most of us here have cell phones and if I see any of you using the cell phone on the road I will be the one to call in for citation.

Rep. Stanley T. Torres	yes
Rep. William S. Torres	yes
Rep. Heinz S. Hofschneider	yes

Speaker Hofschneider: By a vote of 14-0, H. B. NO. 13-100, HS1 is hereby passed on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-179, HS1 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-179, HS1: A BILL FOR AN ACT TO EXTEND THE HOURS FOR ON-SALE AND OFF-SALE PREMISES AS DEFINED IN 4 CMC DIVISION 5; TO INCREASE THE FEES RELATED TO THE LICENSING OF THESE PREMISES TO HELP DEFRAY THE ADDITIONAL COSTS OF ADMINISTRATION AND ENFORCEMENT THEREOF.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-179, HS1 reference to Alcohol Sale Hours has been seconded. Discussion on the bill?

Rep. Babauta voiced, "ready."

Speaker Hofschneider: Ready. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-179, HS1 on First and Final Reading is as follows:

Rep. Martin B. Ada	excused
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes

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

Speaker Hofschneider: By a vote of 14-0, H. B. NO. 13-179, HS1 is hereby passed on First and Final Reading. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-266 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-266: A BILL FOR AN ACT TO APPROPRIATE FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) FOR THE COMPLETION OF THE ROTA ROUTE 100 ROAD PROJECT IN THE FIRST SENATORIAL DISTRICT; TO APPROPRIATE FIVE HUNDRED THOUSAND DOLLARS (\$500,000.00) FOR THE COMPLETION OF THE WATER RESERVOIR PROJECT IN THE SECOND SENATORIAL DISTRICT; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-266 this is the half a million for Tinian and Rota has been seconded. Correct?

Floor Leader Attao: Yes.

Speaker Hofschneider: Discussion on the bill? For the members' satisfaction and curiosity, the Rota and Tinian Delegations are holding off the request from the Administration the bill on the \$2.5 million for the appropriation of the prison project on the assumption that we also pass their legislation. Clerk...

Rep. S. Torres: Is this why we're holding hostage of H. B. NO. 13-205?

Speaker Hofschneider: So to speak. Clerk, roll call.

Floor Leader Attao: Mr. Speaker, I would like to offer a floor amendment. Oh, that's okay until next week.

Speaker Hofschneider: Thank you. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-266 on First and Final Reading is as follows:

Rep. Martin B. Ada	excused
Rep. Francisco DLG. Aldan	yes
Rep. Jesus T. Attao	yes
Rep. Oscar M. Babauta	yes
Rep. Gloria DLC. Cabrera	yes
Rep. Pedro P. Castro	yes
Rep. Joseph P. Deleon Guerrero	yes

Rep. A. Palacios: I hope the Senate passes H. B. NO. 13-252 before they pass H. B. NO. 13-266.

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

Speaker Hofschneider: By a vote of 14-0, H. B. NO. 13-266 is hereby passed on First and Final Reading. And for the record, I would like to request the Representative from Tinian to ensure that both bills are passed by the Senate in all seriousness. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-257 on First and Final Reading.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-257 has been seconded. By request of the legal counsel, can we keep it on the calendar and allow the legal counsels please to review both bills?

Floor Leader Attao: Does that include H. B. NO. 13-260?

Speaker Hofschneider: Correct.

Floor Leader Attao: Maybe we can pass it on First Reading, Mr. Speaker.

Speaker Hofschneider: Okay.

Floor Leader Attao: I move for the passage of H. B. NO. 13-257 on First Reading only.

H. B. NO. 13-257: A BILL FOR AN ACT TO MAKE IT ILLEGAL TO OPERATE AN AUTOMOTIVE REPAIR SHOP IN THE VILLAGE HOMESTEAD SUB-DIVISION; AND FOR OTHER PURPOSES.

The motion was seconded by Rep. Babauta. There was no discussion, and the motion to pass H. B. NO. 13-257 on First Reading was carried by voice vote.

Speaker Hofschneider: H. B. NO. 13-257 is hereby passed on First Reading only. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-260 on First Reading only.

H. B. NO. 13-260: A BILL FOR AN ACT TO IMPOSE LIABILITY AND RESPONSIBILITY ON NON-RESIDENT WORKERS FOR CAUSES ARISING FROM PERSONAL ACTS; AND FOR OTHER PURPOSES.

The motion was seconded by Rep. Babauta. There was no discussion, and the motion to pass H. B. NO. 13-260 on First Reading was carried by voice vote.

Speaker Hofschneider: H. B. NO. 13 260 is hereby passed on First Reading only. Floor Leader, recess.

Floor Leader Attao moved to recess subject to the call of the Chair, was seconded and carried by voice vote.

The House recessed at 5:45 p.m.

Respectfully submitted,

Lavida S. Palacios, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

None