



House Journal

FIRST SPECIAL SESSION, 2003

First Day

April 3, 2003

The House of Representatives of the Thirteenth Northern Marianas Commonwealth Legislature convened in its **First Day, First Special Session**, on **Thursday, April 3, 2003**, at **2:25 p.m.**, in the House Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Heinz S. Hofschneider, Speaker of the House, presided.

A moment of silence was observed.

The Clerk called the roll. Sixteen members were present; Representative Gloria DLC. Cabrera was excused and Representative Stanley T. Torres came in late.

Speaker Hofschneider: We'll take a short recess for the presentation ceremony.

The House recessed at 2:27 p.m.

RECESS

The House reconvened at 2:36 p.m.

ADOPTION OF JOURNALS

Speaker Hofschneider: We're back to our session and we're under Adoption of Journals. Floor Leader.

Floor Leader Attao moved for the adoption of the Journals for the 3rd Day, Third Regular Session and 4th Day, Third Regular Session, was seconded and carried by voice vote.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: I want the record to reflect that I'm present.

Speaker Hofschneider: So noted.

PREFILED AND INTRODUCTION OF BILLS

H. B. NO. 13-268: A Bill for an Act to establish the Commonwealth Fair Labor Standards; and for other purposes.

Offered by: Rep. Oscar M. Babauta

Referred to: Sub-Committee on Labor & Immigration

H. B. NO. 13-269: A Bill for an Act to punish the acts of counterfeiting registered trademarks; and for other purpose.

Offered by: Rep. Stanley T. Torres
Referred to: Committee on Judiciary & Governmental Operations

Rep. S. Torres: Mr. Speaker, in relation to that bill, I am withdrawing H. B. NO. 13-247, which I introduced last session. That would be replaced by H. B. NO. 13-269, which I just introduced.

Rep. Babauta: No objection.

Speaker Hofschneider: Clerk, take note. Thank you. Any other bills? Representative Arnold Palacios.

H. B. NO. 13-270: A Bill for an Act to provide permitting and regulatory authority over beachside activities; and for other purposes.

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

H. B. NO. 13-271: A Bill for an Act to re-appropriate fund balances from Public Law Nos. 13-038, 11-067, 11-120, 12-024, 12-063 and 12-073; and for other purposes.

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

H. B. NO. 13-272: A Bill for an Act to rollback the tax increases authorized by Public Law 13-38; and for other purpose.

Offered by: Rep. Herman T. Palacios and seven others
Referred to: Committees on Ways and Means and Health & Welfare

Speaker Hofschneider: How do you wish for that bill, Representative Palacios? Should we take it up on the calendar today?

Floor Leader Attao: Mr. Speaker, can we have that bill go through a public hearing so that we will get all the information with respect to U. S. and foreign cigarettes prices?

Rep. H. Palacios: I will compromise.

Speaker Hofschneider: Thank you, Representative Herman Palacios. Any other bills? Floor Leader.

H. B. NO. 13-273: A Bill for an Act to amend 1 CMC §§ 2553 (j) and 7404 (a) as amended by PL 13-24.

Offered by: Rep. Jesus T. Attao

PREFILED AND INTRODUCTION OF RESOLUTIONS

The Chair recognized Representative Castro.

Rep. S. Torres: Mr. Speaker?

H. R. NO. 13-121: A House Resolution respectfully requesting all business establishments in the CNMI to grant business discount privilege for Senior Citizens (Man-Amko) in Saipan, Tinian and Rota.

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

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Thank you, Mr. Speaker. Can we go back to Prefiled and Introduction of Bills? I was raising my hand to introduce the House Legislative Initiative – if I may?

Speaker Hofschneider: Yes.

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

PREFILED AND INTRODUCTION OF BILLS

H. L. I. NO. 13-013: A House Legislative Initiative to amend Article III Section 11 of the Constitution of the Commonwealth of the Northern Mariana Islands and authorize for the election of an Attorney General; and for other purposes.

Offered by: Rep. Stanley T. Torres and five others

Referred to: Committee on Judiciary & Governmental Operations

PREFILED AND INTRODUCTION OF RESOLUTIONS

The Chair recognized Representative Tebuteb.

H. R. NO. 13-122: A House Resolution requesting the Board of Public Lands to reserve not more than one thousand (1,000) square meters of beach front property south of the Carolinian Affairs Office at ‘Aboni Beach’ to build a canoe house.

Offered by: Rep. Ramon A. Tebuteb and nine 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.

GOV. COMM. 13-468 – 3/3/03 – P.L. 11-6 notification of exemption for Western Pacific Enterprises, Inc.

GOV. COMM. 13-469 – 3/3/03 – P.L. 11-6 notification of exemption for TRI Enterprises, Inc.

GOV. COMM. 13-470 – 3/3/03 – P.L. 11-6 notification of exemption for Tinian Dynasty Hotel & Casino.

GOV. COMM. 13-471 – 3/3/03 – P.L. 11-6 notification of exemption for Diamond Auto Parts-Saipan.

GOV. COMM. 13-472 – 3/3/03 – P.L. 11-6 notification of exemption for Asiana Airlines.

GOV. COMM. 13-473 – 3/3/03 – P.L. 11-6 notification of exemption for FC Auto Repair Shop.

GOV. COMM. 13-474 – 3/4/03 – P.L. 11-6 notification of exemption for Effect International Co., Ltd.

GOV. COMM. 13-475 – 3/4/03 – P.L. 11-6 notification of exemption for 3A's Polyshine.

GOV. COMM. 13-476 – 3/4/03 – P.L. 11-6 notification of exemption for New Pacific Rainbow Corp.

GOV. COMM. 13-477 – 3/4/03 – P.L. 11-6 notification of exemption for the Department of Public Health, CHC.

GOV. COMM. 13-478 – 3/6/03 – Informing the Legislature that he signed H. B. NO. 13-238 (re Tinian Airport Appropriation) into **Public Law No. 13-47**.

GOV. COMM. 13-479 – 3/7/03 – P.L. 11-6 notification of exemption for D'Won Company.

GOV. COMM. 13-480 – 3/7/03 – P.L. 11-6 notification of exemption for Aby & Alice International Inc.

GOV. COMM. 13-481 – 3/7/03 – P.L. 11-6 notification of exemption for Min's Health Clinic.

GOV. COMM. 13-482 – 3/7/03 – P.L. 11-6 notification of exemption for Chun Hwa Corporation.

GOV. COMM. 13-483 – 3/7/03 – P.L. 11-6 notification of exemption for Pacific Printing Press.

GOV. COMM. 13-484 – 3/7/03 – P.L. 11-6 notification of exemption for General Fashion Center.

GOV. COMM. 13-485 – 3/7/03 – P.L. 11-6 notification of exemption for Moda Cash-N-Carry.

GOV. COMM. 13-486 – 3/7/03 – P.L. 11-6 notification of exemption for Value Plus Inc. under new major development.

GOV. COMM. 13-487 – 3/7/03 – P.L. 11-6 notification of exemption for Saipan University under new major development.

GOV. COMM. 13-488 – 3/7/03 – P.L. 11-6 notification of exemption for Hotel Riviera Saipan under new major development.

GOV. COMM. 13-489 – 4/1/03 – Fiscal Year 2004 Budget Submittal.

GOV. COMM. 13-490 – 3/10/03 – Transmitting for consideration Executive Order No. 03-01, the Department of Labor and Immigration Reorganization Plan of 2003.

GOV. COMM. 13-491 – 3/10/03 – Transmitting for consideration Executive Order No. 03-02, the Department of Lands and Natural Resources Reorganization Plan of 2003.

GOV. COMM. 13-492 – 4/12/03 – Return of H. B. NO. 13-148 (Workforce Investment Agency office establishment) which the Legislature recalled from his office.

GOV. COMM. 13-493 – 3/13/03 – P.L. 11-6 notification of exemption for Aims Plus.

GOV. COMM. 13-494 – 3/13/03 – P.L. 11-6 notification of exemption for ABA Corporation.

GOV. COMM. 13-495 – 3/13/03 – P.L. 11-6 notification of exemption for Calvary Baptist Church dba Calvary Christian Academy.

GOV. COMM. 13-496 – 3/14/03 – Governor's letter to CDA Chair regarding funding sources for H. B. NO. 13-252 and H. B. NO. 13-266.

GOV. COMM. 13-497 – 3/14/03 – Invitation for a breakfast meeting with Chinese Consul General Zhong Jianhua.

GOV. COMM. 13-498 – 3/20/03 – Appointment of Assistant AG Edward Buckingham as Consent Decree Coordinator. (Directive No. 224)

GOV. COMM. 13-499 – 3/21/03 – P.L. 11-6 notification of exemption for HIS Saipan, Inc.

GOV. COMM. 13-500 – 3/21/03 – P.L. 11-6 notification of exemption for Carmen's Nursery.

GOV. COMM. 13-501 – 3/21/03 – P.L. 11-6 notification of exemption for Lucky R Restaurant.

GOV. COMM. 13-502 – 3/21/03 – P.L. 11-6 notification of exemption for CUC.

GOV. COMM. 13-503 – 3/21/03 – P.L. 11-6 notification of exemption for All American Divers, Inc.

GOV. COMM. 13-504 – 3/21/03 – Informing the legislature that his office will be providing a summary report on PL 11-6 exemptions every 5th of the month.

GOV. COMM. 13-505 – 3/21/03 – Certification of Annual Salary in excess of \$50,000 for Mr. Felix Sablan.

GOV. COMM. 13-506 – 3/31/03 – P.L. 11-6 notification of exemption for Tom's Author Repair Shop dba Mechanic.

GOV. COMM. 13-507 – 4/1/03 – Informing the legislature that he disapproved H. B. NO. 13-252 (\$2.5M for Prison Project).

GOV. COMM. 13-508 – 4/1/03 – Informing the legislature that he signed H. B. NO. 13-266 (\$500k each for Rota 100 Rd. Project & Tinian Water Reservoir) into **Public Law No. 13-48**.

Speaker Hofschneider: On GOV. COMM. 13-507 informing the Legislature that he disapproved H. B. NO. 13-252 – any comments?

Floor Leader Attao: Not comments, Mr. Speaker. I move to override H. B. NO. 13-252.

The motion was seconded.

The Chair declared a short recess at 2:44 p.m.

RECESS

The House reconvened at 2:46 p.m.

Speaker Hofschneider: We're back to our session and we're on GOV. COMM. 13-507 – Representative Babauta?

Rep. Babauta: Thank you, Mr. Speaker. Mr. Speaker, I understand that there's a motion on the floor. May I be recognized for discussion?

Speaker Hofschneider: Yes.

Rep. Babauta: Thank you. Mr. Speaker, I'm just disturbed that such a sentence is included in the Governor's communication or letter of transmittal to the House and Senate indicating – it's a disturbing sentence to me. The last sentence on the second paragraph says, "moreover, I am not convinced that the elected representatives from the Third Senatorial District gave informed consent to such reprogramming of properly appropriating money from their respective precinct projects." If my recollections serve me well, Mr. Speaker, it was. There was a lengthy debate on the bill with respect to the CIP reprogramming and re-appropriation. I believe through the voting record that the bill passed with overwhelming majority and that is 9 votes. I don't know what consent does ... this is really reflective upon the members that had supported the bill. We could forego and understand the sentiment of the descending vote but I fail to see the rationale whether or not somebody voted "yes" in this chamber and convinced the Administration to veto it, that I do not know. But such a sentence is not very proper when we gave our consent, a well consent. There was menial hindrance of reluctance, Mr. Speaker, but even with that, the Vice Speaker gave his consent and as some did other elected representatives from various precincts. It's necessary and we need to act immediately upon the needs of the consent decree and that is a well-informed decree in itself, self-explanatory. I think the Federal government has been patient primarily the Department of Justice with respect to the prison facility. As we can see, Mr. Speaker, the ever growing activities related or the potential recipients of the facility is growing. We don't want to further hinder the construction. Thank you, Mr. Speaker.

Speaker Hofschneider: Thank you, Representative Babauta. That is quite...

Rep. Babauta: Eloquent?

Speaker Hofschneider: In your own words, eloquent.

Rep. Babauta: Just a concern.

Speaker Hofschneider: It is quite perturbing in the sense that I have the records before me from the clerk. There were eleven members present that day when we took action. Seven were “absent”, two voting “no”, nine voting “yes.” So it is not difficult to assume that the Governor would heed to an opposing view and use that as a claim in his veto message in contrast to a majority of members in agreement and passing that legislation with a constitutional majority. It is quite disturbing and you’re right, that sentence has been added that the Third Senatorial District was not given informed consent, when in fact the House record shows nine in “affirmative” and two “opposing.” So it is difficult as a leader of the House, so to speak, as a Speaker of the House, it is disturbing that the Governor would take the time to expose that some of the members if in fact what he alludes to in his veto message has been frequenting to insist upon the executive power of veto in spite of the constitutional power of the House to enact with an affirmative vote required by the Constitution, a simple majority. What it amounts to is subversion of the leadership. And I don’t appreciate those kinds of activities to continue. I challenge the Governor to review the source in which he has put the House in a predicament to be questioned about its voting contrary to what the clerk has accounted for on H. B. NO. 13-252. It is disturbing because this activity cannot be tolerated. The virtue of the House having consented to an agreement with a majority should be respected and not used against the wishes of the majority. If one cares to be enlightened about the virtues, about respecting the majority, it, in fact, can be found in the electoral process comes November. I am advising the members to please, please refrain because the injections by the Governor is serious claiming that the House went ahead and transmitted the bill without consent of the House of Representatives, the Third Senatorial District. That is a serious allegations lodged against the House and the members of the House and I challenge the Governor to pinpoint whoever that source is because the record speaks for itself. That’s uncalled for. If any member of the House has done that, that is uncalled for. The gravity of that offense is serious. It’s in the Ethics Rules – that is written. We’ll take a short recess and check on the Attorney General and our legal counsel as to the progress of the legislation. Yes, Representative Palacios?

Rep. H. Palacios: Mr. Speaker, if I recall correctly, I voted “yes.”

Speaker Hofschneider: You voted “no” but then you came back and asked to be included.

Rep. Deleon Guerrero: Correction. Clarification.

Speaker Hofschneider: State your clarification.

Rep. Deleon Guerrero: My understanding was that Representative Palacios asked to be given a written assurance before he gave his “yes” vote. I don’t recall any written assurance that day.

Speaker Hofschneider: For clarification, as I recall after the vote was counted by the clerk, Representative Palacios reiterated that if I could assure him immediately in writing he would change his vote, but I respected him because I couldn’t do that. So we just marked his no vote but I know in his heart he voted yes for the bill. We counted his “no” vote because it was after the counting when he was asking for it to be changed. Short recess and we’ll check the progress of the Attorney General. Representative Quitugua?

Rep. Quitugua: Mr. Speaker, while we're waiting for the product of the counsels, there are other communications in today's session that perhaps we can review rather than go into a recess.

Speaker Hofschneider: Yes.

Rep. Quitugua: Is that okay, Mr. Speaker?

Speaker Hofschneider: That's fine. Before we do that, may I ask the Floor Leader to withdraw his standing motion? Your standing motion is for an override on H. B. NO. 13-252, reference GOV. COMM. 13-507. Could you withdraw that?

Floor Leader Attao: I move to withdraw my motion.

Speaker Hofschneider: Thank you. You may continue.

Rep. Quitugua: Thank you, Mr. Speaker. On GOV. COMM. 13-490 and GOV. COMM. 13-491 has something to do with the reorganization of the Department Labor and Immigration and I am hoping, Mr. Speaker, that that particular communication can be calendared for the members' deliberation today.

Speaker Hofschneider: With no objection from the floor, we can calendar that.

Rep. Babauta: Mr. Speaker?

Speaker Hofschneider: This is on GOV. COMM. 13-490 relative to Executive Order Nos. 03-01 and 03-02 reorganizing and transferring the Immigration Section of the Department of Labor and Immigration to the Attorney General's Office and GOV. COMM. 13-491 reorganizing the Department of Lands and Natural Resources.

Floor Leader Attao: To be acted on today's session?

Speaker Hofschneider: Yes. He's requesting to have it placed so that we can take it up for discussion.

Floor Leader Attao: Mr. Speaker, this is a major reorganization. I think the members have to be given ample time to review the Executive Orders so I'm asking Chairman Quitugua to allow the members to at least review it for about a week and make recommendation on the next session to either pass or to refer it to a committee.

Rep. Quitugua: I have no problem with that, Mr. Speaker.

Speaker Hofschneider: Thank you. Clarification, Representative Torres?

Rep. W. Torres: Mr. Speaker, if I understand the constitution correctly, if one body passes this and the other rejects it, then it passes?

The Chair declared a short recess at 2:59 p.m.

RECESS

The House reconvened at 3:06 p.m.

Speaker Hofschneider: We're back to our session and I believe we left off on – Representative Deleon Guerrero, you raised your – under Messages from the Governor. Representative Deleon Guerrero, do you yield to Representative Quitugua?

Rep. Deleon Guerrero: I yield.

The Chair recognized Representative Quitugua.

Rep. Quitugua: Thank you, Congressman Deleon Guerrero. Mr. Speaker, just a short question. I noticed on today's agenda that we are inundated with notices of exemptions. I have also noticed since last year that we have been continually informed of such exemptions. I am wondering if this is a problem or not. Maybe I'm trying to make it a problem, when it is not a problem, I'm just asking the question.

Speaker Hofschneider: Under Public Law 11-6, whenever the Administration exempts a position to be filled by a nonresident, they're required to inform both houses of the Legislature. That's simply for information purposes so that we account the number of exemptions. Two, the efficacy of Public Law 11-6 and the purpose of that is to allow the Legislature to account for by being informed under Public Law 11-6. It is a function of the Executive Branch whenever they exempt a position they must inform the Legislature. Our interest here, the original intent of Public Law 11-6, is to have it go through the exercise since Public Law 11-6 has to do with the moratorium and the capping of nonresidents. And we want to revisit the policy if and when the Legislature thinks it is no longer sufficient or purposeful for the Commonwealth so that we can account for those positions that come by way of request to be exempted and be filled by nonresidents.

Rep. Quitugua: And that's where my concern is, Mr. Speaker. If our economic indicators are quite accurate, then it's kind of interesting to note, Mr. Speaker, that while our unemployment rate continues to go up, doesn't it look very contradictive to you that we are exempting positions that would have otherwise been filled by qualified local people?

Speaker Hofschneider: Exactly the point of Public Law 11-6, Representative Quitugua. You raised a very legitimate concern about the purpose of exemptions and the purpose of providing opportunities for locals verses the nonresidents. If you refer to GOV. COMM. 13-504, this is the first accounting of the exemptions that have been executed or granted. As per the Governor's statement on the last paragraph, a summary for the month of March is forthcoming I believe in two days. So this is essentially an exemption activity report ending February 2003. And you're right, some of these positions are quite concerning.

Rep. Quitugua: Please don't misunderstand me because I think of all the numbers that have been submitted to us are legitimate exemptions and I think those should not be questioned. But, whereas, positions that could have easily been filled by our local people and our employment agency under the Division of Labor hasn't been very aggressive in pursuing these opportunities, that's where my concern is, Mr. Speaker.

Speaker Hofschneider: Absolutely right. If refer to GOV. COMM. 13-504 on the 2nd page ledger and you find under SNM Corporation “Night Auditors” as opposed to auditors. What are night auditors?

Rep. Deleon Guerrero: This is at hotels.

Speaker Hofschneider: Yes. There are positions here that must be revisited. Fiber optic splicers – we have a good number of our local people working under Verizon that are very good fiber optic cable splicers.

Rep. Quitugua: I just thought I’d reflect that section, Mr. Speaker.

Speaker Hofschneider: This is a reflection also on the training capability of the Commonwealth in general. The Northern Marianas College is equally in the context of this argument. Most of this, if not all, could be offered as a skilled development up at the Northern Marianas College or at the high school level. It is a reflection of our system not paying close attention to the needs of the business sector.

Rep. Quitugua: But you also brought up an important point, Mr. Speaker, on the fact that if we recall back in the early times when interest of foreign investment are quite high back in the early 1980’s we have been told that part of their incentive programs to establish businesses here in the CNMI is to increase local participation in the business. Along with that assurance there was also assurance on the fact that they will provide, the businesses will provide training opportunities for our people to take over jobs that were or will be filled by non-local interested parties. Now if you look at the garment industry, for example, Mr. Speaker, one of the failing points of their presence in the CNMI is that they didn’t establish the training program for locals here. I have yet to see a garment industry have an excellent training program within their facility that would reduce the number of foreign workers in the industry. I’m not debating the issue. I’m just raising this, Mr. Speaker, so that maybe some creative minds in the House could come up with appropriate legislation.

Speaker Hofschneider: Any other comments on the Messages from the Governor? Vice Speaker?

Vice Speaker Tenorio: Mr. Speaker, I just wanted to point that the Governor’s exemption authority is indicated under Public Law 11-6. I guess what he’s letting us know that those workers that are still in those categories are the ones that are exempted – nothing new. They have to comply with certain Federal requirements. So it’s not in effect that exempting new positions for any of these. These are actually allowed under Public Law 11-6.

Speaker Hofschneider: Clarification. The positions are normally and traditionally created by the employment agency at the Department of Labor and Immigration. They have an occupational dictionary and that’s where they resort to the proper definition to qualify one. Any other comment on the Messages from the Governor? Representative Stanley Torres?

Rep. S. Torres: Mr. Speaker, I’d just like to inform the members that the concerns that I brought up the past several sessions that the employers are taking advantage of the exemption provisions by bringing in managers, supervisors positions. They use this as a way to bring in people and put them on a job at \$3.05 per hour. Like I said before, the Department of Labor and Immigration should be very careful in reviewing the exemptions submitted to their office. Like I said before about that

bakery shop, a home bakery is asking for an industrial manager. Herman's Bakery is not even in the category of an industrial bakery and here's a one, two-bedroom house somewhere in Precinct III asking for an industrial manager/baker. They got the approval for exemption because the big title. But I know that the guy will be just a regular baker and maybe a delivery person. That's my concern. They're taking advantage of the higher level in bringing in somebody to multiply.

The Chair recognized Representative Tebuteb.

Rep. Tebuteb: This is a very good discussion. Every time we meet, we're bombarded with Public Law 11-6 exemptions. I don't know about the previous Legislatures but if you look at GOV. COMM. 13-504 I hope that would begin the process for us to come to grips of Public Law 11-6. In line with Representative Torres' concern, tourist being the number one economic issue, we have always face the language in Japanese for example. It is important now that we should begin to look at this and I hope that GOV. COMM. 13-504 would also help us. [end of recording]

Floor Leader Attao: [beginning of recording] On GOV. COMM. 13-489, I would like to commend the Governor, Mr. Speaker, for submitting the proposed Fiscal Year 2004 Budget totaling to \$228 million.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: I'd to ask my good colleague – are you commending the Governor for that or for the amount of the budget?

Floor Leader Attao: I'm commending the Governor because the Governor complied with the Article 3 Section 9 (a) of the CNMI Constitution in submitting the budget to the House on timely manner. I have to commend the Governor on this, Mr. Speaker.

Speaker Hofschneider: What was his question? What was your question, Representative Torres?

Rep. S. Torres: I need to correct him because the budget was brought in at 5:30 p.m. It's after working hours.

Floor Leader Attao: Regardless, Mr. Speaker, but the word "twenty-four hours" – whether it's seven, eight or nine o'clock so long as it did not pass twelve o'clock midnight. So I think he complied with the Constitution and I have to commend the Governor.

The Chair recognized Representative Babauta.

Rep. Babauta: Thank you, Mr. Speaker. On the same communication, Mr. Speaker, if the Chair has the opportune time can I also be provided with a package?

Speaker Hofschneider: Yes, and I apologize for not making any comment on that. You all received the Governor's submission letter. I refrained from duplicating the package itself because we called OMB and they're in the process of duplicating it. As soon as that is duplicated, every member will be forwarded a copy. But if one cares to review it, it's available at the Speaker's Office and one copy also is forwarded to the Chairman of the Committee on Ways and Means as traditionally done. So if one cares to look at it, you may take the time and review it in the conference room but please

do not remove it from the Speaker's Office, please, because that's the original. I don't want to have to pass something that has some missing pages in it. Representative Torres?

Rep. S. Torres: Likewise, Mr. Speaker, I have a copy but it's a Ways and Means working copy. I will try my best to duplicate it, but it has 500 pages per volume and there are three volumes.

Speaker Hofschneider: I will take this opportunity to request the Chairman to start working on the budget to see if we can pass it by May or June.

Rep. Deleon Guerrero: The Chairman only?

Speaker Hofschneider: The Chairman is being advised. Representative Seman?

Rep. Seman: I would like to request from the Chairman if we can also request for at least a copy of the departments' submission. That's very important for us look at in terms of what the priority the departments have submitted in comparing it with the Governor's submission.

Speaker Hofschneider: Representative Stanley Torres, Chairman please take note of that.

Rep. S. Torres: (Inaudible.)

Speaker Hofschneider: (Inaudible.)

Rep. S. Torres: (Inaudible.)

The Chair recognized Representative Quitugua.

Rep. Quitugua: Thank you, Mr. Speaker. I would like to respectfully ask that we go back to Item 3 of our agenda?

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

PREFILED AND INTRODUCTION OF BILLS

H. L. B. NO. 13-040: A Local Bill for an Act to appropriate \$90,000 from the local license fees for pachinko slot machines and poker machines in the First Senatorial District; and for other purposes. [First Appearance]

Rep. Quitugua: Thank you, Mr. Speaker.

The House went back to Messages from the Governor.

MESSAGES FROM THE GOVERNOR

Speaker Hofschneider: If there are no other comments on the Messages from the Governor, we'll move down to Senate Communications.

Floor Leader Attao: Mr. Speaker?

Speaker Hofschneider: Short recess?

Floor Leader Attao: No. On GOV. COMM. 13-505 this is relative to certification of excess salary.

Speaker Hofschneider: Yes.

Floor Leader Attao: I don't know whether it's appropriate at this time to make a motion – if something happens to the employee who was given an excess salary, the approving officer shall be liable if something comes up in that the excess salary increase is illegal. I would like to make a motion on that so that the employee would be protected.

The Chair declared a short recess at 3:26 p.m.

RECESS

The House reconvened at 3:27 p.m.

[beginning of recording]

Rep. S. Torres: This is probably a breaking news but I guess by tomorrow's newspaper you would read that the Governor has terminated the contract with PHI Pharmacy. That means that anybody who would go to CHC to buy drugs or medicine would probably be turned away or pay the full amount.

Speaker Hofschneider: Representative Stanley Torres, could you please carefully rephrase that? Did the CNMI Governor terminate it or HPMR terminated it? Who initiated the termination – very critical.

Rep. S. Torres: Let me verify that.

Speaker Hofschneider: It's important to know who initiated the termination. If it is the Commonwealth then it's opening a liability. Any other comments? None. We'll take a short recess.

The House recessed at 3:29 p.m.

RECESS

The House reconvened at 3:48 p.m.

SENATE COMMUNICATIONS

Speaker Hofschneider: We're back to our session and we're under Senate Communications. Under Senate Communications, Floor Leader, could you make a specific motion for SEN. COMM. 13-155.

Floor Leader Attao: I'll make a motion to accept first then...

Speaker Hofschneider: No. The House has to authorize the Senate to recall the bill and reconsider its action on H. B. NO. 13-002, HD1, Accountancy Act. There's an amendment that needs to be inserted in the Senate.

Floor Leader Attao: Is that a motion? Second.

SEN. COMM. 13-155 – Return of H. B. NO. 13-002, HD1 (Accountancy Act), which the Senate passed on March 4, 2003. [Will go to Governor]

Speaker Hofschneider: The motion is to authorize the Senate to recall H. B. NO. 13-022, HD1 and reconsider its action. This is to accommodate an amendment that is much needed for that Accountancy Act, under SEN. COMM. 13-155. The Senate passed, with no amendments, H. B. NO. 13-002, HD1 but since there is a need to amend it further, it's much easier if we authorize the Senate to recall the bill, reconsider its action and offer the amendment up at the Senate. Then, we'll accept it down here. That is a motion and it has been seconded. Discussion on the motion?

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

Speaker Hofschneider: Clerk, please, take note of that. Under Senate Communications, recognize the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the acceptance of SEN. COMM. 13-148 thru SEN. COMM. 13-154 and SEN. COMM. 13-156 thru SEN. COMM. 13 169.

The motion was seconded.

SEN. COMM. 13-148 – Transmittal of S. B. NO. 13-129, “To amend PL 13-17 regarding land compensation priorities and for other purposes,” which was passed by the Senate on March 4, 2003. [For action]

SEN. COMM. 13-149 – Return of H. B. NO. 13-266 (\$500k ea. appropriation for Rota Route 100 Road Project and Tinian Water Reservoir Project), which was passed by the Senate on March 12, 2003. [Became PL 13-48]

SEN. COMM. 13-150 – Return of H. B. NO. 13-252 (\$2.5m appropriation for Prison Project), which the Senate passed on March 12, 2003. [Vetoed 4/1/03]

SEN. COMM. 13-151 – Return of H. B. NO. 13-236 (Media/Film Office Repealer and Reenactment) which was passed by the Senate on March 12, 2003 in the form of H. B. NO. 13-236, SS1. [For action on Senate amendment]

SEN. COMM. 13-152 – Return of H. B. NO. 13-104, HS1 (Immigration Fraud Statute Amendment), which was passed by the Senate on March 4, 2003. [Before the Governor]

SEN. COMM. 13-153 – Informing the House that the Senate voted to recall H. B. NO. 13-148 (Workforce Investment Agency) from the Governor on March 12, 2003. [For information]

SEN. COMM. 13-154 – Return of H. B. NO. 13-219 (CUC to maintain water wells at schools) which the Senate passed on March 4, 2003. [Before the Governor]

SEN. COMM.13-156 – Informing the House that the Senate voted to file H. J. R. NO. 13-16 (re. US West Coast docks lockout), on March 12, 2003. [For information]

SEN. COMM. 13-157 – Return of H. J. R. NO. 13-17 (National Guard of the NMI – H.R. 3128 by former Guam Del. Robert Underwood), which the Senate adopted on March 12, 2003. [For reconsideration]

SEN. COMM. 13-158 – Return of H. J. R. NO. 13-021 (Recognizing Mr. Matt D. Kaye for high quality reporting), which the Senate adopted on March 12, 2003. [For information]

SEN. COMM. 13-159 – Transmittal of S. B. NO. 13-25, entitled, “To amend PL 12-12, to designate Coral Garden and Pinatang Park Marine Area and its surrounding waters as Marine Conservation Area; and for other purposes,” which was passed by the Senate on March 12, 2003. [For action]

SEN. COMM. 13-160 – Transmittal of S. B. NO. 13-125, entitled, “To amend Title 4, Division 5, Chapter 4, by adding a new Article 5 entitled “Petroleum Products” a new article Relative to the Sale and Measurement of Petroleum Products; and for other purposes,” which was passed by the Senate on March 12, 2003. [For action]

SEN. COMM. 13-161 – Transmittal of S. B. NO. 13-99, entitled, “To regulate car towing on public highways and roads; and for other purposes.,” which was passed by the Senate on March 12, 2003. [For action]

SEN. COMM. 13-162 – Return of H. J. R. NO. 13-001 (PSS Bus Purchase), which the Senate adopted on March 4, 2003. [For information]

SEN. COMM. 13-163 – Return of H. J. R. NO. 13-010 (NMI Ecosystem dialogue with Guam – Brown Tree Snake), which the Senate adopted on March 4, 2003. [For information]

SEN. COMM. 13-164 – Return of H. J. R. NO. 13-011 (Civic Center land designation for a Chamorro Culture Village), which the Senate adopted on March 4, 2003.

SEN. COMM. 13-165 – Return of H. J. R. NO. 13-014 (Lower Navy Hill land designation for sports facilities and public park), which the Senate adopted on March 4, 2003. [For Information]

SEN. COMM. 13-166 – Informing the House that the Senate voted to file H. J. R. NO. 13-015 (Expressing grave disappointment over Personnel Director’s statements on PL 13-1) on March 12, 2003. [For information]

SEN. COMM. 13-167 – Transmittal of S. R. NO. 13-36, “Expressing the condolences of the Senate to the family of the Late Honorable Mаметto ‘Mamet’ Ulloa Maratita on his call to eternal rest on Tuesday, February 4, 2003, at the age of 52 years,” which was adopted by the Senate on March 4, 2003. [certified copy]

SEN. COMM. 13-168 – Transmittal of S. R. NO. 13-36, “To comment Norman Peter Tenorio, Jr., for having helped to save the life of four young children on march 2, 2003 at Sugar Dock Beach,” which was adopted by the Senate on March 4, 2003. [certified copy]

SEN. COMM. 13-169 – Return of H. B. NO. 13-193, HS1 (Foreign Investment \$100k Deposit), which the Senate passed without amendment on March 28, 2003. [Will go Governor]

Speaker Hofschneider: The motion to accept SEN. COMM. 13-148 thru SEN. COMM. 13-154 and SEN. COMM. 13-156 thru SEN. COMM. 13-169 has been seconded. Discussion on any of the Senate Communication? Representative Aldan.

Rep. Aldan: SEN. COMM. 13-148, to amend the land compensation...

Speaker Hofschneider: We’re just accepting the Senate Communications then we’ll place it on the calendar. Ready?

Several members voiced, “ready.”

There was no further discussion, and the motion to accept SEN. COMM. 13-148 thru SEN. COMM. 13-154 and SEN. COMM. 13-156 thru SEN. COMM. 13 169 was carried by voice vote.

Speaker Hofschneider: For the members, SEN. COMM. 13-151, Representative Aldan, this is the Tourism Media/Film Office. The Senate severely amended it. What they did essentially is left everything as is under the original law, which is Public Law 13-29, and just focused on the argument of the House claiming property over appropriations matter. So essentially they just left everything intact under Public Law 13-29 but amended Section 6, which is essentially what we tried to correct under the original law which we raised the issue of the bill being an appropriation bill. So with no objection on that, I know that they’ve been waiting for this bill to proceed so that they can in fact start opening the office. If there’s no objection, can we put that on today’s calendar, Floor Leader?

Floor Leader Attao: Senate Bill?

Speaker Hofschneider: SEN. COMM. 13-151, H. B. NO. 13-236, SS1. Representative Babauta?

Rep. Babauta: Point of information. Mr. Speaker, I probably missed the discussion on SEN. COMM. 13-155 while I was out.

Speaker Hofschneider: Yes. We need to allow the Senate to recall the bill and reconsider their action so that we have an amendment prepared by the counsel to be given to the Senate so that they can amend it and send it down to the House for acceptance.

Rep. Babauta: Thank you.

HOUSE COMMUNICATIONS

HSE. COMM. 13-49 – Rep. Castro’s trip report (February 13-16, 2003).

HSE. COMM. 13-50 – From Rep. Stanley Torres requesting for legal representation from the CNMI Legislature (Civil Action No. 01-0624 A).

HSE. COMM. 13-51 – From Rep. Stanley Torres regarding the Northern Marianas College.

The Chair recognized Representative Arnold Palacios.

Rep. A. Palacios: Thank you, Mr. Speaker. I have a House Communication, which I wish to deliver now. Mr. Speaker and members of the House, these are difficult times for the Commonwealth and how we go about making our decisions must reflect careful considerations and thoughts for the actions we take and their consequences. We should all be honest and modest enough to admit that in the past we have not always given proper attention to detail in the passage of legislations. The Executive Branch also has an important responsibility in the production of legislations by providing an accurate sense of its intentions and coordinating with legislators to accomplish mutual goals. That's how it is supposed to work, but in the past, the Administration has complained loudly and publicly about this house, specifically, how this house has not cooperated with its efforts. I believe that in response we have made strenuous efforts to accommodate these concerns. When it comes to cooperation, however, the history leading up to Governor Babauta's recent veto of additional money for the Saipan prison project and the implied threat that he would do the same with the Outer Cove Marina Settlement Agreement hasn't been apparent. In the case of the prison project, both the Governor's legal counsel and his Special Assistant for CIP, Mr. Jordan, came to us and we assumed at the time that it was at the direction of the Governor to ask for the now vetoed additional appropriation bill for the prison project. Of course we cooperated as we did with the previous request because there is no question that the prison project is a critical issue that needs to be resolved by the Commonwealth. We face stiff sanctions under the longstanding Federal consent decree if we don't get this thing done and we have a huge investment in the planning work of numerous professionals needed to carry such a project. I, as most of you, am a freshman legislator and I have to admit that I do not understand the methods being used by the Governor and others to secure cooperation on a measure that I had thought everyone agreed was vital to us. If we meet face to face with the Governor's top aides with requests from the Administration, doesn't that they tell us or reflect the position Governor? Do these aides report back to the Governor on what transpires in these meetings? And if there are problems of such magnitude as to cause a veto, why can't either the aide or the Governor get back to us? We are, after all, next door neighbors and we do have phones, even if the numbers are sometimes hard to find. This is a curious kind of cooperation. Now, as you all know, this is not the only instance of what may or may not be a communication problem. Allegations are now being made that the Settlement Agreement with Tony Pellegrino and the Marine Revitalization Corporation is an example of hasty and poorly conceived legislation, but I believe that this is not the case. In fact, the Office of the Attorney General, again, negotiated the Settlement Agreement under the direction and the offices of the Governor's Office, over a period of two Administrations. Its intention was to satisfy the commitments long since entered by the Commonwealth government and approval of the submerged land lease to MRC. In hindsight, some of these commitments may have been unwise, but this does not mean that we can simply abandon our responsibilities without prior consequences. Some of the comments that I have heard implied that this was some sort of a secret deal worked out in the back room, but I believe that this is not the case. All the facts related to this project are widely known, all documents publicly available including the Settlement Agreement negotiated by MRC and the Office of the Attorney General. Many hands have been involved in producing this agreement and I believe the public purpose is undeniable. In the end, we would have protracted legal proceedings and possibly a judgment of legal

liability had we not concurred a settlement agreement. Beyond the Office of the Attorney General, the Executive Branch has been an important part of this Settlement Agreement and the House understood the need to satisfy our government's commitment was shared by the Governor as reflected by the prominent role of the Attorney General in drafting the agreement. We also had the out-spoken support of this legislation from Lieutenant Governor Diego Benavente, who is widely known and respected as a knowledgeable party when it comes to marine and boating issues. Unfortunately, as we near the finish line, we read on the local papers that the Governor has doubts about the wisdom of this settlement agreement and plans a fresh review, promising that the legislation is "scrutinized." At the same time, the Lieutenant Governor's position on the bill hasn't change. So there is a mixed signal. What prompts the 180-degree turn on the matter, which has developed over many months of what everyone understood to be that have the Governor's support? I am concerned about the precedent we are setting when a measure like this can be casually tossed out the window. A common complaint from prospective investors, our business communities, and members of the public is that our government in general operates with little direction day-to-day. Wherein the initiatives are announced and never heard of again. Legislation is passed, protests are heard, and the legislation is repealed. Settlement agreements, maybe there are too many settlement agreements in this government, are usually though negotiated in good faith and in the public interest, and in this case, advanced by the Administration. We passed this agreement only to be rejected by the Administration again. All this happened much too quickly, Mr. Speaker, for one to feel comfortable and create a climate of instability that has been incredibly damaging to our economy and our credibility as competent leaders. I firmly believe that we must change this. I urge Governor Babauta to rethink his strategy in dealing with the Legislature, as it will simply be more productive for his agenda. The prison project must be supported for the reason that I have stated and the Outer Cove Marina Settlement should receive the support that it deserves. It is important that we show both the members of our community and those considering investments here that we can proceed in an organized manner to meet and satisfy the obligations and the commitments of our Commonwealth government. Not to do so will result in lasting dire consequences. Thank you, Mr. Speaker.

The Chair recognized Representative Stanley Torres.

Rep. S. Torres: Mr. Speaker, I have no problem with the Governor. It's just that the Governor and I are not seeing eye-to-eye anymore since last year on October 9, when the BB team called for an evening meeting at his residence in Gualo Rai. I was not included in that listing, and I think that you were one of the three, including my colleague on my right, Representative Attao. From there on I have no problem with the Governor. Mr. Speaker, I believe that you called for a recess earlier to confirm who terminated the contract between PHI and the CNMI government. The Governor has issued a memorandum, dated March 25, to the Secretary of Public Health and the Attorney General regarding the PHI contract termination. It says "It has come to my attention that the Office of the Attorney General has determined that the contract between the government and PHI" that's the pharmacy, which is located at the hospital, "to provide pharmacy services was not procured in accordance with government regulations. I am therefore instructing the Attorney General by this memorandum to proceed with all necessary steps to terminate the contract. In taking this action, please be certain that there's no disruption in the delivery of service to the public." I agreed with this last night but do we have the funds to purchase PHI and the inventory? If PHI is closed tonight, CHC doesn't have any supply of medicine. What is the purpose of looking into the termination of PHI? I hope that it is not retaliation against the owners of PHI. The owners are the Joeten family, namely, Clarence Tenorio and maybe another member of the family and Juan Santiago. I consider Juan Santiago as the major owner and a member from Honolulu and I hope that it's not retaliation

against Juan Santiago. There are so many – why now bring up the sole source procurement or about going around the procurement regulations. It is a dangerous step at this time to even consider. I think PHI is subsidizing our Medicaid. I'm not sure how much but I'm sure Medicaid owes PHI too – people that are getting free medicine from PHI that are covered by Medicaid.

Speaker Hofschneider: Representative Torres, may I interject and could you please provide the members a copy of that?

Rep. S. Torres: Yes, sir.

The Chair declared a short recess at 4:05 p.m.

RECESS

The House reconvened at 4:19 p.m.

Rep. S. Torres: Mr. Speaker, we're still under discussion on the memorandum?

Speaker Hofschneider: You may continue.

Rep. S. Torres: I found out that PHI Pharmacy is owed \$700,000 by Medicaid prior to GHPMR coming to being GHLI. They owe PHI \$942,000 and I think now GHLI still owes PHI Pharmacy \$300,000. So PHI needs to collect almost \$2 million. I don't know how the Governor looked at terminating the contract with PHI when they don't have a supply of medicine in our own storage. It's all stored with PHI and they belong to PHI. I hope that our Attorney General would be very careful and I hope that Attorney General would advise the Governor. I hope that the Attorney General is not doing this, which I suspect that the Governor's legal counsel, Pam Brown may be involved in this. I pray that our Attorney General would advise the Governor not to do it because we will all be in a big mess. Like I said, the owners of PHI are Clarence Tenorio, Joeten's son, Juan S. Tenorio known as Juan Santiago and another local person by the name of Ada. So they're local. If not 50%, maybe 51% is owned by locals. Mr. Speaker, I'd like to change the subject. I have been writing letters and reports to different members of the House and the Senate including you regarding our college in reference to the President. I'd like to ask that anybody who writes an official letter to anybody be provided to the clerk, not only from me but from the members and be included in the agenda for any session of this house. Do I hear that approved or...?

Speaker Hofschneider: Could you rephrase that, Representative Torres?

Rep. S. Torres: I am requesting that all letters, correspondence, memoranda from any House members should be included in the agenda from hereon.

Speaker Hofschneider: Not included?

Rep. S. Torres: Be included in every agenda.

Speaker Hofschneider: Reference to what communication or...

Rep. S. Torres: I'd like you to approve that all communications, memoranda from any member to be included on the House Communications on every session agenda.

Speaker Hofschneider: It is the prerogative of each member to request inclusions in session materials. I think we should respect the members' privileges and rights to contain their respective letters or memoranda from their offices unless you are referring to a specific agency that you want to be kept addressed in relation to what the Chairman of the Committee on Ways and Means is conducting. But I don't think it's proper for the House to censor members of the House to conform to the rule of all letters and communications to be forwarded to the clerk for purposes of general dissemination or consumption by way of a House session. I don't think that's proper.

Rep. S. Torres: Well, Mr. Speaker, for the purpose of any official – because if I write letters on my letterhead it should be official.

Speaker Hofschneider: Yes.

Rep. S. Torres: And any communication that I sign as a representative should be copied to the clerk for appearance purpose on the agenda on any session unless – because it's not being done anymore until I go to your office and request for a communication to be placed in the agenda.

Speaker Hofschneider: If you request the Office of the Speaker to have your respective letter or communication to be included in a session, then it is normally done unless it's upon my oversight of that request, then I apologize. But I don't think it's proper for the House to censor members in the sense that we all conform to one rule. I'll give you a good example, in response to any member after being solicited for congratulation on the Flame Tree Festival or writing on behalf of your office should be included as session materials. I don't think it's right and I don't think it's proper to be confined to the rule of your particular office at your capacity to be forwarded for purposes of appearing on a House agenda unless there is a specific nature in that by way of a Committee on Ways and Means being conducted. If you request specifically for your communications or letters or memorandums to be included in the House session then I will oblige with that request if that is what you meant by being included. Is that what you're saying? Perhaps I'm not getting what your request is about.

Rep. S. Torres: Mr. Speaker, I guess that it's not necessarily a communication from the committees but from an individual who writes a letter to a department requesting for documents or inquiry that needs the whole house informed during sessions. Do I go to your office in order for the clerk to include it on the agenda for a session?

Speaker Hofschneider: Oh, no. By all means no. If you have communications that you want specifically the clerk to include please do so. I always review the incoming materials and mind you every week the stack is this high and most, if not all, are referred to the clerk. But by way of us conserving duplications we tend to refer those voluminous communications or materials to the clerk for purposes of everyone's review or interest to go there respectively or individually and let's not duplicate those. If you request, if you have a communication or you have a letter or inquiry or memorandum that you want included in a session, then you may walk over to the clerk and ask for inclusions in the next session materials.

Rep. S. Torres: Just for clarification that's exactly what I'm requesting – instead of going to you I'll just ask the clerk to include that in the agenda just as part of the House Communication not necessarily be included in the bulk of paper.

Speaker Hofschneider: That's fine with me so long as you understand one rule. The Office of the Speaker has a numerical counting of all communications regardless of the relevance of the communication. It is assigned a number and logged in so if and when one is seeking a document that is not by way reaching the Office of the Speaker, then your individually responsible for that particular document. Let's make it very clear that I don't want any censoring prohibitions or restrictions by members to reach the House or infringing in the office of their individual capacity. So if you have a communication or material that you wish to appear in a session do so.

Rep. S. Torres: Thank you, Mr. Speaker. Because I purposely did not ask the clerk to include the communication that I wrote to the Chairman of the Board of Regents dated March 25 because I wasn't sure that it would appear. Anyway I am bringing it up to everybody's attention. I provided copies to every member on the 26th. I am accusing the President of the college for misrepresenting his resume. There are some questionable items that the President himself, needs to clarify and the Board of Regents should thoroughly investigate his background. My letter of March 25, accusing the President for not being candor submitting the time or period that he was kicked out of a community college in Passaic somewhere in New Jersey for bringing the college to bankruptcy and jeopardizing and loss of accreditation of the college. He was replaced in 1990; he ran away from Passaic and applied at a community college somewhere near Reno, Nevada. He was also again forced to step down to a teaching position because somehow 6 of 9 members of that college's regent voted for him to step down as the President. Here, he showed us that he was a President since 1995-1998. He claimed to have 3 years when he actually only served as President for seventeen months. The end of his presidency is on March 14, 1997. That's the day of his dismissal as President. Are we going to allow Mr. Wright to become and continue to be our college President when he's not telling the truth of his background? It's as simple as that. So that's my concern that I'm bringing up and I'd like to put that in our agenda.

Speaker Hofschneider: Thank you. With no objection, we have the bill ready and we want to go back to Prefiled and Introduction of Bills so that we can have duplicate copies for the members.

Floor Leader Attao: I would like to submit this official communication as a House Communication.

Speaker Hofschneider: You may do so.

Floor Leader Attao: This is relative to the unpaid annual leave, lump-sum payments and frozen steps for the 31 DPS who retired two years ago and a year ago. I ask the Chairman on the Committee on Ways and Means to take a serious look at this and appropriate half a million dollars to pay the entitlement to those DPS retirees as well as other persons from departments who retired and were not given the opportunity to receive their thirty percent bonus as well as their lump-sum payment. Mr. Speaker, looking at the GOV. COMM. 13-489, this is the proposed Fiscal Year 2004 Budget, I do not see anything relative to the settlement of the lump-sum payment and frozen steps. I think this is very important because those retirees have worked twenty years in government and only find out today that they have not received their entitlements. I think it's only fair that these people be given the rightful amount and for the Retirement Fund to calculate to their pensions. Mr. Speaker, I told the members, most especially the Committee on Ways and Means, to take a look at the letter from

the Commissioner and also into the other departments that were retired without receiving their compensation.

Speaker Hofschneider: Thank you. Representative Stanley Torres, Chairman on the Committee on Ways and Means please take note of that and you may report...

Rep. S. Torres: May I ask the Floor Leader, my Vice Chairman, to identify the funds?

Speaker Hofschneider: Thank you.

Floor Leader Attao voiced, "ready."

Speaker Hofschneider: With no objection, we go back to Prefiled and Introduction of Bills.

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

PREFILED AND INTRODUCTION OF BILLS

Speaker Hofschneider: Thank you.

H. B. NO. 13-274: A Bill for an Act to fully fund the Commonwealth Prison Project by appropriating the total sum of \$6,480,000 from available funding sources and by amending PL 12-64, as amended by PL 13-18, to identify additional revenue source for repayment of bond issuance; and for other purposes.

Offered by: Rep. Heinz S. Hofschneider

Speaker Hofschneider: I welcome anyone to co-sponsor.

Rep. Babauta: Committee of the Whole.

Speaker Hofschneider: We'll take a short recess to have this duplicated.

The House recessed at 4:36 p.m.

RECESS

The House reconvened at 4:53 p.m.

Speaker Hofschneider: We're back to our session and Floor Leader?

Floor Leader Attao: Resolution Calendar.

Speaker Hofschneider: If there's no objection, we'll move to Resolution Calendar.

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

COMMUNICATIONS FROM THE JUDICIAL BRANCH

JUD. BR. COMM. 13-10 – 3/10/03 – From Acting Chief Justice Castro to Presiding Judge Manibusan regarding his retirement.

JUD. BR. COMM. 13-11 – 3/14/03 – From Presiding Judge Manibusan submitting the Annual Report of the Superior Court (Jan. 2000 to Dec. 2003).

JUD. BR. COMM. 13-12 – 3/12/03 – From Chief Justice Miguel Demapan informing the Speaker that he will present his State of the Judiciary Address on May 1, 2003.

JUD. BR. COMM. 13-13 – 3/25/03 – From Associate Judge Naraja inviting the Speaker to participate in the first ever Juvenile Justice Training Conference.

JUD. BR. COMM. 13-14 – 3/31/03 – From Chief Justice Demapan requesting for extension for the submission of the Judiciary's FY 2004 Budget.

There was no discussion.

COMMUNICATIONS FROM THE RESIDENT REPRESENTATIVE

WASH. REP. COMM. 13-16 – 3/3/03 – Letter to Dr. James Hofschneider regarding groundwater contamination.

WASH. REP. COMM. 13-17 – 3/19/03 – From WRO Dist. Office Administrator Ana Teregeyo attaching a copy of US President Bush's Remarks to the Nation.

There was no discussion.

COMMUNICATIONS FROM DEPARTMENTS & AGENCIES

None

OTHER COMMUNICATIONS

None

REPORTS OF SPECIAL AND CONFERENCE COMMITTEES

None

UNFINISHED BUSINESS

None

RESOLUTION CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move to reconsider H. J. R. NO. 13-025, HD1.

The motion was seconded by Rep. Babauta.

H. J. R. NO. 13-025, HD1: A HOUSE JOINT RESOLUTION TO PROVIDE FOR A JOINT SESSION OF THE LEGISLATURE TO RECEIVE THE GOVERNOR'S STATE OF THE COMMONWEALTH ADDRESS AND THE RESIDENT REPRESENTATIVE TO THE UNITED STATES' STATE OF THE WASHINGTON OFFICE REPORT.

There was no discussion, and the motion to reconsider H. J. R. NO. 13-025, HD1 was 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 adoption of H. J. R. NO. 13-025, HD1, was seconded by Rep. Babauta and carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I would like to offer a substitute to H. J. R. NO. 13-025.

The following is the substitute offered by Floor Leader Attao.

To provide for a Joint Session of the Legislature to receive the Governor's State of the Commonwealth Address and the Resident Representative to the United States' State of the Washington Office Report.

WHEREAS, the Commonwealth of the Northern Mariana Islands and its people are faced with various difficulties during the ever pressing economic hardship that affects the livelihood of every CNMI citizen and aggravates the operation and delivery of public services to the people of the CNMI; and

WHEREAS, Article III, Section 9(b) of the Constitution of the Northern Mariana Islands provides that the Governor of the Commonwealth of the Northern Mariana Islands report at least annually to the Legislature on the affairs of the Commonwealth and on new measures and recommended policies that are necessary or desirable for the Commonwealth; and

WHEREAS, Section 1 of Public Law No. 7-7, 1 CMC § 4207, also provides that the Resident Representative to the United States for the Commonwealth of the Northern Mariana Islands report annually to the Legislature on the official activities and matters requiring the attention of the government or the people of the Commonwealth; and

WHEREAS, the Legislature requests the Governor to deliver the State of the Commonwealth Address at the Honorable Pedro P. Tenorio Multi-purpose Center, Susupe, Saipan, on April 30, 2003, at ten o'clock ante meridian; and

WHEREAS, the Legislature further requests the Resident Representative to the United States to deliver his annual report and address immediately after the Governor's State of the Commonwealth Address on the same date and location; and

WHEREAS, for purposes of receiving the State of the Commonwealth address and the Resident Representative's annual report, both houses of the Legislature shall meet in joint session at the time, date and place indicated above; now, therefore

BE IT RESOLVED, by the House of Representatives, Thirteenth Northern Marianas Commonwealth Legislature, the Senate concurring, that both houses of the Legislature shall meet in joint session at the Honorable Pedro P. Tenorio Multi-purpose Center, Susupe, Saipan, on April 30, 2003, at ten o'clock ante meridian, for the purpose of receiving the annual reports of the Governor and the Resident Representative to the United States pursuant to Article III, Section 9(b) of the Constitution of the Northern Mariana Islands and Section 1 of Public Law No. 7-7; and

BE IT FURTHER RESOLVED, by the House of Representatives, the Senate concurring, that the joint session shall be conducted in accordance with the adopted Rules of a Joint Session; and

BE IT FURTHER RESOLVED, that the Speaker of the House of Representatives and the President of the Senate shall certify and the House Clerk and the Senate Legislature Secretary shall attest to the adoption of this joint resolution and thereafter the House Clerk shall transmit a certified copy to the Honorable Juan N. Babauta, Governor, Commonwealth of the Northern Mariana Islands, and to the Honorable Pedro A. Tenorio, Resident Representative to the United States for the Commonwealth of the Northern Mariana Islands.

The motion was seconded by Rep. Babauta.

Speaker Hofschneider: The motion offered by the Floor Leader has been seconded. Discussion on the substitute?

Rep. Babauta voiced, "ready."

Speaker Hofschneider: Ready. This is the State of the Commonwealth Address. The request from the Administration is to move it up to April 30, instead of April 14. So, by way of accommodating the Administration, we will oblige with April 30. No objection?

Rep. Babauta voiced, "ready."

There was no further discussion, and the substitute offered by the Floor Leader was carried by voice vote.

Speaker Hofschneider: H. J. R. NO. 13-025, HD1, HS1 has been adopted by the House. So be advised that the Joint Session to receive the State of the Commonwealth will be on April 30th. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I now move for the suspension of Rule VII, Section 10 for the adoption of H. R. NO. 13-121 and H. R. NO. 13-122.

The motion was seconded by Rep. Babauta.

There was no discussion, and the motion to include H. R. NO. 13-121 and H. R. NO. 13-122 was carried by voice vote.

Speaker Hofschneider: Motion carried. Floor Leader.

Floor Leader Attao: I move for the adoption of H. R. NO. 13-121 and H. R. NO. 13 122.

The motion was seconded by Rep. Babauta.

H. R. NO. 13-121: A HOUSE RESOLUTION RESPECTFULLY REQUESTING ANY AND ALL BUSINESS ESTABLISHMENTS IN THE CNMI TO GRANT BUSINESS DISCOUNT PRIVILEGE FOR SENIOR CITIZENS (MAN-AMKO) IN SAIPAN, TINIAN AND ROTA.

H. R. NO. 13-122: A HOUSE RESOLUTION REQUESTING THE BOARD OF PUBLIC LANDS TO RESERVE NOT MORE THAN ONE THOUSAND (1,000) SQUARE METERS OF BEACH FRONT PROPERTY SOUTH OF THE CAROLINIAN AFFAIRS OFFICE AT 'ABONI BEACH' TO BUILD A CANOE HOUSE.

Speaker Hofschneider: The motion for the adoption on today's calendar H. R. NO. 13-121 and H. R. NO. 13-122 has been seconded. Discussion on the resolutions?

Several members voiced, "ready."

The Chair recognized Representative Deleon Guerrero.

Rep. Deleon Guerrero: What are H. R. NO. 13-121 and H. R. NO. 13-122?

Speaker Hofschneider: Good question. Floor Leader, could you please read out the title for H. R. NO. 13-121 and H. R. NO. 13-122?

Floor Leader Attao: H. R. NO. 13-121, entitled, A House Resolution respectfully requesting any and all business establishments in the CNMI to grant business discount privilege for Senior Citizens (Man-Amko) in Saipan, Tinian and Rota. H. R. NO. 13-122, entitled, A House Resolution requesting the Board of Public Lands to reserve not more than one thousand (1,000) square meters of beach front property south of the Carolinian Affairs Office at 'Aboni Beach' to build a canoe house.

Rep. S. Torres: What is Aboni Beach?

Floor Leader Attao: The cheese aboni.

Rep. S. Torres: Is that from the ayuyu aboni or does this aboni have a different definition?

Rep. Babauta: Mr. Speaker, clarification.

The Chair recognized Representative Babauta.

Rep. Babauta: Can I seek the Chair's comment on the voting of the resolutions whether or not our two distinguished members would be in conflict primarily on H. R. NO. 13-121?

Speaker Hofschneider: And that is?

Rep. Babauta: That is the privilege for senior citizens resolution, because the age bracket is included in the resolution.

Speaker Hofschneider: So noted. As you know, Representative Babauta, the resolution is a mere expression of the House and therefore, no comment.

Rep. Babauta: I understand, Mr. Speaker. I wish to contribute to their further...

Speaker Hofschneider: They are entitled. Representative Stanley Torres?

Rep. S. Torres: I have no problem with colleague Babauta. My beard identifies me as a senior citizen so wherever I go, I am being given discount before they ask for my card. No problem.

Speaker Hofschneider: Any further comments?

Rep. Babauta voiced, "ready."

There was no further discussion, and the motion to adopt H. R. NO. 13-121 and H. R. NO. 13-122 was carried by voice vote.

Speaker Hofschneider: H. R. NO. 13-121 and H. R. NO. 13-122 are hereby adopted by the House. Floor Leader, Bill Calendar.

Floor Leader Attao: Mr. Speaker, can we take action on S. C. R. NO. 13-074? This is respect to the 90-day amnesty period for tax.

Speaker Hofschneider: No objection?

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

REPORTS OF STANDING COMMITTEES

The Chair recognized the Floor Leader.

Floor Leader Attao moved for the suspension of Rule VII, Section 10, Rule IX, Sections 9, 10 and 11 for the placement and adoption of S. C. R. NO. 13-074, was seconded 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. 13-074.

The motion was seconded by Rep. Babauta.

S. C. R. NO. 13-074: Reporting on H. B. NO. 13-088, entitled, To provide a 90-day amnesty period for the filing of delinquent returns under Title 4, Chapters 2, 3, 4 and 5, Division 1 of the Revenue and Taxation Act of 1982, as amended, and the payment of delinquent taxes without imposition of Penalty for failure to obtain a business license; and for other purposes. *Your Committee on Ways and Means recommends the passage of the bill in its present form.*

Speaker Hofschneider: Motion for the adoption of S. C. R. NO. 13-074 has been seconded. Discussion on the committee report?

Rep. Babauta voiced, “ready.”

Speaker Hofschneider: Any discussion on the committee report? Representative Quitugua.

Rep. Quitugua: Thank you, Mr. Speaker. The previous Legislature has passed an amnesty legislation in the past. I’m wondering, Mr. Speaker, if any member has any information with respect to the successful implementation on the previously enacted legislation?

Speaker Hofschneider: Representative Babauta, since you’re the author of this...

Rep. Babauta: So as Public Law 12-51, Mr. Speaker. The Division of Revenue & Taxation managed to generate approximately \$3.1 million at that time. That was several years ago. The program is still ongoing, however, the registration period has already expired. So the application by the taxpayers where they waive the penalties and fees are being paid constantly now on an amicable arrangement with the Division of Revenue & Taxation.

Speaker Hofschneider: Specifically, the Representative’s question is how many have availed of the amnesty, what is the total amnesty amount and what is the progress of those amnesty amount being settled or paid to the Division of Revenue & Taxation? Do we have those figures?

Rep. Babauta: As of the introduction of this new bill, Mr. Speaker, it was already at \$3.1 million. It could probably be more by now. The estimated amount in arrears back then was close to \$5 million. So the Division of Revenue & Taxation continues to collect. However, there are many more private individuals, not necessarily private individuals in a sense of private taxpayer but small entrepreneurs primarily local businesses, and I would like to see the program be re-implemented for the next 90-days so that they can avail themselves.

The Chair recognized Representative Quitugua.

Rep. Quitugua: If there is a demand for such legislation for those who haven’t paid, I am in support of the intent, Mr. Speaker. But if it’s just an exercise on our part and it ends up not making any significant impact into the already troubled financial conditions of the CNMI, then I’m wondering whether this is necessary.

Rep. Babauta: It is, Mr. Speaker.

Speaker Hofschneider: Any other questions? Representative Salas, Chairman on the Committee on Commerce, you have any comment?

Rep. Salas: Mr. Speaker, thank you. When a company on island has a problem making up their tax payment, they would go down to the Division of Revenue & Taxation and do a payment schedule. My concern here is I’d like to know from the Committee on Ways and Means when did they address this issue. When did the committee meet to talk about this issue? Like I said, Mr. Speaker, any business on island wishing to work out a payment schedule with the Division of Revenue & Taxation, they do so voluntarily. Thank you, Mr. Speaker.

Speaker Hofschneider: Representative Babauta, you may defend your bill.

Rep. Babauta: I would defend the bill itself since I am not personally an official member of the Committee on Ways and Means, Mr. Speaker. I was prodded, I was compelled to continue requesting the Chair for the committee's action on H. B. NO. 13-088. If you might recall, Mr. Speaker, you have introduced a short provision that has to do with the tax. You and I discussed that briefly with a compromising understanding that the bill that you introduced should be handled separately. And it is for that reason that the Chair and his staff worked with the Division of Revenue & Taxation to see whether or not the possibility again of re-implementing Public Law 12-51 is feasible. I believe the report of the committee Chair acknowledged the importance of our economic conditions and the revenue collections that continue to crumble.

Speaker Hofschneider: Do we have any comment received from the Division of Revenue & Taxation?

Rep. Babauta: Mr. Speaker, I assumed that the committee and the Chair's Office have those comments with them. I would leave that respectable question to him and probably answer the Chair at a later time. Thank you.

Speaker Hofschneider: Chairman Torres?

Rep. S. Torres: Can I call for a short recess?

The Chair declared a short recess at 5:08 p.m.

RECESS

The House reconvened at 5:09 p.m.

Speaker Hofschneider: We're back to our session and under advice of the Chairman, we'll adopt the committee report and place the bill on the calendar until he secures the document in his office for the benefit of all the members. Agreed? Any other comments on the committee report?

Rep. Babauta voiced, "ready."

There was no further discussion, and the motion to adopt S. C. R. NO. 13-074 was carried by voice vote.

Speaker Hofschneider: S. C. R. NO. 13-074 is hereby adopted by the House with the condition that the bill should remain on the calendar until the Chairman of the Committee on Ways and Means secures appropriate documents.

BILL CALENDAR

The Chair recognized the Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. Mr. Speaker, I move to recall for reconsideration H. B. NO. 13-246 this is the NMC Licensing and to withdraw from JGO Committee S. B. NO. 13-125 this is the Local Bill Definition.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-246: A BILL FOR AN ACT TO CLARIFY THE INTENT OF THE COMMONWEALTH CONSTITUTION AMENDMENT 38, SECTION 2A; AND FOR OTHER PURPOSES.

S. B. NO. 13-125: A BILL FOR AN ACT TO AMEND 1 CMC § 1402 OF ‘THE LOCAL LAW ACT OF 1983’ TO CLARIFY THE DEFINITION OF THE TERM ‘LOCAL BILL’ TO ENSURE THAT LEGISLATION ENACTED BY A LEGISLATIVE DELEGATION FOR A PARTICULAR SENATORIAL DISTRICT IF LIMITED IN SCOPE, EFFECT AND APPLICABILITY TO THE SENATORIAL DISTRICT AND TO ENSURE THAT ANY SUCH LEGISLATION DOES NOT UNLAWFULLY AFFECT, INDIRECTLY OR DIRECTLY, ANOTHER SENATORIAL DISTRICT.

There was no discussion, and the motion to recall H. B. NO. 13-246 and S. B. NO. 13-125 was carried by voice vote.

Speaker Hofschneider: H. B. NO. 13-246 and S. B. NO. 13-125 are on the floor. 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 S. B. NO. 13-125, H. B. NO. 13-246, H. B. NO. 13-270, H. B. NO. 13-271, H. B. NO. 13-273 and H. B. NO. 13-274, was seconded by Rep. Babauta and carried by voice vote.

Speaker Hofschneider: Motion carried. Vice Speaker?

Vice Speaker Tenorio: Thank you, Mr. Speaker. Mr. Speaker, can we have copies of those bills?

Speaker Hofschneider: You have copies already. It has already been circulated. It’s in your original files.

At this time the Chair declared for a short recess at 5:14 p.m.

RECESS

The House reconvened at 5:14 p.m.

Speaker Hofschneider: We’re back to our session and Floor Leader?

Floor Leader Attao: Mr. Speaker, I would like to move to suspend Rule VII, Section 10 include H. B. NO. 13-272.

The motion was seconded carried by voice vote.

Speaker Hofschneider: Motion carried. H. B. NO. 13-272 is hereby placed on today’s calendar. Floor Leader.

Floor Leader Attao: Thank you, Mr. Speaker. I move for the passage of H. B. NO. 13-274 on First and Final Reading.

The motion was seconded by Rep. Babauta.

H. B. NO. 13-274: A BILL FOR AN ACT TO FULLY FUND THE COMMONWEALTH PRISON PROJECT BY APPROPRIATING THE TOTAL SUM OF \$6,480,000 FROM AVAILABLE FUNDING SOURCES AND BY AMENDING PL 12-64, AS AMENDED BY PL 13-18, TO IDENTIFY ADDITIONAL REVENUE SOURCE FOR REPAYMENT OF BOND ISSUANCE; AND FOR OTHER PURPOSES.

Speaker Hofschneider: The motion for the passage on First and Final Reading H. B. NO. 13-274 has been seconded. Discussion on the bill?

Rep. Babauta: Mr. Speaker?

Speaker Hofschneider: May I first do a summary and then ask questions if you care to?

Rep. Babauta: No objection.

Rep. S. Torres: Where are we getting the \$1 million for the new public health building?

Speaker Hofschneider: Let's begin with the first figure under Section 2.

Rep. S. Torres: I'm satisfied with that.

Speaker Hofschneider: Okay. Under Section 2, \$2.5 million is from interest earned under CDA bonds and under subsection (b) \$2.98 million is from the recently passed Covenant 702 funding. Then the re-appropriation, the amount of \$1 million under the appropriations provided for the expansion of the Public Health dialysis facility in excess of the construction amount, \$1 million will be used to supplement the appropriations provided here for the prison. The balance, any shortfall to that, would come by way of borrowing. On page 1, subsection (d) this language is originally in Public Law 12-64, which appropriated about \$15 million, then subsequently amended by Public Law 13-18, which provided for an additional borrowing. So therefore on line 2 of the second page, this is authorizing CDA to borrow up to \$15 million but we won't need that amount. I believe we will only need to borrow about \$5 million between the prison and Public Law 13-18 legislation. Representative Deleon Guerrero.

Rep. Deleon Guerrero: Thank you, Mr. Speaker. I'm concern about subsection (b), the \$2.9 million the Covenant 702 CIP funding.

Speaker Hofschneider: What's your concern?

Rep. Deleon Guerrero: What projects are we talking about?

Speaker Hofschneider: None committed. This is new money that was recently passed by the U. S. Congress and forthcoming to the Commonwealth.

Rep. Deleon Guerrero: Thank you.

The Chair recognized Vice Speaker Tenorio.

Vice Speaker Tenorio: Thank you. Mr. Speaker, you mentioned the new Public Health building for the dialysis. My concern is they just recently awarded the contract.

Speaker Hofschneider: Correct.

Vice Speaker Tenorio: Is this money in excess of what they were awarded?

Speaker Hofschneider: Yes. The total appropriation is about \$10 million. The construction project is about \$5.3 million, \$5. some million dollars considering that the A & E design would be used. So in essence there's about if I'm not mistaken \$4 million remaining in that fund. But since the Department of Public Health is requesting for a construction of a reverse-osmosis system, a water tank, and paving the parking lot specifically to serve the dialysis and also for immediate construction for a medical supply warehouse. So the balance after taking a million dollars would be sufficient or appropriate to achieve the request from the Department of Public Health. Representative Salas.

Rep. Salas: What is the total cost for the completion of the adult prison?

Speaker Hofschneider: The construction itself is \$17.8 million. The design was about a million three, if I recall. I think we have the records and then the planning phases all came out of the original appropriations. The original appropriation that has been eaten up already through the construction phase and is about \$7 million. So in anticipation of the shortfall, we're providing \$6 million, plus the difference, which will be through borrowing about roughly \$3 to \$5 million. So instead of \$10 million originally under Public Law 12-64 it'll be less than that but we still need to borrow. Representative Quitugua.

Rep. Quitugua: Thank you, Mr. Speaker. What was the total bond in that \$2.5 million?

Speaker Hofschneider: Excuse me?

Rep. Quitugua: What was the total bond in that \$2.5 million?

Speaker Hofschneider: That's part of the two bonds that have been undertaken of the Commonwealth. If I'm not mistaken, the 1987 bond and the \$30 million that matched the \$30 million Covenant Funding. We call it the \$60 million bond.

Rep. Quitugua: Do we have left over from that?

Speaker Hofschneider: Rota and Tinian have taken it already with the appropriation of a half a million each in H. B. NO. 13-252 that was signed into law and the prison bill was vetoed. That portion of the interest was really for the Third Senatorial District and we gave it to the First and Second Senatorial Districts.

Rep. Quitugua: Well, that's my next question, Mr. Speaker. Was the information on the \$2.98 million available prior to the write up of that legislation?

Speaker Hofschneider: I don't believe so because now this is a new item that the Administration has offered to now include. So by way of their veto message they are offering this information now before us that it is in fact available for the purposes of complimenting the shortfall of the prison project.

Rep. Quitugua: Thank you, Mr. Speaker.

Speaker Hofschneider: Any other comments? Representative Deleon Guerrero.

Rep. Deleon Guerrero: Comment, Mr. Speaker. The people of Kagman would like to thank everybody here for not touching the Kagman Sewer Project. Thank you very much.

The Chair recognized the Floor Leader.

Floor Leader Attao: (Inaudible.)

Speaker Hofschneider: Yes.

Floor Leader Attao: Maybe you can ask the legal counsel as to whether or not, the House has the authority to re-appropriate the funds without addressing of the Saipan and Northern Islands Legislative Delegation.

Speaker Hofschneider: I can answer that. I've asked that question about an hour ago and the answer is yes.

Floor Leader Attao voiced, "ready."

The Chair recognized Representative Arnold Palacios.

Rep. A. Palacios: Just a comment, Mr. Speaker. I hope that if we transmit this to the Senate *taya otru dalalak-ña enao*. I hope it doesn't get hostage for another appropriation bill.

Several members voiced, "ready."

Speaker Hofschneider: Thank you. Since this is a borrowing endeavor we need a two-thirds vote. Clerk, roll call.

The roll called on the motion to pass H. B. NO. 13-274 on First and Final Reading is as follows:

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

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

Speaker Hofschneider: By a vote of 16-0, we met the borrowing requirement of two-thirds and H. B. NO. 13-274 is hereby passed by the House on First and Final Reading. Floor Leader.

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

Speaker Hofschneider: Motion carried. Recess subject to the call of the Chair.

The House recessed at 5:20 p.m.

Respectfully submitted,

Lavida S. Palacios, Journal Clerk
House of Representatives

APPEARANCE OF LOCAL BILLS

None