

SIXTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE
FOURTH SPECIAL SESSION, 1988

FIRST DAY

Thursday, April 21, 1988

The Senate of the Sixth Northern Marianas Commonwealth Legislature, Fourth Special Session, 1988, was called to order at 3:45 p.m., Thursday April 21, 1988.

The Honorable Benjamin T. Manglona, President, presided.

A moment of silent prayer was observed.

The Acting Senate Clerk called the roll. Eight members were present. Senator Jose P. Mafnas was excused.

READING AND APPROVAL OF THE JOURNALS

Floor Leader Inos moved for the Reading and Approval of the 1st Day's Journal, First Special Session, 1988. Senator Babauta seconded the motion.

The Chair recognized Senator Babauta.

Senator Babauta: Mr. President, I would like to point out that on the second page of our journal, Senator Herman R. Guerrero was designated as absent and however, on page 26(sic) he, all of a sudden, appears as being present and speaking on the floor without any mention that he came in perhaps late in the session. So I would like to reflect that in our journal that he was present.

(SENATE JOURNAL CLERK'S NOTE: See page 5, 1st Day's Journal, First Special Session, 1988, statement made by the Chair, "Before we proceed, I would like to ask the Senate Clerk to please reflect on the record that Senator Guerrero, H., is now present." Senator Guerrero, H., came in at 10:35 a.m., after the roll call and after the voting on Standing Committee Report Nos. 6-37 and 6-39. It was noted in the Senate Clerk's record and the Journal Clerk's, as well.)

President Manglona: Will the Acting Senate Clerk please reflect that correction on the journal? We are still under discussion on the Reading and Approval of the Journal.

There being no further discussion, the motion was voted on and the Reading and Approval of the 1st Day's Journal, First Special Session, 1988, was adopted.

MESSAGES FROM THE GOVERNOR

None

REPORTS AND COMMUNICATIONS FROM HEADS OF DEPARTMENTS

None

HOUSE COMMUNICATIONS

None

WASHINGTON REPRESENTATIVE'S COMMUNICATIONS

None

STANDING COMMITTEE REPORTS

Standing Committee Report No. 6-42, from the Committee on Health, Education, Welfare and Programs, reporting on Senate Bill No. 6-21, Comm. Subst., entitled: "A Bill For An Act To amend Title 2, CMC, Div. 3, Chapter 1, relating to Environmental Protection by adding a new chapter, addressing the problem of abandoned or wrecked marine vessels, and for other purposes.", for adoption.

Floor Leader Inos moved for its adoption. Senator Babauta seconded, and the motion carried by voice vote.

Standing Committee Report No. 6-43, from the Committee on Executive Appointments and Governmental Investigations, reporting on the Governor's appointment of Mr. Joaquin Q. Atalig to serve as a member of the Board of Directors of the Mariana Islands Housing Authority representing Rota, for adoption and confirmation.

Floor Leader Inos moved for its adoption and confirmation of Mr. Joaquin Q. Atalig. Senator Babauta seconded the motion. There being no discussion, the Acting Senate Clerk called the roll with the following result:

Senator Juan N. Babauta	Aye
Senator Herman R. Guerrero	Aye
Senator Juan T. Guerrero	Aye
Senator Joseph S. Inos	Aye
Senator Jose P. Mafnas	Excused
Senator Herman M. Manglona	Aye
Senator Paul A. Manglona	Aye
Senator Manuel P. Villagomez	Aye
President Benjamin T. Manglona	Aye

The Senate confirmed the Governor's nomination of Mr. Joaquin Q. Atalig to serve as a member of the Board of Directors of the Mariana Islands Housing Authority representing Rota.

Standing Committee Report No. 6-44, from the Committee on Health, Education, Welfare and Programs, reporting on Senate Bill No. 6-3, S.D.2, entitled: "A Bill For An Act To establish the Commonwealth Health Services Board which will administer the Department of Public Health and Environmental Services, to repeal Sections 1 CMC 2601, 2602, 2606, 2621, 2622, 2623, 2624, 2625, 2631 et seq., and 2646 et seq., and to repeal and enact 3 CMC 2414.", for adoption.

Floor Leader Inos moved for its adoption. Senator Babauta seconded, and the motion carried by voice vote.

Standing Committee Report No. 6-45, from the Committee on Judiciary, Government and Law, reporting on Senate Bill No. 6-29, entitled: "A Bill For An Act To require that every motor vehicle operated on any public highway within the NMI be insured for liability to third parties in a sum of not less than ten thousand dollars; to amend Division 8 of Title 9 of the Commonwealth Code by adding new Sections 8110, 8111, and 8112 to the financial responsibility law; to amend 9 CMC §8104 to reflect the increased requirements in insurance coverage, and for other purposes.", for adoption.

Floor Leader Inos moved for its adoption. Senator Babauta seconded, and the motion carried by voice vote.

Standing Committee Report No. 6-46, from the Committee on Judiciary, Government and Law, reporting on Senate Bill No. 6-59, entitled: "A Bill For An Act To designate the highway now known as the Cross Island Road to be the Olympio T. Borja Memorial Highway, in honor of the late former Senate President, Olympio T. Borja, to enact a new subsection (c) to Section 423 of Title 1 of the Commonwealth Code, and for other purposes.", for adoption.

Floor Leader Inos moved for its adoption, seconded by Senator Babauta.

The Chair recognized Senator J. Guerrero.

Senator J. Guerrero: I would just like to point out that perhaps this particular bill is more of a Senatorial Delegation matter than the full Senate matter. In the Fifth Legislature the Senate decided that the street directory matter be the Senate Delegation matter. I just would like to bring that up. I do not oppose the measure. It's just that I think this should be addressed by the Senatorial Delegation.

The Chair recognized Chairman Villagomez.

Chairman Villagomez: Mr. President, the reason why I calendared this for Second Reading is because I was asked by the (inaudible) to expedite the matter. So it is up to the Saipan Delegation if they want to introduce it at a local level. I have no objection. I am supporting the intent of the bill.

The Chair recognized Floor Leader Inos.

Floor Leader Inos: Mr. President, regardless of the format of the bill, I wish to express my genuine concern and I wish to cast my favorable vote that the name Olympio T. Borja is of Commonwealth-wide significant and as such, I want to express on the floor that this is of Commonwealth-wide interest and I believe it should belong to the Commonwealth Senate.

The Chair recognized Senator H. Guerrero.

Senator H. Guerrero: I have no problem with this bill being a local bill, but, Mr. President, nothing will preclude the Senate from passing this bill making it a Commonwealth-wide interest. I think this particular bill deserves the Commonwealth-wide input and participation because we are honoring the late Olympio T. Borja. Olympio T. Borja, as we all knew, not only served the people of Saipan but he served the entire Commonwealth of the Northern Mariana Islands and at one time a member of the Congress of Micronesia. So, therefore, he deserved an island-wide, if not Micronesia-wide, recognition. So I suggest that the Senate move on and pass this legislation.

The Chair recognized Senator P. Manglona.

Senator P. Manglona: Mr. President, the road might be located on the island of Saipan, but the former Senate President, Olympio T. Borja, was a great leader of the Commonwealth. So I would like for us to entertain this measure. Thank you.

There being no further discussion, Standing Committee Report No. 6-46 was voted on and adopted.

Standing Committee Report No. 6-47, from the Committee on Executive Appointments and Governmental Investigations, reporting on the Governor's Appointment of Mr. Gerald M. Calvo to serve as a member of the Board of Directors of the Marianas Visitors Bureau representing Rota, for adoption and confirmation.

Floor Leader Inos moved for its adoption and confirmation of Mr. Gerald M. Calvo. Senator Babauta seconded the motion. There being no discussion, the Acting Senate Clerk called the roll with the following result:

Senator Juan N. Babauta	Aye
Senator Herman R. Guerrero	Aye
Senator Juan T. Guerrero	Aye
Senator Joseph S. Inos	Aye
Senator Jose P. Mafnas	Excused
Senator Herman M. Manglona	Aye
Senator Paul A. Manglona	Aye
Senator Manuel P. Villagomez	Aye
President Benjamin T. Manglona	Aye

The Senate confirmed the Governor's appointment of Mr. Gerald M. Calvo to serve as a member of the Board of Directors of the Marianas Visitors Bureau representing Rota.

Standing Committee Report No. 6-48, from the Committee on Fiscal Affairs, reporting on House Bill No. 6-94, entitled: "A Bill For An Act To make appropriations for certain Operations and Personnel of the Government of the Commonwealth of the Northern Mariana Islands for the Fiscal Year ending September 30, 1988, to identify resources available for appropriations in FY '88, to identify Capital Improvement Projects Funds, and for other purposes.", for adoption.

Floor Leader Inos moved for its adoption, seconded by Senator Babauta.

The Chair recognized Senator J. Guerrero.

Senator J. Guerrero: Mr. President, is there a copy available on this?

President Manglona: I believe copies have been distributed to all members.

Senator J. Guerrero: Is that the House Communication?

President Manglona: We are discussing Standing Committee Report No. 6-48 from the Senate Fiscal Affairs Committee.

Senator J. Guerrero: Thank you, Mr. President. I'm sorry.

President Manglona: Is there any further discussion on Standing Committee Report No. 6-48? Senator Guerrero, J., you're recognized.

Senator J. Guerrero: Is this the measure that was passed by the House and transmitted to the Senate just now?

Chairman Inos: Yes, it is.

There being no further discussion, Standing Committee Report No. 6-48 was voted on and adopted.

SPECIAL/CONFERENCE COMMITTEE REPORTS

Conference Committee Report No. 1, reporting on House Bill No. 6-88, S.D.1, C.D.1, entitled: "A Bill For An Act To amend Public Law 5-6, to increase the powers and responsibilities of the Task Force on the Termination of the Trusteeship by giving it the responsibility to investigate and report to the Governor and the Legislature of the Northern Mariana Islands and the U.S., on the status of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America; and to give the Commission subpoena powers; and for other purposes.", for adoption.

The Chair recognized Floor Leader Inos.

Floor Leader Inos: Privilege, Mr. President. There seems to be a xerox problem, however, we have one to report under Special/Conference Committee Reports. It is Conference Committee Report No. 1 reporting on House Bill No. 6-88, S.D.1, C.D.1. I move for its passage.

Senator Babauta seconded the motion.

Senator J. Guerrero: Can we go back a little further and calendar that? The Special Conference Committee Report is not on the Calendar.

President Manglona: I believe that the Floor Leader has just explained the reason for not entertaining it now because of xerox problem and copies have not yet been made available to the members.

Senator J. Guerrero: I have a copy.

Floor Leader Inos: I so move that we calendar this report.

Senator J. Guerrero: What I am saying is that we go back and calendar it.

Floor Leader Inos: Exactly. Like I said we have xerox problem so for that I so move that we put this on today's calendar.

Senator Babauta seconded and the motion carried by voice vote.

Floor Leader Inos moved for the adoption of Conference Committee Report No. 1, reporting on House Bill No. 6-88, S.D.1, C.D.1. Senator Babauta seconded, and the motion carried by voice vote.

UNFINISHED BUSINESS

None

PREFILED BILLS AND RESOLUTIONS

Bill No. 6-93: A Bill For An Act to amend the Mariana Islands Housing Act (Title 2, CMC, §§4411, et seq.) by adding a new subsection "(t)" to Section 4433, empowering and authorizing MIHA to assign, sell, and transfer notes secured by mortgages or deeds of trust, or other obligations to MIHA, at a discount or otherwise, with or without recourse, to private or public financial institutions or other governmental entities; and adding a new section prohibiting MIHA from creating a Commonwealth public debt or pledging the full faith and credit of the Commonwealth; and for other purposes. (Senator Benjamin T. Manglona -- Assigned to FRIA) (Prefiled 4/12/88)

Bill No. 6-98: A Bill For An Act To provide for comprehensive youth development in the Northern Marianas and for other purposes. (Senator Benjamin T. Manglona -- Assigned to JGL)

Bill No. 6-99: A Bill For An Act To amend Title 6, CMC §2230 (Penalties: Commonwealth Weapons Control Act), to reduce the penalty for possessing a potentially legal but as yet unregistered weapon; to include penalties for all illegal weapons and reduce the maximum fine, thus eliminating the requirement of a jury trial; and for other purposes. (Senator Benjamin T. Manglona -- Assigned to JGL)

BILL CALENDAR

S.B. No. 6-21, Comm. Subst.: "A Bill For An Act To amend Title 2 CMC, Div. 3, Chapter 1, relating to Environmental Protection by adding a new chapter, addressing the problem of abandoned or wrecked marine vessels, and for other purposes.", for First Reading.

Floor Leader Inos moved for its passage, seconded by Senator Babauta. There being no discussion, the motion was voted on and Senate Bill No. 6-21, Comm. Subst., passed the Senate on First Reading.

Floor Leader Inos: For today's calendar, I move to suspend all pertinent Rules of the Senate so that we move from First Reading to Second Reading to calendar Senate Bill No. 6-59 honoring one great man.

Senator Babauta seconded the motion, and the motion carried by voice vote.

Floor Leader Inos: Mr. President, I also move to suspend pertinent Rules of the Senate so that in the interest of the Commonwealth we place House Bill No. 6-94 from First Reading to Second Reading.

Senator Babauta seconded, and the motion carried by voice vote.

S.B. No. 6-3, S.D.2: "A Bill For An Act To establish the Commonwealth Health Services Board which will administer the Department of Public Health & Environmental Services, to repeal Sections 1 CMC 2601, 2602, 2606, 2621, 2622, 2623, 2624, 2625, 2631 et seq., and 2646 et seq., and to repeal and enact 3 CMC 2412.", for Second Reading.

Floor Leader Inos moved for its passage, seconded by Senator Babauta. There being no discussion, the Acting Senate Clerk called the roll with the following result:

Senator Juan N. Babauta	Aye
Senator Herman R. Guerrero	Aye
Senator Juan T. Guerrero	Aye
Senator Joseph S. Inos	Aye
Senator Jose P. Mafnas	Excused
Senator Herman M. Manglona	Aye
Senator Paul A. Manglona	Aye
Senator Manuel P. Villagomez	Aye
President Benjamin T. Manglona	Aye

Senate Bill No. 6-3, S.D.2 passed the Senate on Second Reading.

S.B. No. 6-29: "A Bill For An Act To require that every motor vehicle operated on any public highway within the Northern Mariana Islands be insured for liability to third parties in a sum of not less than ten thousand dollars; to amend Division 8 of Title 9 of the Commonwealth Code by adding new Sections 8110, 8111, and 8112 to the Financial Responsibility Law; to amend 9 CMC §8104 to reflect the increased requirements in insurance coverage; and, for other purposes.", for Second Reading.

Floor Leader Inos moved for its passage, seconded by Senator Babauta.

The Chair recognized Senator P. Manglona.

Senator P. Manglona: Mr. President, I have some concerns on this bill with regards to its application on the island of Rota. As you know we have a very limited number of auto insurance on the island of Rota, and I believe that there are going to be some problems there. For example, one provision in this bill would require car owners to present an insurance policy before they can even consider registering their car. I guess there might be no problem if the vehicle is brand new in that usually you can make an arrangement with the auto dealer. However, when there is a transfer of ownership and many times this might coincide closely with the expiration date of the auto registration, there is going to be a problem. We are going to have a problem in that first before you buy an insurance you have to make sure that the price they charge is competitive. In the island of Rota this will be difficult to do and I believe at times it is going to take a few weeks before you can even operate your vehicle, because first, you have to obtain an insurance policy. So I would like to see maybe that Section 8111 be deleted or amended in such a way to consider this problem. I believe that it is not necessary in that there are already provisions here that should make sure that within reasonable time the car owner should obtain this insurance. For example, it says here that any person who is found to be in violation of this Section shall be punished of a fine not to exceed \$500. This is one area where you can control this, and I just say that there is going to be a problem in imposing this section. In addition, it is going to be very time consuming for the Department of Motor Vehicles to make sure that every operator has a policy. They countercheck not only for the period of the policy but for the amount of liability coverage. So you are going to be creating problem and at the same time there is no guarantee that if a person opens an insurance policy he/she is going to maintain it because normally insurance policies can be obtained for a quarterly or a monthly basis. So this again creates another problem in that while you are putting it as a provision before getting a registration for your vehicle it is no guarantee that it is going to work. I can always cancel my insurance policy. Also this requirement affects only basically the old cars. It is not going to do much for brand new cars. So why should we burden the new car owners, for example? I believe this is a serious concern, Mr. President. Another thing, I would like to address a question to the sponsor of the bill, Senator Guerrero. How much do you think the insurance policy is for those under 25 years of age? Let's say you are single and you are under 25 years of age.

The Chair recognized Chairman Villagomez.

Chairman Villagomez: Briefly before you call a session today, I talked to one of the insurance companies, the Associated Insurance, and at this point in time they have two classifications of drivers. The first classification includes drivers under the age of 25 and down and the premium for this type of classification is \$126. The second classification is for 25 and over and the premium is \$81. This is the standard rate for the CNMI.

President Manglona: Do you wish to continue, Senator Manglona, P.?

Senator P. Manglona: How many insurance companies -- let's say, in Saipan, for example, that can provide this?

The Chair recognized Chairman Villagomez.

Chairman Villagomez: Mr. President, I don't know the number of insurance qualified, but the standards limit of liability in the CNMI -- they have a code, 5-10-5. It specifically mentioned code 5 per person bodily injury and the other code 10 represents per accident and the third code 5 is property damage. This is collision damage. At this point in

time, I do not know how many insurance companies are interested or are qualified to handle this if it becomes law.

The Chair recognized Senator P. Manglona.

Senator P. Manglona: Mr. President, I'm very concern on the number of insurance companies that can participate or are qualified or even willing to provide this type of policy. Number one, I can assure you that once this thing gets going, we know that usually those people who get into accidents are mainly those people with old cars. And once we start this policy, we're going to have a lot of accidents. We're going to have a lot of suits and this is going to drive up the cost of insurance also. I wonder if the Committee took that into consideration. I don't know whether there is enough safeguards now as far as control for insurance companies that are presently in the Commonwealth. That's my concern. The other one basically is mainly cultural. In the states, they have a lot of what you call ambulance chasers where these lawyers will run after every accident that they see and they will tell the innocent party to pursue a lawsuit. They will tell you to go to the hospital to have your neck checked three to ten times until such time that they can show the liable party and say, "Hey, you caused him a neck injury." It is going to create a problem in our culture and we are going to be having ambulance chasers here also and our people are going to fall to this type of bad practice. So this is a concern that I have. While I am in support of the idea, I would just like to point that out. I'm in support of this bill but these are my concerns. I would like to repeat, for the island of Rota, we are going to have a problem because I don't know if today you were to get a car insurance you can get a policy written. Many times they say, "Let me refer you to our counterpart in Saipan or in Guam." Now, maybe one or two can write insurance. And if you require car registration to be issued only after submittal of insurance policy, this will create a lot of problems in the islands of Rota and Tinian. Thank you.

The Chair recognized Senator J. Guerrero.

Senator J. Guerrero: The remarks made by Senator Manglona have some merits. However, in the Commonwealth, all vehicles have to be in operable standards before a license or a permit or a certificate of registration for the vehicle can be issued. In other words, the vehicle has to be operable. It has to pass all the tests that such vehicle can be driven in public highways safely. So if the vehicle does not pass that, that vehicle should not be on the road in the first place. As to the remarks that we will have ambulance chasers, it is more protection to be provided to the individuals to ensure that they have insurance. For example, if you have a worker and your worker is driving your vehicle going up to the farm and had an accident, hit somebody on the road and you don't have insurance on the car, the owner is liable. No matter how you try to get away with it, the owner is liable. Even you, yourself, if you are driving the vehicle, you are liable for that accident. If you don't have the proper coverage, there are more problems to it because they can sue you for whatever you got regardless of what's caused the accident. So it is better to have a protection, not only to the owner of the car, but the owner of the other car or any person who is not in any way at fault. For the island of Rota, this may not be a serious problem but for the island of Saipan, it is a serious concern. One thing that I can tell you, there are about 13 insurance companies on the island and all of them provide auto insurance coverage. So I know for a fact that every car purchased and being financed has to have insurance coverage regardless if the car is in the Northern Islands, in Rota, in Saipan, or in Tinian. That coverage must be there. So if you have a new car owner on the road with insurance coverage and the other owner without insurance coverage, it's tough luck for the one with insurance because he cannot go back and claim against the party at fault. So the only thing that I can say that may not be good for Rota is that maybe Rota does not have that many accidents but on Saipan there's a great need.

The Chair recognized Senator Babauta.

Senator Babauta: I have a concern on this bill with regards to car registration. I understand that the registration testing of vehicles has been established here on Saipan with sophisticated equipment to test the ability of the car to run on the highway. And my concern is whether this private company is going to be able to go to Rota or to Tinian to run tests on cars for registration. I am just trying to figure out how that is going to be done by this private company. Are they going to Rota and to Tinian with their equipment to run tests? I just would like to raise that question. The other is on page 2,

line 14 where it requires insurance before registration. I can see the logic of having an insurance before registration as a way to be sure that all cars are insured before it is registered but if we turn around and we require that you register before you insure I see more logic in the sense that why insure a car that is not operable. So I want to be sure that we are consistent with what we intend to do here and I would like to hear from either the Chairman or the author of the bill on how my first question be addressed and whether it's more appropriate to register a car before you buy insurance for the car.

The Chair recognized Chairman Villagomez.

Chairman Villagomez: In response to his first question whether any private inspection agency or whatever interested in going to Tinian and Rota, as far as I know, there is one company here interested to go down to Tinian when the yearly registration is ready to inspect. The other question raised by Senator Babauta -- can you repeat that please?

Senator Babauta: A concern of whether to register before you insure it as opposed to insuring it before registering. I guess the intent here is to be sure that when you go to register your car the private company who runs the test for the car would ask you if you have insurance and if you don't then they'll turn you away until you purchase the insurance. So my concern is why go out and spend money on a car for insurance when you don't know for sure whether the car is operable. My feeling here is to see whether your car is operable first and then buy insurance for it. My question is whether it will be more appropriate to require that you have registration and then buy insurance for it.

Senator J. Guerrero: I hope that when Senator Babauta goes out and buy a car that he makes sure that the car is operable first before he buys the car. The same logic is applicable. Section 8110 specifies that no vehicle shall be operated on a public highway without insurance coverage. That basically would provide the mechanism that you have to have insurance before you can register the car. If in the instances where when you buy a car, by law, you have to register it first so that it can be controlled better. When you buy the car, you buy the insurance. The same way with the new car. You buy the car and when it's financed, it's insured together at the same time. I hope that would put some light to your question.

President Manglona: You may continue, Chairman Babauta.

Senator Babauta: What if I buy a used car from another person and later on the registration period has come in when I have to take that car, old, used car for test. It is operable, however, there may be some defectives on the brake system and I am required to buy insurance before I go to register it. Wouldn't it be more appropriate rather than to waste my money to buy insurance to see whether the car is okay, the brake system and what have you before I go out and spend money on insurance? I can see where the current statute requires that all cars must be registered before it is driven on the highway, but I'm just raising a concern here because we are having an insurance mandatory before registration. It's a matter of debate and I can go either way. I'm just trying to see how best we can save the poor man's money before he's able to drive his car on the highway.

The Chair recognized Floor Leader Inos.

Floor Leader Inos: Mr. President, as the discussion goes on and on, I find the bill to be more interesting. Something is brought to mind during the discussion. It talks about motor vehicle. Motor vehicle is not defined in this bill, however, I believe, it is defined in the motor vehicle code. Motor vehicle is defined as any moving object having wheels that has to go yearly to the Department of Public Safety for inspection and right now to a private company. The concern, Mr. President, is this registration that has to be conducted yearly. There is no scheduled date. It depends on the year that you have registered each year. It says here, "Insurance Before Registration" for all motor vehicles. Motor vehicle begins from a bicycle that has license to operate on the highway to a bulldozer or anything. There are different owners of motor vehicles. The government owns a large part of motor vehicles. I drive a government motor vehicle, so I know. The government does not register the motor vehicle annually. In fact, the government vehicles are not inspected annually. What does it cost the government to have these insured and registered, I don't know. There is no figure given to me. One thing I know for sure is that government motor vehicles are not being registered every year.

In fact, this will put some additional costs. Whether it's good or not good this has to be budgeted also for insurance on the part of the government. This has not even been done. It has not even been considered in the next days should this become law, in 60 days after the effective date. Mr. President, while I agree with the intention that the good outweighs the bad, I feel that there are some loopholes which need to be corrected especially the government vehicle. I'm particularly interested under rate of premium to be paid by a bicycle which has a license plate, by government vehicles and others. For that, I have mixed emotions and I do not understand the questions that I posed or the statement I made. I ask the indulgence of the introducer should the Chairman of Fiscal Affairs be given the chance the financial burden which will be incurred by the government. If this is so, I would appreciate that we suspend this on today's reading and I can assure you that this committee will come out with the budgetary requirements for government motor vehicles. So if I may be given this opportunity.

The Chair called for a short recess at 4:35 p.m.

RECESS

The Senate reconvened at 4:45 p.m.

President Manglona: Let us continue with our session. We are still discussing Senate Bill No. 6-29.

The Chair recognized Floor Leader Inos.

Floor Leader Inos: Mr. President, amidst cloudy language and gray areas in the bill which is not understood by everyone, I move to withdraw Senate Bill No. 6-29 from Second and Final Reading today and refer it back to the committee for committee's disposition.

Senator Babauta seconded the motion.

The Chair recognized Chairman Villagomez.

Chairman Villagomez: Mr. President, may I ask the members that we place this on our next special session. I hope that the members provide me with their recommendations so that we could place this immediately on our next special session.

President Manglona: Yes. I would like the members to take note of the comment made by the Chairman. Any member who wishes to propose amendments, please check with the Chairman.

The motion to suspend approval of Senate Bill No. 6-29 and to refer it back to the committee was voted on and carried.

S.B. No. 6-93: "A Bill For An Act To amend the Mariana Islands Housing Act (Title 2, CMC, §§4411, et seq.) by adding a new subsection "(t)" to Section 4433, empowering and authorizing MIHA to assign, sell, and transfer notes secured by mortgages or deeds of trust, or other obligations to MIHA, at a discount or otherwise, with or without recourse, to private or public financial institutions or other governmental entities; and adding a new section prohibiting MIHA from creating a Commonwealth public debt or pledging the full faith and credit of the Commonwealth; and for other purposes.", for Second Reading.

Floor Leader Inos moved for its passage, seconded by Senator Babauta.

The Chair recognized Senator P. Manglona.

Senator P. Manglona: Mr. President, there is a floor amendment here to Senate Bill No. 6-93. I believe that every member has a copy. Basically, it addresses the concern raised by the Commonwealth Development Authority, Executive Director, Mr. Palacios and the concern of procurement raised by Senator Juan Babauta. I move that we pass this amendment.

Senator Babauta seconded the motion.

Senate Bill No. 6-93 Floor Amendment offered by Senator Paul A. Manglona and Senator Juan N. Babauta:

Section 2 shall be deleted in its entirety and shall be replaced by the following language:

Section 2. Amendment. Title 2, CMC, Division 4, Chapter 4, Article 3, Section 4433, is amended by adding a new subsection "(t)", to read:

"(t) To assign, sell and transfer notes secured by mortgages or deeds of trust, or other obligations to MIHA not to exceed \$3,000,000, with or without recourse, to public or private financial institutions or other governmental entities authorized to engage and do business in the Commonwealth, upon such terms, covenants, and conditions as mutually agreeable. If assignment, sale, or transfer is made at a discount, the discount shall not exceed five percent (5%). Further, such assignment, sale, or transfer shall be in accordance with all Commonwealth laws and regulations governing the sale of government assets or property. In the absence of such laws or regulations, the assignment, sale, or transfer shall be performed on a competitive basis."

The Chair recognized Floor Leader Inos.

Floor Leader Inos: Mr. President, can he be elaborative, please, orally?

President Manglona: Do you wish to elaborate further on the amendment, Chairman Manglona, P.?

Senator P. Manglona: Mr. President, in the last session, Senate Bill No. 6-93 was to be entertained, however, we stopped short of entertaining it because CDA Executive Director, Rex Palacios, prior to that session had some concerns. These concerns were that this legislation did not reflect a special legislation for Bank of Guam and for the \$900,000 problem with the Tinian Housing. These concerns were addressed prior to the last session. However, the Director was not aware of that. His other concern was on the amount that MIHA can transact as far as assigning or selling or transferring loans and he suggested a figure of \$3,000,000. Also, another concern was in the case of discounting notes. He wanted to make sure that there is a ceiling there, and again, a suggestion of 5 percent was made. The other concern addressed by this amendment, I will leave up to Senator Babauta since that is his concern.

The Chair recognized Senator Babauta.

Senator Babauta: Mr. President, the concern that I raised during our meeting with CDA is that whenever a government property is to be sold or purchased and in the case of MIHA selling those houses, mortgaging them to whichever lending institution is that it be done on a competitive basis and shall apply procurement procedures that is now in effect by the Department of Finance under the Division of Procurement and Supply. In the case where competitive bidding is not required as in selling these mortgages that regardless of whether they exist -- whether this regulation exists or not -- that MIHA be required to competitively bid out any sale of government property. That is all that this is saying -- that they be competitive and it should be in accordance with some rules and regulations if they exist.

President Manglona: Thank you, Chairman Babauta. Any further discussion on the proposed amendment?

The Chair recognized Senator Villagomez.

Senator Villagomez: On this proposed amendment, is CDA in agreement with Mariana Islands Housing Authority on this?

The Chair recognized Chairman P. Manglona.

Chairman P. Manglona: Yes, Mr. President. In fact, the first part of this amendment is recommended by MIHA and I incorporated the concern of CDA. So I would say that both parties are in agreement.

President Manglona: Does that answer your concern, Senator Villagomez?

Senator Villagomez: Mr. President, the other concern that I have, do you have any communication with the House since we're in the process of passing this bill? What is the position of the House of Representatives at this point in time? Are they going to pass this?

President Manglona: Well, I understand that MIHA and CDA have been in the office of the Speaker and they were talking with the appropriate chairman of the House. As to whether or not the House will act on this.... Yes, Chairman Babauta?

Senator Babauta: Mr. President, I want to make it perfectly clear to this body that I am supporting this bill with the notion that it is not committing the Commonwealth Government to any financial obligation. Should MIHA run into financial problem, then MIHA should carry its own financial problem. And the way I understand this bill that it is not in any way committing the CNMI government financially. This is only an authorization for MIHA to transact such business with a banking institution and it is not a commitment on the part of the government financially.

President Manglona: Chairman Babauta is correct. Is there any further discussion on the proposed amendment?

The Chair recognized Floor Leader Inos.

Floor Leader Inos: Mr. President, I like the idea. It sounds good. I hope it's good. We want them to be totally responsible. MIHA, no matter where we put it, is still within the Northern Marianas. They make mistake, I believe, no matter what. We say that they shall be responsible but it is the Commonwealth government that has the overall responsibility over it. It is the people of the Northern Marianas that will shoulder any irresponsible act made by MIHA if the case prevails. I question the explanation that MIHA shall be responsible for its own action because MIHA is a Commonwealth instrumentality. If MIHA incurs further debts -- when we say MIHA, we are talking about ourselves. So I would like to get a clearer, better explanation when you say "MIHA". Who is or who are "MIHA"?

The Chair recognized Senator J. Guerrero.

Senator J. Guerrero: Mr. President, I share the concern and I do agree with Senator Inos. What we are trying to do here is encourage MIHA to borrow up to \$3,000,000. MIHA's financial condition at this time is in the red. And again, there is no committee report accompanying the bill indicating that MIHA and CDA are in full agreement. My concern here is CDA. I believe that MIHA has no authority whatsoever to assign any of its assets because of the negative pledge agreement entered with CDA and the Bank of America, Asia. I'm not satisfied with just a piece of paper and the words that already they are meeting. I want to see it in black and white. I think we are setting a dangerous precedent and just like Senator Inos said, an obligation of MIHA is an obligation of our government.

The Chair called for a short recess at 4:55 p.m.

RECESS

The Senate reconvened at 5:05 p.m.

President Manglona: Let us resume our session. We are still under discussion on the proposed amendment. Is there any further discussion? Yes, Senator Guerrero, H., you're recognized.

Senator H. Guerrero: I just want to point out, Mr. President, that on line 10, page 2, "Limitation of Powers" -- if you read this section, it says, "In the exercise of powers granted to MIHA in this Chapter, MIHA is not authorized to create a public indebtedness

on the part of the Commonwealth nor authorized to pledge the full faith and credit of the Commonwealth to pay any debts or obligations." I think we ought to do it in this case. It's really written in this bill. So I don't think we need to fear anything. MIHA has Board of Directors and they should exercise their better judgment.

The motion to adopt the amendment offered by Senator P. Manglona was voted on and carried. Senate Bill No. 6-93 became Senate Bill No. 6-93, S.D.1.

President Manglona: We are still discussing Senate Bill No. 6-93. Is there any further discussion?

There being no further discussion, the Acting Senate Clerk called the roll with the following result:

Senator Juan N. Babauta	Aye
Senator Herman R. Guerrero	Aye
Senator Juan T. Guerrero	Nay
Senator Joseph S. Inos	Aye
Senator Jose P. Mafnas	Excused
Senator Herman M. Manglona	Aye (with reservation)
Senator Paul A. Manglona	Aye
Senator Manuel P. Villagomez	Aye
President Benjamin T. Manglona	Aye

Senate Bill No. 6-93, S.D.1 passed the Senate on Second Reading with a roll call vote of seven "ayes" and one "nay".

H.B. No. 6-94: "A Bill For An Act To make appropriations for certain operations and personnel of the Government of the Commonwealth of the Northern Mariana Islands for the Fiscal Year ending September 30, 1988, and to identify resources available for appropriations in FY '88; and for other purposes.", for Second Reading.

Floor Leader Inos moved for its passage, seconded by Senator Babauta.

The Chair recognized Senator J. Guerrero.

Senator J. Guerrero: Mr. President, what's the difference between this bill and the committee report that we adopted?

President Manglona: Will the Chairman please respond to the question posed by Acting Chairman Guerrero, J.?

Chairman Inos: It's the same one.

Senator J. Guerrero: Is this the same bill that was transmitted to the House last session?

Chairman Inos: No. This bill came to the Senate from the House. We have never acted on this piece of legislation before.

Senator J. Guerrero: This is the version that was passed today in the House.

Chairman Inos: Yes.

Senator J. Guerrero: Why is it considered partial operations appropriation?

Chairman Inos: The omnibus FY '88 bill is not being acted as a total package. So it's partial, which means, not in total.

Senator J. Guerrero: Mr. President, I would like to know more about the bill.

President Manglona: Will the Chairman please elaborate on the bill?

Senator J. Guerrero: I would like to know how much reduction or being given or appropriated to the office of the Governor versus the submission.

Chairman Inos: There is no action taken on the part of the Office of the Governor. It is not acted on this piece of legislation. We are appropriating 35 percent out of the total revenue yet to be appropriated. The Committee did not take any action on certain offices, instrumentalities or public corporations that the Senate may have differences with the House. These are the agencies and offices which are totally concurred by the Senate.

Senator J. Guerrero: So we are just appropriating for the independent agencies?

Chairman Inos: Yes. Mr. President, your Fiscal Affairs Committee is actively working on the budget of the Executive. We do have problems, I must admit, difficulties in pinning down the balance of the budget. We do have problems and we're working on them. These are the offices and instrumentalities which we feel are safe and we have agreed mutually with the House that they should be appropriated at this time.

Senator J. Guerrero: The bill which was just presented before us is rather extensive. I have never seen this particular bill before. We budgeted the Task Force on Income and Sales Taxation, \$30,000. Is there any justification for the \$30,000?

Chairman Inos: Yes. The Tax Task Force is coming out with the final report. In fact, there were expenses that have been incurred. It has been agreed that this amount will be -- although not totally suffice -- sufficient. This is enough for them to come out with the final result. It is the intention of the Task Force that they be given this. The Senate feels that the request is justifiable and reasonable.

Senator J. Guerrero: The method of doing this budget is somewhat -- I'm concern because we are taking substantial amount for these activities. In my opinion, they are not as essential as the budget for the Executive Branch. I have problems with these because you are taking away from the bulk -- from the one bag of money you are taking away a substantial amount. I know that the Governor has already indicated that they have reduced \$5 million from the Executive Branch budget request. And here, we are already taking another portion. We have, in the Fifth Legislature, taken a big portion and I don't know how they intend to balance this 1988 budget. I will have a hard time voting affirmatively on this particular budget. First of all, this thing just appeared before me. Second, the method that we are doing does not justify that the priority on the use of those funds are going to go to the right agencies. Thank you.

The Chair recognized Chairman Inos.

Chairman Inos: Mr. President, your Senate Committee on Fiscal Affairs is the way the omnibus bill is acted on, on one package. It is virtually impossible. We would not have FY 1988 budget. The position taken by your Committee is not the best position. It is difficult for us to accept the principles of the House. But, Mr. President, there are times when we must give up principles for the interest of our government. I do feel that the method is not acceptable in the Senate, but for the interest of the Commonwealth, let us appropriate and pass budgets that are not controversial and let those people who are the recipients of this budget begin to receive what they deserve. Like I said, we are working hard on those differences that are considered controversial and hopefully, with the understanding of the House Committee we shall be able to finally achieve a diplomatic and a negotiable compromise. Thank you.

The Chair recognized Senator Villagomez.

Senator Villagomez: Just a point of clarification, Mr. President: On page 4, line 17, the Alcohol & Beverage Board, does this include Tinian and Rota -- does it cover the personnel for Rota and Tinian?

Chairman Inos: Yes, Mr. President.

Senator Villagomez: The other question, Mr. President, is the Department of Public Health and Environmental Services for the island of Saipan -- the \$13,066.4, is this covered under the worksheet the amount allocated for the Department of Health Services -- the \$13 thousand part of the allocation for Saipan?

Chairman Inos: Yes, Mr. President.

Senator Babauta: I think, Mr. President, that's \$13 million.

Senator Villagomez: The other concern is just a point of clarification. What is this \$40,000 for Judicial Branch -- can I be enlightened on this?

Chairman Inos: Mr. President, it is unfortunate that this year we have met instances in which criminals were brought to court and they were unable to pay their counsel. The judge was given the authority to appoint counsels to represent these alledged criminals. The Governor has approved the judge's request that this be appropriated to pay those counsels. I think the request is extremely reasonable. So far, the judge has said that we have more money collected from the Judiciary Branch than it was originally projected.

Senator Villagomez: Mr. President, I have no further questions. I am supporting the intent of the bill.

The Chair recognized Senator P. Manglona.

Senator P. Manglona: Just a matter of concern on page 10, subsection (d). Mr. Chairman, can you explain subsection (d), page 10?

Chairman Inos: Mr. President, first the policy of this administration requires that the government vehicles should be conspicuously marked. There are times when they could not be identified. So the Administration have issued Administrative Provisions such that they be easily seen. That directive goes to the Procurement and Supply for them to provide those markings. So to put this into a form of legislation, they have requested that this be done on this matter.

Senator P. Manglona: The numbering, you mean, CNMI 101 -- can you put in maybe 4 inches....

Chairman Inos: This is an Administrative Procedure so we can amend anything and put what we want. This is pretty much a regulation.

Senator P. Manglona: I want big numbers.

Chairman Inos: I could care less, Mr. President. If it's pretty close, I could see it, but only for identification purposes.

There being no further discussions, the Acting Senate Clerk called the roll with the following result:

Senator Juan N. Babauta	Aye
Senator Herman R. Guerrero	Aye
Senator Juan T. Guerrero	Nay
Senator Joseph S. Inos	Aye
Senator Jose P. Mafnas	Excused
Senator Herman M. Manglona	Aye
Senator Paul A. Manglona	Aye
Senator Manuel P. Villagomez	Aye
President Benjamin T. Manglona	Aye

House Bill No. 6-94 passed the Senate on Second Reading by a roll call vote of seven "ayes" and one "nay".

H.B. No. 6-88, S.D.1, C.D.1: "A Bill For An Act To amend Public Law 5-6, to increase the powers and responsibilities of the Task Force on the Termination of the Trusteeship by giving it the responsibility to investigate and report to the Governor and the Legislature of the Northern Mariana Islands and the U.S., on the status of the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America; and to give the Commission subpoena powers; and for other purposes.", for Second Reading.

Floor Leader Inos moved for its passage. Senator Babauta seconded. There being no discussions, the Acting Senate Clerk called the roll with the following result:

Senator Juan N. Babauta	Aye
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Senator Herman R. Guerrero	Aye
Senator Juan T. Guerrero	Nay
Senator Joseph S. Inos	Aye
Senator Jose P. Mafnas	Excused
Senator Herman M. Manglona	Aye
Senator Paul A. Manglona	Aye
Senator Manuel P. Villagomez	Aye
President Benjamin T. Manglona	Aye

House Bill No. 6-88, S.D.1, C.D.1 passed the Senate on Second Reading by a roll call vote of seven "ayes" and one "nay".

S.B. No. 6-59: "A Bill For An Act To designate the highway now known as the Cross Island Road to be the Olympio T. Borja Memorial Highway, in honor of the late former Senate President, Olympio Tudela Borja, to enact a new subsection (c) to Section 423 of Title 1 of the Commonwealth Code, and for other purposes.", for Second Reading.

Floor Leader Inos moved for its passage, seconded by Senator Babauta.

The Chair recognized Floor Leader Inos.

Floor Leader Inos: Earlier we have touched the surface of this Senate Bill 6-59 which is the Honorable Olympio T. Borja Memorial Highway. Without objection from the Senate, I move that this bill be introduced by the Committee of the Whole of the Senate -- if there is no objection from the introducer.

The Chair recognized Senator Babauta.

Senator Babauta: Mr. President, should we ask the primary author if he would allow that?

The Chair recognized Senator H. Guerrero.

Senator H. Guerrero: I don't think there is any problem. Just type all names in and affix their signatures to their names to those who want to co-sponsor this bill.

There being no further discussions, the Acting Senate Clerk called the roll with the following result:

Senator Juan N. Babauta	Aye
Senator Herman R. Guerrero	Aye
Senator Juan T. Guerrero	Aye
Senator Joseph S. Inos	Aye
Senator Jose P. Mafnas	Excused
Senator Herman M. Manglona	Aye
Senator Paul A. Manglona	Aye
Senator Manuel P. Villagomez	Aye
President Benjamin T. Manglona	Aye

Senate Bill No. 6-59 passed the Senate on Second Reading.

RESOLUTION CALENDAR

None

INTRODUCTION OF BILLS AND RESOLUTIONS

The Chair recognized Senator P. Manglona.

Senator P. Manglona: Mr. President, I have here a bill to eliminate government housing and the payment for housing allowances by the Commonwealth Government and for other purposes. (Senate Bill No. 6-100)

The Chair recognized Senator H. Guerrero.

Senator H. Guerrero: Mr. President, I would like to say a few words on this bill that I am going to introduce today.

President Manglona: Please proceed, Senator Guerrero, H.

Senator H. Guerrero: Mr. President, I have a bill to amend 3 CMC §5547(j) as enacted by P.L. 5-32, to forestall hardship on alien families already in the Commonwealth by allowing such immediate families to remain in the Commonwealth for the duration of the employment of the nonresident worker sponsor, and for other purposes. Nobody has contacted me to introduce this bill. I have been reading the newspapers and have been hearing all types of stories regarding the breaking-up of these families, etc. Mr. President, I think in the interest of humanity that we ought to give chance to those people who got caught when the law was passed because they are already here. Let's give them at least one year extension until their contracts expire. This should give them time to prepare to leave the Commonwealth. And let it be known by those people who are affected that as soon as their contracts expire that they should all go back home. That's the purpose of this particular bill. (Senate Bill No. 6-101)

PETITIONS, MEMORIALS AND MISCELLANEOUS COMMUNICATIONS

None

MISCELLANEOUS BUSINESS

None

ANNOUNCEMENTS

The Chair recognized Chairman P. Manglona.

Chairman P. Manglona: Mr. President, on April 26, there will be a public hearing for Senate Joint Resolution No. 6-13. This is regarding the lease of public land with the Mercerdarian Missionary of Berriz introduced by Senator Herman R. Guerrero. Also on May 4 at 9:00 a.m., there will be a public hearing on a bill introduced by Mr. President on the rights of the Commonwealth citizens to damages in a civil suit against those denying them the rights guaranteed under the Covenant. Thank you.

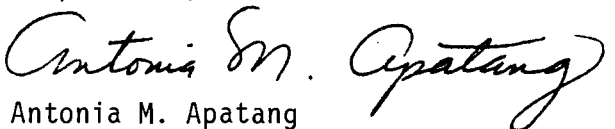
The Chair recognized Acting Chairman J. Guerrero.

Acting Chairman J. Guerrero: Just as a matter of courtesy. I already talked to the Chairman of R&D with respect to some of the legislations that I introduced and I advised him that there is a matter to be clarified on the bill -- it's where they are supposed to be referred to. I find that there are a lot of bills being referred to other committees that are properties of the R&D Committee -- should fall under the jurisdiction of R&D and this conflict needs to be resolved. I don't mind if it goes any where. But it just doesn't make any sense that this committee should hear the same legislation and then goes to the other committee and put in the same matter. That is a concern that I would like to point out. Thank you.

There being no further Announcements, Floor Leader Inos moved that the Senate stand in recess subject to the call of the Chair. Senator Babauta seconded the motion, and the motion carried by voice vote.

The Senate recessed at 5:45 p.m., subject to the call of the Chair.

Respectfully submitted,



Antonia M. Apatang
Senate Journal Clerk