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**THE SENATE • TWENTIETH LEGISLATURE • COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS****Senate  
SECOND SPECIAL SESSION – 2018****SJ 20-33**

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**First Day****Friday, April 27, 2018**

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**In compliance with the Open Government Act, Senate President, Arnold I. Palacios, issued a session call on April 25, 2018 that the Senate of the Twentieth Northern Marianas Commonwealth Legislature will convene this open and public session. The notice, the official session call, and the session agenda was filed in the Office of the Senate Clerk; released to the media; and posted at the Entrance Halls of the Office of the Governor, the Senate and the House of Representatives, posted on the Commonwealth Legislature’s website at [www.cnmileg.gov.mp](http://www.cnmileg.gov.mp).**

**President Palacios:** Before I call this session to order, I would like to take this time to recognize some very distinguished folks in our gallery; Chief Justice Castro, welcome, Judge Kim Tenorio, Judge Inos, thank you for joining us and I believe members of the Judicial Family and some of the CIP. Also, families and friends of two nominees: Mr. Tudela and Mr. Borja, thank you for joining us this morning for this session.

The Senate of the Twentieth Northern Marianas Commonwealth Legislature convened its First Day, Second Special Session, on April 27, 2018, at 10:08 a.m. in the Senate Chamber, Capitol Hill, Saipan, Commonwealth of the Northern Mariana Islands.

The Honorable Arnold I. Palacios, President of the Senate, presided.

A moment of silent prayer was observed.

The Clerk called the roll, six members are “present” and three “absent.”

**President Palacios:** With six members present, we’ve establish a quorum to conduct today’s session. Clerk, please have the record reflect that Senator Mesngon, Senator Borja and Senator Igisomar are hereby excused for today’s session. If there's no objection from the members, because our Floor Leaders is not here today, the Chair would like to appoint Senator Quitugua to act as the Floor Leader for today’s session.

There was no objection raised.

**President Palacios:** No objection. Senator Quitugua, you are our Floor Leader. We move on to Public Comments.

**PUBLIC COMMENTS**

**President Palacios:** I like to now invite members of the public who are here in the gallery to make comments on any of the agenda items appearing in today's Calendar. Please, state your name and the organization to which you represent and the new subject that you will be speaking of.

**Mr. Frankie Eliptico:** Good morning, Senate President and members of the Senate. My name is Frankie Eliptico representing the Northern Marianas College, today. This morning, I'm here to offer our support just like we did during the committee meeting of the Executive Appointments and Government Investigations earlier this week for the nomination of Mr. Jesus Tudela to the Northern Marianas College Board of Regents. As I mentioned earlier this week, as well, Mr. Tudela, is a proven leader, administrator and visionary who will bring him years of health care and education experience and knowledge to the Board of Regents. His resume demonstrates proven effectiveness and professional success as he had occupied numerous positions at CHCC. In addition, to his successes at that department, his experience has been brought in education as well as, he has been a classroom teacher, vice principal and principal. He is even credited for establishing the Nursing Assistant Program at Saipan Southern High School. Taken together with his passion for helping our youths and our students earn their college degrees, Mr. Tudela's extensive educational experience making him extremely capable and prepared to be a member of the Northern Marianas College Board of Regents. Members of the Senate, Senate President, we ask that you act favorably on the nomination of Mr. Jesus Tudela. Thank you so much for the opportunity to speak with you today.

**President Palacios:** Thank you. Good morning, I think you know the procedures.

**Ms. Sonia Camacho:** Good morning, Mr. President and honorable members of the Senate. My name is Sonia Camacho. I am the Director of Courts at the Commonwealth Judiciary and I'm here today with members of our judicial council, our Chairperson Chief Justice Alexandro C. Castro and two other members of the council, Associate Justice Perry B. Inos and Associate Judge Teresa Kim-Tenorio. We also have members from the judiciary leadership team who are here with the council members. Also, present with us today is the CIP Administrator, Ms. Elizabeth Balajadia. We are to answer any questions or inquiries that the Senate and the members may have regarding House Bill No. 20-164 which is enumerated for consideration today. Thank you.

**President Palacios:** Thank you. Any other comments to be made? There being none. We move to agenda Item C, Reading and Approval of Journal. Floor Leader?

**READING AND APPROVAL OF JOURNAL**

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Mr. President.* For the adoption of Senate Journal 20-30, Fourth Day, Third Regular Session, so move.

The motion has been seconded.

**President Palacios:** Motion has been offered for the adoption of Senate Journal 20-30 that motion has been seconded, discussion? Ready? There being no discussion. Those in favor of the motion offered please say, “Aye.” Opposed say, “Nay.”

All members voiced, “Aye.”

**President Palacios:** Motion carries. Floor Leader?

**Acting Floor Leader Quitugua:** For the adoption of Senate Journal 20-31, Fifth Day, Third Regular Session, so move.

The motion has been seconded.

**President Palacios:** Motion offered is for the adoption of Senate Journal 20-31, that motion has been seconded, discussion? No discussion. Those in favor of the motion offered please say, “Aye.” Opposed say, “Nay.”

All members voiced, “Aye.”

**President Palacios:** Motion carries. We move on to agenda Item D, Messages from the Governor. Clerk?

### **MESSAGES FROM THE GOVERNOR**

The Clerk voiced Governors Messages Nos. 20-272 to 20-285.

**President Palacios:** Thank you, Clerk. Any comments or statements on any of the Messages from the Governor? There being none. We move on to Communications from the Judiciary.

### **COMMUNICATIONS FROM THE JUDICIARY**

None

### **COMMUNICATIONS FROM HEADS OF EXECUTIVE DEPARTMENT**

The Clerk voiced Department Message No. 20-81.

**President Palacios:** Thank you. Any comments on this message? There being none. We move on to Communications from the House.

### **COMMUNICATIONS FROM THE HOUSE**

The Clerk voiced House Communications Nos. 20-200 to 20-202.

**President Palacios**: Any comments? There being none. We move to Communications from the Senate.

### COMMUNICATIONS FROM THE SENATE

The Clerk voiced Senate Communications Nos. 20-180 to 20-186.

**President Palacios**: There are seven messages, any comments or statements to be made? Senator Mangloña, recognized.

**Senator Mangloña**: Thank you, Mr. President. Just on Senate Communication No. 20-183, on my letter to the United Airlines and Cape Air, to ask the support of the legal counsel through the approval of the Senate members for him to follow-up on the issue through via letter to the United Airlines. After a meeting with Cape Air on Rota, we have some ideas as to how to formulate that particular letter and if the Senate can take the lead here, maybe, prepare a joint letter for the Speaker of the House of Representatives expressing our sentiments. So, if there's no objection, for the legal counsel to work with the members especially from Rota who are most affected by this decision. Thank you.

**President Palacios**: Thank you. If there's no objection, the Chair will go ahead and ask the legal counsel to work with the Rota Delegation and also the Chair will send out a memorandum to the Chair of PUTC committee to assist in this manner. Senator Mangloña, is that okay? Senator Cruz?

**Senator Cruz**: Thank you, Mr. President. Just to advise the Governors representative, the Legislative Review section, to please advise our nominees that are being appointed by the Governor to submit required documents because the Committee on Executive Appointments and Governmental Investigations will not schedule a public hearing if documents are not submitted on time. Thank you, Mr. President.

**President Palacios**: Thank you. That seems to be a recurring issue. We move on to Communications from the Washington Delegate.

### COMMUNICATIONS FROM THE WASHINGTON DELEGATE

None

**President Palacios**: Unfinished Business.

### UNFINISHED BUSINESS

The Clerk voiced Governors Message No. 20-260.

**President Palacios**: I would like to ask that we hold-off on this and leave it there. We move on to agenda Item K, Pre-filed Bills, Initiatives, Local Bills and Resolutions.

### PRE-FILED BILLS, INITIATIVES, LOCAL BILLS AND RESOLUTIONS

**President Palacios:** There being none appearing.

**INTRODUCTION OF BILLS, INITIATIVES, LOCAL BILLS AND RESOLUTIONS**

**President Palacios:** Any introduction of unnumbered bills? Short recess.

The Senate recessed at 10:21 a.m.

**RECESS**

The Senate reconvened at 10:22 a.m.

**President Palacios:** We are back to our session. Senator Mangloña?

**Senator Mangloña:** Thank you, Mr. President. A pre-filed Senate Bill No. 20-101, “To authorize DPL to establish flexible regulations regarding fees and rental income of public lands located in Rota and Tinian for a period of up to three years; and for other purposes.” Thank you.

**President Palacios:** Thank you. Senator Quitugua, you have a resolution.

**Acting Floor Leader Quitugua:** *Si Yu’us ma’ase, Mr. President.* Mr. President, introducing pre-filed Senate Resolution No. 20-30, “To Recognize and Congratulate Graduates of the Northern Marianas College, Mayleen Aldan and Zhe Xian Li “Joseph” Ichihara on Passing the National Council Licensure Examination for Registered Nurses.” Thank you.

**President Palacios:** Thank you.

**Senator Santos:** Mr. President, if I may?

**President Palacios:** Senator Santos?

**Senator Santos:** If there is no objection by the author of the resolution, it can be introduced as a Whole. Thank you.

There was no objection raised.

**President Palacios:** There being no objection. The Clerk will take note on that and the resolution will be offered by the Committee of the Whole. We are down to agenda Item M, Reports of Standing Committees.

**REPORTS OF STANDING COMMITTEES**

**President Palacios:** Could we dispose of the two Standing Committee Reports from EAGI first, without objection.

There was no objection raised.

**President Palacios:** Thank you. Floor Leader?

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Mr. President.* Mr. President, for the adoption of Standing Committee Report No. 20-83 from the Committee on Executive Appointments and Government Investigations reporting on the appointment of Mr. Benjamin Huk Lunag Borja to serve as a member of the Commonwealth Public Utilities Commission to represent the Second Senatorial District, so move.

The motion has been seconded.

**President Palacios:** Motion offered is for the adoption of Standing Committee Report No. 20-83 relative to the appointment of Mr. Benjamin Huk Lunag Borja for the Commonwealth Public Utilities Corporation has been seconded, discussion? Senator Cruz?

**Senator Cruz:** Thank you, Mr. President. Mr. President, your Committee on Executive Appointments and Government Investigations is ready to report Senate Standing Committee Report No. 20-83 and this is the appointment of Mr. Benjamin Huk L. Borja. Mr. President, your Committee on Executive Appointments and Government Investigations, to which was referred the appointment of Mr. Benjamin Huk L. Borja to serve as a member of the Commonwealth Public Utilities Commission begs leave to report as follows: Pursuant to 4 CMC §8403, Mr. Benjamin Huk L. Borja was nominated by Governor Ralph DLG. Torres on February 08, 2018 to serve as a member of the Commonwealth Public Utilities Commission. Your Committee on Executive Appointments and Government Investigations recommends that the Senate give its advice and consent to the appointment of Mr. Benjamin Huk L. Borja to serve as a member of the Commonwealth Public Utilities Commission. Your committee has examined all pertinent documents submitted relating to Mr. Benjamin Huk L. Borja's overall credentials. In addition, your committee took into account all oral testimonies presented during the public hearing. After much deliberation and base on the overall assessment of Mr. Benjamin Huk L. Borja's credentials, experiences, testimonies and other relevant issues considered, your committee is convinced that Mr. Benjamin Huk L. Borja possesses the qualification and leadership skills necessary to serve as a member of the Commonwealth Public Utilities Commission. Your Committee concludes that the appointment of Mr. Benjamin Huk L. Borja meets all the necessary requirement pursuant to 4 CMC §8403. Furthermore, Mr. Benjamin Huk L. Borja has submitted all required documents in conformance with Rule 8, Section 5 of the Senate Rules. Again, I ask the members to support Senate Standing Committee Report No. 20-83. Thank you, Mr. President.

**President Palacios:** Thank you. Any further discussion? Ready for the confirmation of Mr. Borja to the Commonwealth Public Utilities Commission? Clerk, please call the roll.

**CLERK** called the roll:

Senator Francisco M. Borja	Excused
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Excused
Senator Paul A. Mangloña	Yes
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

**CLERK:** Mr. President, all six members voting “yes.”

**President Palacios:** With all six members voting “yes” Mr. Benjamin Borja is hereby confirmed to serve on the Commonwealth Public Utilities Commission. Floor Leader?

**Acting Floor Leader Quitugua:** *Si Yu’us ma’ase, Mr. President.* For the adoption of Standing Committee Report No. 20-84 from the Committee on Executive Appointments and Government Investigations reporting on the appointment of Mr. Jesus M. Tudela to serve as a member of the Northern Marianas College Board of Regents, so move.

The motion has been seconded.

**President Palacios:** Motion offered is for the adoption of Standing Committee Report No. 20-84 relative to the appointment of Mr. Jesus M. Tudela to serve as a member of the Northern Marianas College Board of Regents that motion has been seconded, discussion? Chairman Cruz?

**Senator Cruz:** Thank you, Mr. President. Again, Mr. President, your Committee on Executive Appointments and Government Investigations is ready to reports Senate Standing Committee Report No. 20-84 and this is the appointment of Mr. Jesus M. Tudela. Mr. President, your Committee on Executive Appointments and Government Investigations, to which was referred the appointment of Mr. Jesus M. Tudela to serve as a member of the Northern Marianas College Board of Regents begs leave to report as follows: Pursuant to Section 2, (b)(4) of Public Law 20-26, Mr. Jesus M. Tudela was nominated by Governor Ralph DLG. Torres on February 02, 2018 to serve as a member of the Northern Marianas College Board of Regents. The Committee on Executive Appointments and Government Investigations recommends that the Senate give its advice and consent to the appointment of Mr. Jesus M. Tudela to serve as a member of the Northern Marianas College Board of Regents. Your committee has examined all pertinent documents submitted relating to Mr. Jesus M. Tudela's overall credentials. In addition, your committee took into account all oral testimonies presented during the public hearing. After much deliberation and base on the overall assessment of Mr. Jesus M. Tudela's credentials, experiences, testimonies and other relevant issues considered, your committee is convinced that Mr. Jesus M. Tudela possesses the qualification and leadership skills necessary to serve as a member of the Northern Marianas College Board of Regents. Your Committee concludes that the appointment of Mr. Jesus M. Tudela meets all the necessary requirement pursuant to Section 2, (b)(4) of Public Law 20-26. Furthermore, Mr. Jesus M. Tudela has submitted all required documents

in conformance with Rule 8, Section 5 of the Senate Rules. Again, I ask the full members of this body to support Senate Standing Committee Report No. 20-84. Thank you, Mr. President.

**President Palacios:** Thank you. Further discussion? Ready for the question? Clerk, please call the roll.

**CLERK** called the roll:

Senator Francisco M. Borja	Excused
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Excused
Senator Paul A. Mangloña	Yes
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

**CLERK:** Mr. President, all six members voting “yes.”

**President Palacios:** With all six members voting “yes” the Senate has confirmed Mr. Jesus M. Tudela to serve as a member of the Northern Marianas College Board of Regents. Congratulations! Can we take a short recess to congratulate Mr. Tudela?

The Senate recessed at 10:31 a.m.

### RECESS

The Senate reconvened at 10:54 a.m.

**President Palacios:** We are back to our session. Recognized the Floor Leader.

**Acting Floor Leader Quitugua:** *Si Yu’us ma’ase, Mr. President.* Since there’s no item on Item M, we move down to Item O. But first, Mr. President, if no objection from the members, to suspend Pertinent Rules for the placement of Senate Resolution No. 20-30 on the Resolution Calendar, so move.

The motion has been seconded.

**President Palacios:** Motion offered is for the suspension of Rules so that we can place the Senate Resolution on today’s Calendar, discussion on that motion? Ready for the placement motion offered? Those in favor of the placement motion offered please say, “Aye.” Opposed say, “Nay.”

All members voiced, "Aye."

**President Palacios:** Motion carries. Senate Resolution No. 20-30 is hereby placed on the Resolution Calendar. Floor Leader?

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Mr. President.* Mr. President, for the adoption of Senate Resolution No. 20-30, so move.

The motion has been seconded.

**President Palacios:** The motion offered by the Floor Leader is for the adoption of Senate Resolution No. 20-30 has been seconded, discussion? Ready for the question? Those in favor of the adoption motion please say, "Aye." Opposed say, "Nay."

All members voiced, "Aye."

**President Palacios:** Motion carries. Senate Resolution No. 20-30 is hereby adopted. We are down to the Bill Calendar. Floor Leader?

## **BILL CALENDAR**

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Mr. President.* Mr. President, so that we can give the Judiciary opportunities to provide us background information on House Bill No. 20-164, HD3, if there is no objection from the members, I move to dissolve into the Committee of the Whole so we can invite members from the Judiciary for discussions. Thank you.

**President Palacios:** Because of the significant amount that is required to address the issues of the court house, we've invited Judiciary to come to our session as we take up House Bill No. 20-164, HD3, to give the Senate at least a brief summary of all the whole situation and plan going forward. With that, any objection in breaking into the Committee of the Whole?

There was no objection raised.

*The Senate dissolved into Committee of the Whole at 10:58 a.m. and the Honorable Justo S. Quitugua, Acting Floor Leader, presided.*

**President Palacios:** There being none. We are now in the Committee of the Whole and I ask the Floor Leader to preside. Can we ask the Chief Justice and the CIP Coordinator, may be the Director of the Courts, I know that possibly, there will be queries that would require other members of the Judicial family to provide response or information requested so at the appropriate time if those arises, we will ask members that are present here this morning to join us in the Chamber? With that, Floor Leader.

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Mr. President.* Mr. President, now the floor is open and the Chief Justice will first provide us information pertaining to House Bill No. 20-164, HD3, particularly on the seven million dollars for the courts.

**Chief Justice Castro:** *Dánkolo na si Yu'us ma'ase,* Mr. Chairman, Mr. President and members of the Senate for setting this hearing this morning to address a big problem of the third branch of our government not a department of our government the third branch. Sometimes, I refer to it as the sometimes forgotten branch of our government. Your assistance in the past of course have clearly assisted the doors of justice open to our people on Saipan, Tinian and Rota. And those people that makes Saipan or the Northern Marianas their home away from home. Today, we're here again before this August body to ask again to beg for your assistance because of the mold and the twenty-two years old air conditioning system that broke down in the *Guma Hustisia* that closed the *Guma Hustisia* to the public and to the staff the last thirty some days and counting. I think it is an opportune time also to extend *sen dánkolo na si Yu'us ma'ase* to our counterpart Judge Mona Mangloña of the U.S. District Court for giving us her court rooms that when available when there is no hearing, we conduct our hearings at the Federal District Court. Also, we thank Shirley Camacho, the Special Assistant to the Governor and the Governor for extending the Multipurpose to conduct hearings, bail hearings and other things. And also, to the person in charge of our Department of Corrections, that's where we have the Family Court hearings and the Drug Court hearings when they are available they gave us a space there. And to our Commissioner of course, for assisting us and the Homeland Security also for giving us their mobile unit we put it in the back of the Court House so that we can continue to provide the services even though the Court House is closed. So, the seven million dollars question for today, I guess, would be what happened to the USDA loan? That was the first taxed when some of our elected leaders read the paper that morning tax in and said, but what happened to the USDA loan. The USDA loan without going in details and if you want to know the details we have the person in charge of that, but basically what happened, we applied I believe almost two years ago and then a change of the Administration in the United States. New President comes in, he got the right to nominate his heads, the department dealing with a USDA loan, I don't know whether he's got the person in place already on that but for the last two years, basically, no one knows what's going on in Guam or even Honolulu, so we had to teleconference, we have to meet with Guam and even Guam USDA people did not know what was going on, for various months we've just waiting for a response from Honolulu, we checked Honolulu, they're waiting for response from Washington, DC. So, I call that we were caught in the middle of the Washington, DC tsunami so the best I could do at this time is comply with all the questions that they're asking us again, we've submitted it, they're looking at it and maybe it might help if I light candle every day to and from work. But, that would have assisted our government the USDA loan would have assisted our Retirement Fund and would assist the renovations of the courthouse in Rota, Tinian and Saipan and even build a small courthouse for Saipan to address the expanding services that we're doing especially in the area for our Drug Court. So, without further ado, I am respectfully asking each and every one, Mr. President and everybody the Senators, to help the Judiciary. I believe the last time I said the Judiciary was in ER, now, the Judiciary is in the emergency room with a life support system that I believed that this body, the Legislature can step in and help us resolve that not a bandage approach of doing this, but a roughly seven million dollar appropriations would assist us. Again, those figures you will find out from Ms. Liz Balajadia, those were professional estimations it might be more it might be less. So, we're ready to answer any questions that you may have. So now, I turn over the podium to Ms. Balajadia.

**Ms. Elizabeth Balajadia:** Good morning, Senate President and members of the Senate. My name is Elizabeth Balajadia and I am currently the CIP Administrator for the Governor's Office. Back in 2016 the Judiciary had been requesting for some help in their mold problem. To the Department of Interior Office of Insular Affairs and through our CIP Office, we managed to get an approval for \$25,000 just to do an assessment of the mold and of the HVAC System, the air conditioning system. So, as you see, the \$25,000 the firm we went to the Procurement and Mr. Bill Miller who is a license Professional Mechanical Engineer and who resides in Guam and he is also license here in the CNMI was hired to do this mold assessment. So, a contract was out sometimes in January, February of this year, a plenary report or it's probably finalized by now, April 2018, in his report he identified the areas that are related to the HVAC system in terms of the mold. And, although mold has been there of course the HVAC system provided the environment for the mold to continue to grow. And, in their study which we have, he made available data's pertaining to the humidity of the building and as it sorts of directly is proportionate to the growth of the mold. And so, in addition to that that is where CIP office was involved. But then, problems started when their chiller the whole air conditioning system broke down. In Mr. Miller's report, he did state it that the end of the life of the HVAC system has reached for the judiciary building. So, that was in his report and so part of his scope of work in addition to this just assessment of the mold remediation we ask him to identify problems with the HVAC and to assists the Judiciary and the CIP office in case we need to go out and procure a new HVAC system. So, in this report, we have already a draft request for proposals for the replacement of these chillers or what not or the HVAC system that is already damaged at the Judiciary building. You know, as you know, engineers we always want to be safe so an estimate is really just an estimate and so these estimates seven million dollars came from Mr. Miller more of that HVAC system which is the \$4.4 million. Other items such as the mold remediation our Director here at the courts they've done so much and they've been relocating and I think that's how all these other costs are associated with. In terms, I can't really speak on behalf of mechanical engineering because I am not licensed to do that, but I've been consulting with Mr. Miller and we would probably do a design or a design build of the system if it was to be procured and it will be procured to Procurement Regulations through either the court or the CNMI Procurement Regulations. So, that is where we are. Our CIP office if given these funds, I understand that the Secretary of Finance is the expenditure authority. With our CIP office it's not going to be funded under the 702 Funding, but we will assist the Court in producing documents such as, request for proposals and we've actually started developing sort of a schedule because these HVAC systems are lonely items. We are talking about sixteen weeks of procurement. They are fabricated somewhere else, they are shipped and delivered here. We are actually going to propose to the Judiciary Branch that a two-face approach will be taken and that will be sort of to do the emergency plan and some mold ratification and remediation and then to do the permanent system. And, within that the first and foremost is really to hire a license mechanical engineer. And that would be our first phases to put out an RFQ (Request for Qualifications) and have the Judiciary hire a qualified mechanical engineer to run this project.

**Ms. Sonia Camacho:** Good morning, again. So, the mold remediation project was begun if I am not mistaken, January of this year and that what produced the Miller Report. What was foretold in his report was that the air conditioning system was near its end of life. In fact, in the report it states that the refrigerant that the current system uses will not be available after 2020. So, it calls for a permit replacement of existing system. In the meantime, on the ground, the *Guma Hustisia* while closed the

Judiciary is still in full operation. We have opened five alternate sites and I would like to with all the respect your honor, make slight amendments to his earlier statements that the Family Court Division and Drug Court Division hold alternate offices at DOC, they do not. We are not holding hearings for those two divisions there. There alternate sites are over at the DPS compound by the training offices within DPS. We try to open our alternate sites within proximity to the courthouse because we run our case management system on a network server. The alternate site that is not near us is of course the United States District Court. And, as our Chief Justice alluded to earlier, Chief Judge Ramona V. Mangloña has allowed us to use their three courtrooms when not in use for Federal cases. The other four sites are the Multipurpose Center, under the Special Assistant for Administration, the Probation Satellite Office which is probably the office that sees the huge numbers of traffic from members of our public that we serve. The other alternate site is, like I said earlier, the DPS Training Office where two of our major divisions are at and we are hoping to have bail and plenary hearings heard within DOC for our court participants that are held at that facility. We have been closed not approximately, but definitely twenty-eight and half business days. The *Guma Hustisia* has been closed for a total of forty calendar days. We anticipate that that closure will continue the longer we are not in the process of procurement the Miller report anticipates 365 days for the purchase and installation and whatever construction work necessary to install the permanent air conditioning system and so you take that timetable and tack on the procurement timetable, we foresee the *Guma Hustisia* not fully operational at least for the Foreseeable next 9 to 12 months. What our CIP Administrator mentioned earlier, to provide emergency procurement that is as to the health and safety issue that the Judiciary's dealing with now, and that is to address the mold remediation items pending the procurement and purchase of a permanent system. We need to go in and clean the mold. We need to sanitize the docks. We need to pull out carpets. We need to replace what are called soft items, the furniture cloth laden office equipment and we've started that already. We don't want to wait on that because it just might reach other areas that are not exposed yes. As you know, the building is in closed for other security protocols that are emplaced so it's the only places that you can now sit in an office and open for outside air are the five Judicial Chambers were the judges are at. Other than that everything else is sealed. The other cost for the mold growth as stated in the Miller report is water. Water seepage into the building and other issues that cause the relative humidity temperatures to change. We are in the process of finishing off a FEMA funded window/ceiling projects that was given to post Soudelor that has taken now going on two years. So, there is a water driven causes that are directly related to the mold growth in the building. The other item that is attributed to the cost of the mold remediation is replacement of pipes and other items that are aged and outdated along with the building itself that cause the water and moisture to retain in the building. We can answer with particularity to those items if you have any questions at this time.

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Ms. Balajadia and Mrs. Camacho.* Now, the floor is open for the Senate members to ask questions. Recognized, Senator Hofschneider.

**Senator Hofschneider:** Thank you, Floor Leader. Good morning, Chief Justice, Liz and Sonia, also to the Presiding Judge, Justice Inos, Judge Teresa and I see the Speaker from the House in the gallery, good morning to everyone. I guess what jumps us first, and I appreciate the detailed revelation, what is happening, you now, what jumps us now, is the safety of the people that are working. Is anybody there now?

**Ms. Sonia Camacho:** There are people. We allow access to the building very limited and restricted access to our Justice's, Judges and Court employees, but we do not allow anybody else to access the building unless they are vendors who are assisting us with the process, agencies such as Bureau of Environmental Health, those are the only other members of the public that we have allowed in other than court staff who need to access files and other items that are critical for the hearings that are being held in two different sites.

**Senator Hofschneider:** Thank you. So, I guess also the next biggest concern is probably the files.

**Ms. Sonia Camacho:** Yes, the files. And, part of our remediation request is to secure digitizing specialty to make sure the files, now, we have already started a digitizing program, but we now with this issue we need to escalate move that closer and we already began plan before this occur to get alternate sites set up, but again, due to funding we had restrictions. So, this seven million anticipates addressing those issues.

**Senator Hofschneider:** Thank you. I don't want to sound like we have engineer here, but is there humidifier included in the twenty years old building? Is there a humidifier device that we have? Because it is such a large building and it is such close and then you have humid problems, you want to reverse that, grab the humidity in the air and within translate into water. Is there such thing in the offices at this point in time or even previous times?

**Ms. Sonia Camacho:** I would like to ask our building superintendent, Jim Weaver, to come up he would have information as to that. But before he comes up, we have made diligent attempt to sort of provide little fixes here and there, but before our air condition system broke down we already have humidifiers in building and in certain rooms.

**Senator Hofschneider:** So, I guess that answers the question. The reason why I asked, because you're going to always need it, so, I guess during the course of getting the HVAC it should be a major component of whatever unit that you guys are ordering.

**Ms. Elizabeth Balajadia:** Yes, Senator Hofschneider. The new system will do indeed address that one. Just for your information, we've gone to several vendors even on Guam and because we wanted to compare a temporary solution vs. the permanent and there are companies on Guam that they could loan like a chiller to replaced one of the chillers at *Guma Hustisia* to temporarily cool the building and that in itself will take about maybe two and a half months of procurement, but also, we're running some numbers from \$400,000 to \$695,000. So, I've talked to, Mr. Miller and I said, you know, if we do this temporary can we salvage that so that when we do the permanent that that temporary stays within there. However, you know the most critical is the time issue. So, for new systems manufacturing of this HVAC system will take about close to sixteen weeks at a minimum. So, you know, we are really looking at the timing and also can we loan and some of the companies on Guam, they have this were they can loan chillers but they will loan only up to six months. But looking at the cost of that too, I am talking about \$400,000 to \$600,000 even just that temporary.

**Senator Hofschneider:** Mr. Floor Leader, I am just trying to learn the magnitude of the problem, but just so they know, I am pretty much supporting your request just to move ahead. I am going to yield for now.

**Acting Floor Leader Quitugua:** Senator Mangloña, recognized.

**Senator Mangloña:** Thank you, Mr. Chairman. First, I want to stipulate that I'm in support of the request by the judges. Mr. President, I want to say that we are honored today with the presence of our Chief Justice and our Presiding Judge and the many judges, because we only see them during inauguration and so this must be very important to that magnitude. I am sorry, because I don't know anything about the situation and I just want to ask for the record. First, have we review or is there a similar situation in our region where a whole building shot down and we have to replace the whole air conditioning system? Is there a situation in Guam or Micronesia where this happened than you look at them and see how they resolve it so we don't have to reinvent the wheel and we don't have to question a particular contractors estimate, is there a situation that we looked at?

**Ms. Sonia Camacho:** Not that we're aware of but the Miller Report did look into industry standards, but with respect to your question on the region, not that I am aware of. We are in an environment where the tropical elements provide for mold, but in a building such as ours that encompasses three floors and is sealed and has aged equipment for a twenty-two years, I'm not sure that there is one in Micronesia that has those same set of facts.

**Senator Mangloña:** So, this is very unusual, right?

**Ms. Sonia Camacho:** Yes. I would eventually say "yes" Senator.

**Senator Mangloña:** So, we don't have a situation developing similarly in other governments facilities here or even in the private for that matter? Is this something that the leaders should be concern that situation like this even if it's in a private building we are going to be expose, right? So, is this unique to that particular building or is it possibly also happening in another building?

**Ms. Elizabeth Balajadia:** You know, Senator Manglona, the CIP office did have a project just two years ago with the hospital and, yes, the reason for the project was because CMS came in and gave them citations. The humidity and that is the key word to this mold growth is "humidity" and because of their air conditioning system and let me backtrack maintenance is also other key word, right, so if we don't maintain it, then of course something odd would probably just break and then, we're like oops! we need to fix the whole thing. So, back at the hospital it was more critical of course because it was in the surgery room that the humidity was close to 70% and standard you need a 50% humidity. Right now at the courthouse everything is showing above 70% to 80% so for standards health, we call the ash ray for air conditioning system it's got to meet like at 50%. So, yes, we did it wasn't totally a mold related to the hospital project, but we take constructed there and it was a very difficult construction because first of all, we only have one hospital.

**Senator Mangloña:** I guess, should we be concern and maybe ask Public Works to maybe do a report and assess all our buildings so that as you mentioned, maintenance is the key and the Legislature now

is aware of the situation. They are going to put some focus on this situation and maybe budgeted. So, you, you are not from the court, but you are from CIP, is that something that we should task you to review the whole government facilities and tell us so that it doesn't come to a seven-million-dollars problem? It could have been just ten years ago giving you money to buy air conditioning system a new one, right, so, do you think we should be concern about assessing our other buildings?

**Ms. Elizabeth Balajadia**: Yes, I think so. And you know, back in the days when the Building Code was passed and implemented here in the CNMI there was supposed to be some architectural features, also related to tropical and, yes, I am concern, should we build a building like *Guma Hustisia*? What are the types of building materials that we should use? You know, because of our environment, because of our climate. And, yes, Senator we do.

**Senator Mangloña**: I don't want to prolonged it, but I get the message and something for us to consider in appropriating some money for that. My next question is, going back to USDA, Chief Justice, I know that there's been delay, but is that something that you're continuing to pursue down the road?

**Chief Justice Castro**: We're still on top of it, Senator, and we are still submitting documents at their request.

**Senator Mangloña**: And that was supposed to fund the air conditioning as well as other renovation you were doing.

**Chief Justice Castro**: Not the air conditioning.

**Senator Mangloña**: And refinance it.

**Chief Justice Castro**: Yes, maybe Sonia can answer that.

**Senator Mangloña**: I just want to know so that for example, I can recommend an amendment to say that, if you get the USDA money, then that money that you pay us will go to an emergency fund or something for emergency in the future because that is one of the appropriation they have in here. So, I am just wondering whether this is something through the USDA the government can get back that money and maybe give you some for renovation, but is that something that we can expect to get a significant amount back if that loan where to materialize?

**Ms. Sonia Camacho**: In response to that question my answer would be "no" because a portion of this cost is the mold remediation itself. At the time that we submit the application the mold items had not reached this level of health and safety. In addition to that, the USDA loan anticipates to pay for enhancements to the Central *Hustisia* on Rota, *Kotten* Tinian and the Guma Hustisia on Saipan, additional offices for the Attorney General's office which is now an elected office and provide additional enhancements to the Public Defender's office. So, on top of that also it was to address a payment to the Retirement Fund Debt that is pending so a huge bulk of the request would not cover this. It was not intended to cover something of this magnitude. We did requests for retrofitting of our equipment within the building.

**Senator Mangloña**: So, basically, there's not much room?

**Ms. Sonia Camacho**: No.

**Senator Mangloña**: My final question is, you mentioned, Sonia, that it is about nine months to a year period under this kind of operation that you have presently, right?

**Ms. Sonia Camacho**: Yes.

**Senator Mangloña**: Under this kind of operation, you don't have any needs for funding to make sure that they continue to run smoothly in the next nine months?

**Ms. Sonia Camacho**: Yes. Our \$2.6 million for the mold remediation, as well as, let's back up, as Liz alluded to earlier are estimates our correct estimates which again may change.

**Senator Mangloña**: But the language here doesn't allow you to, for example, rent spaces, it just says, "for removal remediation of mold and rehabilitation and the procurement of new air conditioning system" doesn't allow you to use this money to rent space or to whatever to run your operations presently and smoothly.

**Ms. Sonia Camacho**: Yes, the seven million dollars we are anticipating will includes those costs. The \$2.6 million that we're hoping to get of the seven million dollars is for alternate space while the mold remediation is ongoing.

**Senator Mangloña**: So, the language presently, I don't think allows you to do that unless it's in the breakdown of the seven million dollars. But the present language is very clear "for removal of remediation only and air conditioning."

**Ms. Sonia Camacho**: Maybe Liz can speak on this. What the Miller report does in the scope of work is it request from vendors to provide projections of timetable as well as recommend alternates space locations. So, part of our remediation cost includes that that while they are sanitizing areas of the building that we are moved to an alternate location. And, we have already begun looking or initiated the process to do that because even before procurement issues start now, we are seeing the necessity to move possibly next spaces.

**President Palacios**: He wants to make sure that that is clarified in the language in the bill.

**Senator Mangloña**: Yes, that is all.

**Ms. Sonia Camacho**: Thank you for that. That impacts our staff now.

**Senator Mangloña**: *Si Yu'us ma'ase, Chief Justice and Presiding Judge.*

**Chief Justice Castro**: *Si Yu'us ma'ase, Senator.*

**Acting Floor Leader Quitugua:** Senator Cruz, recognized.

**Senator Cruz:** Thank you, Mr. Chairman. Good morning again, Judges and Justices, Director and Balajadia. I think I've heard enough testimonies from you guys justifying the needs and the court system. I have no doubt about the court system. The request that is needed is very clear that it might be less than seven million dollars or more than seven million dollars. So, I have no question of your request to make it a safety environment in that building. Even any employment, safety first. So, I thank the team that assess the building that it needs to alleviate those deadly molding. Deadly molding is very deadly it could kill people. I am not a doctor, but I learn from the doctor that, if you have mold in your ceiling than you have to remove it otherwise you might not die right away, but you are going to get sick until you end up gone. So, colleagues, I don't know, but I am supporting the court with their request. Thank you, Chairman.

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Senator Cruz.* Senator Santos?

**Senator Santos:** Thank you, Mr. Chairman. I believe I am the last remaining member to speak. Good morning, Chief Justice and our Judiciary family, you are always welcome to the Senate Chamber. Like Senator Cruz, I have no questions, some of the question that I were to ask have been asked and responded to. And, also like the rest of the members, I too, submit to the request of the Judiciary branch as was echoed by our good Chief Justice, here the third, that was always forgotten, but please bear in mind that when Judiciary ask you are never forgotten. With that, I yield, Mr. Chairman and ready for the question. Thank you.

**President Palacios:** Senator?

**Acting Floor Leader Quitugua:** Mr. President.

**President Palacios:** Thank you. Thank you again, members of the Judiciary and Liz for coming to the Senate. I've had a privilege of attending couple of meetings relative to this issue with the Governor and the Speaker of the House, in that briefing, we had an immediate remediation approach also component as well as a temporary air conditioning unit that is still on the table.

**Ms. Elizabeth Balajadia:** Thank you, Senate President. I think at the time when we were meeting we were talking about split types systems that we will put in the buildings and as we consulted with mechanical engineers it would really deter the buildings more also we would have still drill holes to get out to the compressors to install them and also drainage system. And, so what we've decided to do was our temporary would be probably to borrow a chiller from Guam because the time that will allow us to do that for Procurement is about to two and a half months versus going for an RFP for the whole system replacement. So, there will be a temporary and also at the same time, where you know I would like to propose to the *Guma Hustisia* to advertise for a Mechanical Engineer and at the same time, advertise for the emergency plan and mold remediation. Now this, we have all these work done through Mr. Miller. So, it's actually, I told Ms. Sonia here, I'm just assuming that we'll get our money like in the next two weeks and as soon as that happens you are going to see an advertisement in the

paper and we need to go out and procure this competitively. Although emergency, we have quite a number of vendors here and we don't want to exclude any from participating.

**President Palacios:** So, the split type or stand up air conditioning that was being proposed in the meetings with the Governor and the Speaker, is that sort off the table but the temporary system is still on the table with perhaps a chiller?

**Ms. Elizabeth Balajadia:** Yes. And with that, they can use ducting that is already existing on top of the roof and on the back of the building the maintenance.

**President Palacios:** I know that the Governor also requested four hundred fifty thousand dollars (\$450,000.00) for mold remediation in the budget, I believe, right? Is that something that we are talking about October, is that going to be?

**Ms. Sonia Camacho:** Yes. Thank you, Mr. President. The Governor did in fact in his submission on April 1<sup>st</sup> proposed four hundred and fifty thousand dollars (\$450,000.00) in the Judiciary Budget for the mold remediation. However, were at the stage where we cannot wait till October. The temporary cooling systems that we had discussions with the three branch heads and with Liz here, that's part of the immediate need now. We need to get a cooling system in place so that the humidity levels at least go down a little bit and mold doesn't continue to grow in the building. So, the immediate need is to get a temporary cooling system in place while we procure for the permanent one. The second immediate need or may be it should be the first already, is for us to retain an Industrial Hygienists, who knows about how to remove mold and how to oversee the sanitization of equipment including the dock work. Because we can put in a cooling system, but if it is in the dock work we can't open. So, those are possibly our immediate action items if this passes. Going forward, the Legislature may decide what to do now with that since there's a huge probability that seven million dollars will be granted and we're hoping that it's granted. But yes, in short, the Governor did provide in his submission for FY 2019 Budget. An answer to this issue because in our FY'2019 request, we had asked for an amount to address this very matter to replace our air conditioning system and to address the mold growth in the building.

**President Palacios:** I think going forward, and maybe Liz, as we go through this process, I think it is important that we have sort of a re-use report as to what happened, why? And, going back to Senator Mangloña's question, basically, we as a Commonwealth and as a government, we need to take a look at this type of issue so we can avoid it in the future construction of large facilities. And also, I believe the Senate would appreciate an immediate report particularly on the timeline that we're pursuing in as much as possible even a monthly report. I am anticipating that the Senate will approve this propose funding, but I think it is also incumbent on all of us to ensure that the existence of the project and towards its completion and long-term maintenance of the system, we have a plan. So, I just like to request formally that that would be considered and put into this whole project an initiative.

**Ms. Elizabeth Balajadia:** Thank you, Mr. President. You know, I am an old lady already. I've been through everything and maintenance, maintenance, maintenance, it's always been neglected and every time they ask for a new building we say, but can we maintain it? And so, that is true. I do suggest it and I do recommend and that's what we recommended to the Commonwealth Health Center is get a

maintenance contract because you know that your personnel do not have the tools and maybe not the expertise to handle this big equipment's. And so, yes, and I hope that our Legislature too, you know whenever there is a budget there should always be a percentage for maintenance. Thank you.

**President Palacios:** Thank you. That is all, Mr. Floor Leader.

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase*, Mr. President and Chief Justice.

**Senator Mangloña:** Just follow-up on the President's question.

**Acting Floor Leader Quitugua:** Senator Mangloña?

**Senator Mangloña:** On the budget as was mentioned four hundred fifty thousand dollars (\$450,000.00) in October, I guess, you are not going to use the seven million dollars at once, right? So, would that be okay to reduce by four hundred fifty thousand dollars (\$450,000.00) and then in the budget return the four hundred fifty thousand dollars (\$450,000.00), is that something? I mean, I guess that is what -- right? But I'm saying, they passed that six point whatever, they passed the four hundred fifty thousand dollars (\$450,000.00) and then the four hundred fifty thousand dollars (\$450,000.00) comes in October, is that something that is workable?

**Ms. Sonia Camacho:** I'd I don't have the answer to that, Senator. Because, we again, these are –

**Senator Mangloña:** You can use the four hundred fifty thousand dollars (\$450,000.00) for maintenance.

**Ms. Sonia Camacho:** Yes, and these are estimates it will all depend on what comes back through the scope of work and the responses to that. As well as what our industrial hygienist and engineers proposed ones they are awarded the contracts.

**Acting Floor Leader Quitugua:** We will get to that issue when the budget comes. Thank you, Chief Justice. Do you still have?

**Ms. Elizabeth Balajadia:** Yes. Just for the funding issue also just like the HVAC at the CHCC because of close monitoring inspection of the project, we had a surplus of forty thousand dollars (\$40,000.00). So, this is an estimate when we ask for proposal and we get a costs our goal is to hire an engineer for the owner to inspect and to make sure than when that is the cost that is put in then that is what we are going to pay them. So, we will have that kind of accounting and also inspection and monitoring.

**Acting Floor Leader Quitugua:** Thank you. Senator?

**Senator Hofschneider:** Maybe just a comment. I want to reiterate the maintenance, maintenance, maintenance, so we will be seeing that figure's come budget time from moving forward?

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase.* Final, no more comments no more questions. Thank you, Chief Justice, Ms. Balajadia and the staff, and all the members from the court and the public that are here. Mr. President, if no objections from the members, we move back to our plenary session.

**President Palacios:** Thank you. Is there any objection to moving back to our plenary session?

There was no objection raised.

*The Senate resolved back to plenary session at 11:42 a.m.*

**President Palacios:** With no objection, we're back to our plenary session. Because there's other components of this legislation other than seven million dollars for addressing the issues with the judicial building air conditioning and an HVAC system, we will of take a recess to go back to work in committee to hammer out some of our differences. There are major differences in part of this legislation and perhaps convene at one o'clock this afternoon. I think we can come back at 1:30 p.m. if there is no objection from the member. Senator Mangloña?

**Senator Mangloña:** Mr. President, just so we can keep our judicial family at ease, I would recommend that if at 1:30 p.m. and we do not agree on the other funding appropriation maybe the Senate just amend this and only past seven million dollars and of course the other Docomo issue because that is not controversial and get that to the Governor for signature and come back for the other appropriation measures so that we can assure them that today we will have something going to House.

**President Palacios:** That is certainly what was previously discussed and that is an option that is one table.

**Senator Mangloña:** Thank you, Mr. President.

**President Palacios:** So, with that, I want to take this opportunity to thank the judiciary and even members of Docomo, Docomo family are here and other members of the public who are very keenly interest in the passes of HB 20-164. We will convene at 1:30 p.m. Please, give us the opportunity to hash out possibly some of the major differences of the members so that when we do come back to take up the questions we would have squared away our differences.

**Senator Mangloña:** Mr. President, just one final point. I see Ms. Liz Balajadia is still here, can we ask that she comes back here, I have a question as far as the Docomo CIP 702 Funding cite and if you could help us answer some of those concerns? Thank you.

**President Palacios:** With that, Mr. Floor Leader, can I ask for a recess?

**Acting Floor Leader Quitugua:** Mr. President, if no objection from the members, we will take our recess and convene at 1:30 this afternoon.

There was no objection raised.

**President Palacios:** Motion is to recess until 1:30, without objection, the Chair recognized that. We are in recess until 1:30 p.m.

The Senate recessed for lunch at 12:00 p.m.

**RECESS**

The Senate reconvened at 2:30 p.m.

**President Palacios:** Good afternoon. We are back from our recess and we recess on agenda Item P, Bill Calendar. Floor Leader?

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Mr. President.* Mr. President, if there is no objection from the members, I would move to the last bill on the calendar.

There was no objection raised.

**Acting Floor Leader Quitugua:** For the passage on First and Final Reading House Bill No. 20-164, HD3, so move.

The motion has been seconded.

**President Palacios:** Motion offered is for the passage of House Bill No. 20-164, House Draft 3, its been seconded, discussion? Floor Leader?

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Mr. President.* Mr. President, for amendments on House Bill No. 20-164, HD3, in the form of SD1, so move.

The motion has been seconded.

**President Palacios:** Amendment motion offered by the Floor Leader to House Bill No. 20-164, HD3, in the form of Senate Draft 1, that motion has been seconded, discussion on SD1. Floor Leader, recognized.

**Acting Floor Leader Quitugua:** *Si Yu'us ma'ase, Mr. President.* Mr. President, on page 2 of the bill on line 8, the underlined words "beach parks/recreational areas including Lot No. 010 D 26, Lot No. 010 D 44, and Lot No. 010 D 45, secondary roads, the 28 certified ponding basins, and wet lands in the CNMI, in this respective order, and as certified by the Office of the Attorney General based on the following: On line 13, "~~judgments~~" was crossed-out and insert "land taking compensation" and then on line 16, the words "~~for the judgments and settlements against the government shall~~" are all crossed-out that is the First Amendment on the bill. And, Mr. President, if I may, on the clarification on the amendment for the members. On November 12, 1996 the then Governor Froilan C. Tenorio, pursuant to 1 CMC § 9213 B and 2 CMC §§ 441-4382 certified that these lots are necessary for a public recreation area. And, these three lots that are on the bill where some of the pavilions on beach road are sitting, the beach pathway where it's built and the government has been making money now

with the usage of the pavilions; and it's only right that the Legislature compensate these land owners. And it is necessary, Mr. President, that these land owners be compensated because they agreed upon on a 3% annual compounded basis. So, from 1996 to October 31, 2011, the value of the compensation including interest is \$267,931.07. So, if we look at the value of the land now with the interest it continues to grow and as of August 15, 2017 the value of one property is \$317,636.09. So, this amendment, we need to support so that we can pay landowners and so that we can stop the interest from continuously occurring. Thank you, Mr. President.

**President Palacios:** Thank you.

**Senator Santos:** Further amendment, Mr. President. On page 2, line 18.

**President Palacios:** Senator Santos, recognized.

**Senator Santos:** Thank you, Mr. President, for recognizing me, I was ahead of you. So, going back further amendment, page 2, line 18, C, cross-out “~~Three million dollars (\$3,000,000)~~” Three million five hundred thousand dollars (\$3,500,000) is appropriated cross-out “~~shall be placed in a secured account to be accessed in the case of disasters or emergencies. The Secretary of Finance shall be the expenditure authority for the funds appropriated under this section.~~” for the following: (1) \$1,750,000 for the First Senatorial District to fund the following: (A) \$350,000 for tourism enhancement programs to be appropriated by the Rota Legislative Delegation in consultation with the MVA Executive Director; (B) \$150,000 shall be used for the renovation of the Rota Pinatang Beach Park under the expenditure authority of the MVA Executive Director; (C) \$300,000 for the salaries of the existing municipal employees under Business Unit 7174Y. There shall be no new hires and reprogramming of this funds. The Mayor of Rota is the expenditure authority; (D) \$250,000 for the CUC projects under the expenditure authority of the Rota CUC Director; (E) \$265,000 for the Rota medical subsistence allowance under the expenditure authority of Secretary of Finance; (F) \$50,000 for the Rota DPS Academy of the ongoing cycle to pay for operation, gears, and supplies under the expenditure authority of the Rota DPS Resident Director; (G) \$150,000 for the Rota Health Center for interisland medical referral air transportation costs and interisland medical referral stipend under the expenditure authority of the Resident Director of the Rota Health Center; (H) \$100,000 for the Northern Marianas Trade Institute related programs for Rota students under the expenditure authority of the NMTI President; (I) \$35,000 for the Micronesian Legal Services Corporation extension program on Rota under the expenditure authority of the MLSC Director; and (J) \$100,000 divided equally so that \$50,000 is for the Rota students housing allowance attending the Northern Marianas College and \$50,000 for the Rota Municipal Scholarship Program under the expenditure authority of the Rota Municipal Scholarship Chairman. Thank you, Mr. President.

**President Palacios:** Thank you. Senator Hofschneider, you are going to offer what input to this?

**Senator Hofschneider:** It will be quick, Mr. President, thank you. And just to ride on Senator Quitugua’s Floor Amendment proposal. On page 4, on line 17, “\$1,750,000 for the Second Senatorial District to fund the following: (A) \$1,500,000 as reimbursement for the Second Senatorial District’s share of three million three hundred thousand dollars (\$3,300,000) from 702 funds reprogrammed to the Department of Finance for the completion of the Puerto Rico Dump Rehabilitation for the

improvement and pavement of roads at Marpo Heights II sub-division on the island of Tinian. The Secretary of the Department of Public Works shall be the expenditure authority of the funds in consultation with the Mayor of Tinian and Aguiguan. The funds shall not be reprogrammed for any other use other than as stated in this provision. And the remaining will fund several agencies as indicated in the bill, DPS, DPW, Department of Finance and Department of Public Works, so move.

**President Palacios:** Thank you. Floor Leader, obviously, I see a major departure on page 6, line 18, in order to migrate some of these funds we needed to amend the item on line 18, am I correct?

**Acting Floor Leader Quitugua:** Yes, Mr. President. Any further discussion? Senator Mangloña?

**Senator Mangloña:** This is just a clarification maybe to allow the legal counsel there's some maybe grammatical minor technical amendment that we should allow the legal counsel to just correct those, if there is no objection. Such as on line 16, on page 2, it should be "shall be" right? The word "shall" should be in there. And some minor questions so that if they're going to spend the money for the land taking, I just want a clarification, because on line 13, it says, "Any outstanding land takings compensation up to \$40,000 shall be paid in full." And yet on line 10, it says, "in this respective order." So, does that mean that if the 40,000 land taking is for wetland does that mean that they have to wait for all \$40,000 and below for beach park and second rod before they get it. Even though they are below \$40,000, I am just kind of like, may that might create some confusion. Because, if my land taking is a wetland and then on line 10 you are saying, that they have to follow the order of priority, then which governs, the \$40,000 meaning you get paid first or even if you are under \$40,000 do we have to wait for all the priority land taking first, what is the intent?

**President Palacios:** That is a good point that needs perhaps further clarify if necessary. Floor Leader?

**Acting Floor Leader Quitugua:** Thank you, Mr. President. If there is any forty thousand dollars (\$40,000.00) and under owing by the government in any of the above mentioned shall be paid first. However, if needs that it be more clarified, we can ask the legal counsel to clarify further on the findings.

**President Palacios:** Let us take a short recess.

The Senate recessed at 2:46 p.m.

### RECESS

The Senate reconvened at 2:53 p.m.

**President Palacios:** We are back to our plenary. We took a recess and Senator Mangloña was making a recommendation to allow the legal counsel to provide further clarification and make some technical amendments on line 13, page 2, and I believe the legal counsel come up with a much explicit language to address his concerns. Legal counsel, do you want to explain that or give us the technical amendment?

**Counsel Bermudes**: Line 13, after the word “outstanding” insert “land takings for secondary roads and ponding basins under \$40,000 shall be paid in full.”

**President Palacios**: Is that clarified? That will go on record as part of SD1. Further discussion? Senator Santos, recognized.

**Senator Santos**: Thank you, Mr. President. I would just like to commend your leadership, Mr. President, for recognizing the critical needs of our neighborhood islands that is the First and Second Senatorial Districts as amended in this legislation including the Judiciary’s urgent request of seven million dollars and land compensation for those affected private land owners whose private lands are acquired for public purpose. And with that, Mr. President, I also hope that the House would accept our amendments on this crucial legislation. Thank you, Mr. President.

**President Palacios**: Thank you. Thank you for the plug. Any further discussion? Ready? Are we ready? We will be voting on House Bill No. 20-164, House Draft 3, Senate Draft 1. Clerk, please call the roll.

**CLERK** called the roll:

Senator Francisco M. Borja	Excused
Senator Francisco Q. Cruz	Yes
Senator Jude U. Hofschneider	Hunggan (Yes)
Senator Sixto K. Igisomar	Excused
Senator Paul A. Mangloña	Yes
Senator Steve K. Mesngon	Excused
Senator Justo S. Quitugua	Hunggan (Yes)
Senator Teresita A. Santos	Yes
President Arnold I. Palacios	Yes

**CLERK**: Mr. President, all six members voting “yes.”

**President Palacios**: With all six members voting “yes” House Bill No. 20-164, House Draft 3, Senate Draft 1, hereby passes the Senate. Well, this is a long deliberation on a very critical legislation, I believe that it needed our attention right away. I am glad and I thank the members for staying over lunch to go over this and then work on it so that we can have a product by the end of the day which is mutually beneficial or mutually addresses all the other senatorial districts requests. To be honest, I believe that with the certain amount of certainty with a lot of certainty that the product of the Senate will probably go to a conference committee, but that should not stop us from working diligently with House members if that would be the case to come up with a final product to address the urgent needs particularly with the issue at the Judicial Branch. And paying off the debt to Docomo who have connected both Rota and Tinian and the rest of the Commonwealth with the fiber optics cable. Senator Mangloña?

**Senator Mangloña**: Mr. President, I don’t really feel good to delay further the session, but I see Ms. Balajadia back there, and can I ask the members for their understanding, if we can just have like limited

not more than seven minutes maybe just so we can understand further the Docomo funding and in case we need to go in a conference committee. So, Committee of the Whole maybe a motion.

**President Palacios**: Do you want to make that into a motion?

**Senator Mangloña**: Yes. So, move, Mr. President.

**President Palacios**: Let me ask, Ms. Balajadia, are you amenable to that?

**Senator Mangloña**: And also, may be a representative from Docomo.

**President Palacios**: Is that a form of a motion?

**Senator Mangloña**: We just limited to not more than seven minutes may be much less than that. Thank you, Mr. President.

**President Palacios**: Without objection.

There was no objection raised.

**President Palacios**: The Senate will now go into the Committee of the Whole to receive some information from the CIP coordinator and maybe somebody from Docomo Pacific in regards to the cable. Floor Leader, you have to be the Chair.

*The Senate dissolved into the Committee of the Whole at 2:59 p.m.*

**President Palacios**: Floor Leader, proceed.

**Acting Floor Leader Quitugua**: Senator Mangloña, recognized.

**Senator Mangloña**: Thank you, Floor Leader. First, I want to thank the Representatives for giving us the opportunity few weeks ago to discuss further the project and we thank you for a job well done in the Commonwealth entirely and Rota in particular. My question is just so we can understand about this funding because we get question a lot. Today, without question we passed the funding for I believe \$1.3 million we didn't amendment that. For Docomo, and I know that's to subsidize basically your project in landing the cables in Rota and Tinian, but you know, I'm getting different numbers as far as the government assistance to Docomo and I guess I just want to hear it from our CIP office, how much money did the government help as far as the 702 Funding to Docomo?

**Ms. Elizabeth Balajadia**: Thank you, Senate President and members of the Senate. So, how did CIP come in to play? I guess this project is to help subsidize the design permitting an installation of a new state of the art fiber optic from Guam and to the islands of Tinian and Rota in order to support economic development in both the private and public sector. So, it is private public partnership. The total cost of the project to be subsidized by the CNMI government is three million dollars (\$3,000,000.00). \$1.7 million is from the Department of Interior, Office of Insular Affairs. The CIP

office, the Governor's office submitted a proposal to the Department of Interior for that \$1.7 million pretty much the CNMI piggy back on all the permitting and designed of Docomo Pacific and it went to the process of the NIPA compliance under the Department of Interior Office of Insular Affairs in which a finding of no significant impact was resulted from all of the environmental and permitting done by Docomo Pacific. And so, just on April 18, 2018, this month, the office of Insular Affairs approved the proposal to fund partially for the extension to Tinian and Rota. So, as of now, we have an authorization to proceed from the Department of Interior Office of Insular Affairs for the \$1.7 million. Than the other portion would be coming from the State Fund or the CNMI.

**Senator Mangloña**: This \$1.7 million that is coming than from our annual 702 Funding which is about almost nine million dollars, right?

**Ms. Elizabeth Balajadia**: Yes. It is going to come from the 2017 grant amount from OIA (Office of Insular Affairs).

**Senator Mangloña**: So, just to be clear and so we can understand is that coming from Rota's portion of that annual funding or from Tinian's portion or from the Commonwealth portion?

**Ms. Elizabeth Balajadia**: I would say from Tinian and Rota, so half/half, so maybe if you're getting eight hundred sum thousand dollars would come from Rota and that three hundred –

**Senator Mangloña**: In the 2017, right?

**Ms. Elizabeth Balajadia**: In the 2017.

**Senator Mangloña**: So, therefore, you just offset half of that form both senatorial districts allocation of 702 Funding for 2017?

**Ms. Elizabeth Balajadia**: Yes.

**Senator Mangloña**: I just want to understand that because, I was thinking that it's like two and a half million dollars something like that base on our last meeting in addition to what we appropriated today.

**Ms. Elizabeth Balajadia**: From the CIP it is \$1.7 million.

**Senator Mangloña**: And the book is closed now?

**Ms. Elizabeth Balajadia**: Yes.

**Senator Mangloña**: As far as the system. Thank you. Do you want to say something about cutting a cable or something?

**President Palacios**: Representative from Docomo, would you like to share some thoughts?

**Mr. Benita:** I think, so far memorializing part of the issues. Basically, Docomo Pacific was in a process of studying whether to do a fiber optic line between Guam and CNMI prior to the cable cutting and the results of looking at that study it was that it was only economically viable to do Guam to Saipan. And that one, because there has been some price drops in the cause of fiber optic cable and manufacturing and that's where Docomo came in and to inform Governor Inos, at the time. At that time, Governor Inos, requested for Docomo to go back and look at what would be to cost for including Tinian and Rota into the fiber optic cable. Docomo did the research and inform the Governor. Look, we looked at it and its six million dollars at the least to do this project and when you do the economic model it is unfortunate, but we don't think we can do it and then Governor Inos said, what about if we cover half of the cost of doing that work and we work together and making sure that we have the same service and the quality service in all three islands. Docomo went back reexamine how to do this and I agreed to move forward with it. At the end of the day, the total cost so far, for including Tinian and Rota right now it is around seven and a half million dollars and we have finish in the process. So, Docomo is committed to do it they kept their word the reward with Governor Inos and their companies that have values their commitment so Docomo is not asking for any additional funding they're just asking what was originally agreed which was when the three million dollars. That would be memorializing the MOU that was signed with Governor Torres after the passing of Governor Inos, but we're very proud of the work that is been done in the islands and the reception. Leesel is the Product Manager for the entire project Atisa from inception to today. We really look forward to continue to move forward and never in any moment or at any point has any persons from Docomo hinted or saying that any type of service will be cut. We just want to make sure that that's clear we don't know where that came from but the commitment is solid that we stand with the Northern Mariana Islands. Thank you.

**President Palacios:** Leesel, do you want to say a few words?

**Ms. Leesel:** Just to reiterate Mr. Benita here, we're so grateful truly for the partnership and the part that we've received from the CNMI government, it is really being wonderful project to have worked on and to kind of see now fast-forward almost two years later the benefits that were seen across the Marianas islands and it's just a wonderful thing to have taken place. We were saddening to see the article that I think Mr. Benita's referenceng we want to clarify that indeed know that the statement was not made from anyone from Docomo Pacific that's not how we do business. I think I'm confident that everyone in this room ran as well aware that that's not how Docomo does business. We're true to our word, we are here to stay we just want to continue to forge their relationships. We want to thank everyone in this room so much for your continued support.

**President Palacios:** Thank you. Mr. Chairman?

**Acting Floor Leader Quitugua:** Senator Hofschneider.

**Senator Hofschneider:** Mr. Chairman, we already passed the bill and we already gave them the blessing. Thank you for coming today and being very patience with the CNMI government. Of course, we are partners.

**Acting Floor Leader Quitugua:** Thank you, Ms. Balajadia and Docomo staff. We appreciated the information you provided. Mr. President, a motion to rise back to our plenary session.

**President Palacios:** Without objection, we will rise back to our plenary session.

*The Senate resolved back to plenary session at 3:10 p.m.*

**President Palacios:** We are down to agenda Item Q. Let us take a brief recess.

The Senate recessed at 3:11 p.m.

### **RECESS**

The Senate reconvened at 3:13 p.m.

**President Palacios:** We are back to our session. We are under agenda Item Q, Clerk?

### **PETITIONS, MEMORIALS AND MISCELLANEOUS COMMUNICATIONS**

The Clerk voiced Miscellaneous Communications Nos. 20-286 to 20-294.

**President Palacios:** We have nine items on agenda Item Q. Any member wants to make comments on those communications? I would like to ask, if it is not too much to ask the Chairman on Education and Youth Affairs to please take note of Nos. 3 and 5 relative to NMTI and the Scholarship offices continuing saga over the CW issue and I hope if necessary, I think we should bring in to really clarify the issue on this and the last thing we want to see is the deterioration of the relationship that is very important to be maintain so that our trading system doesn't break down.

**Acting Floor Leader Quitugua:** So, noted, Mr. President.

**President Palacios:** In the earliest possible date. No other comment, were down to agenda Item R, Miscellaneous Business.

### **MISCELLANEOUS BUSINESS**

**President Palacios:** Senator Mangloña?

**Senator Mangloña:** *Taya, Mr. President, baihu na kadada.* I just want to thank you and the members for all the support in working together to pass House Bill No. 20-164. *Si Yu'us ma'ase. Taimanu ha ilekña si Senator Cruz, taya eyu para hu ma pega gi santati dididi parahu hanao mona tododos. Si Yu'us ma'ase.*

**President Palacios:** *Na klaru fan talo enao?*

**Senator Mangloña:** *Para baihu na dangkulu*, thank you, Mr. President.

**President Palacios:** Thank you. Let me say this, it wasn't easy for me last night thinking about this legislation. Knowing for well that we have all different senatorial districts that we represent and certainly totally different needs. We have part of resources that would begin to address those needs and I am glad and I thank the members for their cooperation and their efforts to get this legislation out. As I said, I have anticipated a conference committee but we will work harder to put finality to its there are options that we have if we get stocked in the process. Any other member? Senator Cruz, recognized.

**Senator Cruz:** Thank you, Mr. President. I just like to extent also my appreciation to this body when it comes to appropriation although there's time that we have differences in figures or we don't agree to some extent we manage at the end that we come together as one and we help each other to make it fair on any distribution. Again, I appreciate my colleague for your patience and understanding your consideration for the island of Tinian. Thank you.

**President Palacios:** Senator Hofschneider, you are raising your hand?

**Senator Hofschneider:** Mr. President, thank you. I just wanted to remind, because we're supposed to have a Fiscal Affairs Committee meeting this morning, but the Senate Special Session takes precedence over in the committee meeting. So, I'll be administering or announcing Committee Meeting for the Fiscal Affairs in preparation for Fiscal Year 2019. I have already instructed and asked the fiscal analysts to start putting together what we've appropriated so far to the respective agencies for Fiscal Year 2018 so that we can try to cross check it with the proposal that was submitted by Executive Branch from the Governor's office. So, please pay attention to the announcement, I am going to try and probably be heading out by Monday so we can begin discussion in the Fiscal Year 2019.

**President Palacios:** Is that under Announcement?

**Senator Hofschneider:** That is under Announcement. I thought we are under Announcement I think am a little bit ahead of myself. I think I need to go to Tinian, Mr. President.

#### ANNOUNCEMENTS

**President Palacios:** Under Announcement. Before you go to Tinian, I invite you down to the Flame Tree Arts Festival grounds.

**Senator Hofschneider:** Mr. President, I represented the Senate last night, me and Senator Cruz.

**President Palacios:** That is what I thought. Thank you. But for those of us that haven't been done there tonight and the whole weekend would be the best time and the best place to visit. With that, Senator Hofschneider, recognized.

**Senator Hofschneider:** Under Announcements, and I in line with your invitation, I also wish to invite everybody to Tinian next week beginning Thursday to Sunday for our Annual Signature Event, San

Jose Fiesta Celebration. We do have somewhat sometimes a good problem where we ran out of rooms, but I guarantee you that we have twelve flights back and forth Saipan to Tinian. So, please come visit when you get a chance. Probably, Saturday is the best time because that is the main actual festivities, but if you are feeling more religious stay until Sunday so you can join us at church at eight o'clock in the morning the following day. *Si Yu'us ma'ase.*

**President Palacios:** Thank you. Any other Announcements? The Chair will now entertain a motion to adjourn.

### ADJOURNMENT

**Acting Floor Leader Quitugua:** Mr. President, a motion to adjourn at 3:18 p.m. subject to the call of the Chair, so move.

The motion has been seconded.

**President Palacios:** Motion to adjourn has been seconded. No discussion. Those in favor of the motion to adjourn please say, "Aye." Opposed say, "Nay."

All members voiced, "Aye."

**President Palacios:** The Senate stands adjourned subject to the call of the Chair.

The Senate adjourned at 3:18 p.m.

Respectfully Submitted by:

/s/Frances Joan P. Kaipat  
Senate Journal Clerk