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On My Mind  
4/28/06

The occasion of the governor's State of the Commonwealth speech last week was interesting in that it broke precedent not once, not twice, but thrice. First, the governor gave up part of his time to the lieutenant governor - which has never been done before. Secondly, the governor used new technology to give a power-point presentation - which has never been done before. And thirdly, the morning saw the airing - very politely - of public disagreement between the governor and Pedro A. Tenorio, the CNMI's resident representative to Washington, D.C. One might also add a fourth, that the governor made no mention of other departments as has always been done before. An interesting morning, in form alone.</P>

It was, of course, also interesting in terms of content. What the lieutenant governor had to say about plans to solve the erstwhile Commonwealth Utilities Corporation's power problems - after detailing at some length how it had reached its present deplorable condition - seemed logical and positive. Yet I couldn't get past the anomaly of such words of wisdom coming from the former head of CUC. Where was that wisdom then? Where is it coming from now? Wasn't he partly to blame for the band-aid approach to keeping CUC operating that he now calls part of the problem? How can credence be given to what he says now? And where is all the money going to come from to conduct the overhaul of engines that there hasn't been funding for before?</P>

The CNMI's Washington rep's speech was insightful, to say the least. He warned that, given the present political climate in Washington, D.C., the CNMI must be doubly watchful of labor violations, of abuse of guest workers, that it must enact fair and compassionate laws to counter and correct the poor impression that adverse publicity has created. In addition, if the CNMI does not enact minimum wage increases soon, the Federal government may do it for us, he cautioned. Let us hope the CNMI legislature listens!</P>

The public disagreement between the Washington rep and the governor concerns CNMI access to its submerged lands. Tenorio supports a U.S. Senate bill that would give the CNMI control on a parity with all of the territories (except Puerto Rico, which Tenorio did not mention). The governor, on the other hand, wants that bill withdrawn. Though he said nothing during his speech, he has since been quoted as saying he believes the CNMI should pursue the same privilege that Puerto Rico has - control over nine nautical miles of submerged lands. In his speech, the Washington rep publicly asked the governor to reconsider his position, saying that to do otherwise "will set the CNMI back from actually managing its own marine courses maybe for years."</P>

The full text of the Washington Rep's speech appears in today's <EM>Tribune</EM>.</P>  
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In discussing the governor's speech, I feel compelled to note, at the outset, that yes, the governor is in a difficult situation. The CNMI is in dire straits, and there is no way out that will not cause pain and suffering. To note that yes, unlike his predecessors, this governor, at least, is ready and willing to face the problem, and to seek solution. And that yes, though he won by a very small margin, he's probably the best of the four candidates for taking on the present challenge. (It would have lent a welcome touch of humor, had he opened his speech by saying, "I have to report to you that the condition of the CNMI economy is pretty damn poor.") But that does not mean that I have to like everything he is doing, or how he is going about it.</P>

I liked the use of slides to emphasize and highlight the governor's presentation. But I was left with several questions. For example, he noted that, on taking office, he found "640 additional government employees." Additional to what? And other than reducing employment by a mere 90 positions, what has he done, what are his intentions, in this regard? The governor did say there would be a desk audit of all government positions, but then did not say he would act on it to reduce employment.</P>

The governor has curtailed administrative leave, yet seeing the large number of government employees in attendance at the multi-purpose center, I couldn't help wondering how many of them were there by virtue of that very same administrative leave.</P>

He noted that the previous government over-spent its quarterly allotment in the last three months of the fiscal year, but did not complete the picture by indicating whether spending in previous quarters was above or below the allotment level. (One can assume the former, but...)</P>

And while the governor showed that spending had been cut in the last two months, information on how those cuts had been achieved was rather skimpy. Would that there'd been another slide, similar to the one provided by the Tinian mayor in his very informative double-paged report published in last Friday's <EM>Tribune</EM>, showing which cuts had saved how much. It would have been nice to know who or what was squeezed the hardest, and how much it yielded.</P>

What did he mean by saying that he would reverse the CUC utility reserve fund? By saying that he would re-program the FY06 deficit reserve? What are those, anyway? And how much is involved? Another euphemism, "Effect an employee retirement contribution holiday," has since been clarified. But the question remains: how much money will that "save"? And how can that possibly not affect the benefits of retirees in any way? Won't it mean that the retirement fund will have to cut into its principle?</P>

The governor repeated his support of the private sector, but did not once mention the Saipan Chamber of Commerce, which, with over 140 business members, prides itself as being the largest private business organization in the CNMI.</P>

Nor did he mention privatization, often cited as a significant tool in reducing operating costs. From a reader come these examples: The Commonwealth Development Authority's function could be turned over to a consortium of banks. After the next typhoon when all the power poles

are blown down again a private company could be brought in to rebuild or underground the utilities and then given responsibility for handling power distribution. A private company could also be hired to read meters, and bill customers, with a set amount paid to it for each customer and a bonus for on-time collections. Land registration and survey could be turned over to a consortium of private surveyors. Northern Marianas Housing Corp could be turned over to the consortium of bankers.... Opportunities abound, yet not one has been taken.</P>

One might also question the governor's choice of Friday as the date for his speech. With only one newspaper publishing over the week-end, was the choice deliberate favoritism?</P>

The full text of the governor's presentation can be found in this past Wednesday's <EM>Tribune</EM>.</P>

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Something buried in the governor's speech but explicit and plainly visible in the pages of last week's issue of <EM>Pacific Times</EM> was that the pay cuts that had been proposed would allegedly have covered only 10 pay periods - from May 14 through September 16. In his speech, the governor had only said that he would have recommended that the provisions would expire at the end of this fiscal year.</P>

Another useful item on the subject also appeared in that issue. Managing editor Libra Mae Sparks suggested in her column, "P is for politics, too" that the 10% pay cut be taken from the top wage earners first. Ten percent of a \$50,000 or higher salary would have provided more than twice as much as ten percent of a \$20,000 salary. If enough were realized by cutting 10% off just the top salaries, there wouldn't be a need to cut the lower salaries at all, she noted.</P>

To the objection that certain categories of pay are protected by the Constitution - in that the Constitution prohibits cutting salaries during one's term of office - surely with two top legal beagles at his beck and call, there ought to have been a way for the governor to argue that temporarily cutting two and a half months of salary is not the same as permanently cutting an annual salary, and that therefore the cuts would not have violated the Constitutional provision. But no one, it seems, even considered something so rational. Instead, the idea has been thrown out altogether. One quakes at what alternative might be forthcoming.</P>

The governor did note - in his oral presentation but not the written speech - that he and the lieutenant governor would also have taken a pay cut, but did not mention how big a one. A full 10%? Or less? He did not say.</P>

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One last note on the speech and the occasion: it would certainly have seemed fitting to break yet another precedent, and have the judicial and legislative branches also give 'state of their domain' presentations. The people have a right to know what's being done in those quarters in any case, but most particularly, what's being done to cut costs in this time of financial crisis.</P>

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One of the several revenue-generating laws that has not produced as expected is up for revision: P.L.11-60 - which added a new category of non-immigrant to allow aliens who invested \$150,000 or more in a residence in the CNMI to retire here by obtaining a Foreign Retiree Inves-

tor Certificate. While the revision, Senate Bill 15-20, would ease some restrictions - it would reduce the required residential investment to \$100,000, and would allow monthly rentals on a pilot basis - it adds others and it's not at all clear that they make the proposal any more inviting. Not only would the retiree have to pay an initial non-refundable fee, but now each dependent applicant would have to pay one too. And while the original allowed the retiree to own up to 10% of a local business, this bill wipes that out as well as prohibiting the retiree or any of his dependents from working in the CNMI.</P>

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While the <EM>Saipan Tribune</EM> is to be commended for printing the full text of the governor and Washington Reps' speeches, it ought to be ashamed of itself for giving a full half page in its Tuesday "Letters to the Editor" section to the belittling of colleague Zaldy Dandan. Its policy for inclusion - that a letter address issues, not personalities - seems grossly misapplied here.</P>

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This week's movies: 1 R, 4 PG-13's and 2 PG's, neither particularly good.</P>