

On My Mind
2/15/08

It is widely held that planning - that awful "p" word - is contrary to island psyches. Yet another "p" word, prioritization, appears to come in a very close second, particularly to psyches of government officials. For example, the CNMI is, at the moment, in crisis, financially speaking. There is simply not enough money to go around.

In such a situation it would seem only logical for all those involved in allocating monies to prioritize - to call a halt to whatever else they may be doing, and first and foremost, come to an agreement as to the criteria to be used in allocating the available resources, and then to set funding priorities accordingly.

Yet there is no sign this is happening - at any point in the process. By promising to reduce power rates before the end of his term, or making the claim that he will not allow Northern Marianas College to shut down - a dubitable claim at best - the government's top official has himself shown a complete disregard not only for other stakeholders in the setting of priorities and allocating of funds, but also for the process.

Nor are the legislators doing any better. Rather than agreeing to sit down together in this time of crisis - and work out a rational basis for setting funding priorities, most appear to be going their own way, more concerned, it would seem, with seeing who can introduce the most bills in the shortest period of time than with trying to find a coherent solution to the financial crisis they and their constituents are facing.

What's more, the CNMI is also in a power crisis. If the power problems aren't resolved, the whole society could collapse. While Representative Tina Sablan is right in saying that for the House, the priority issue should be the budget, I would argue that for the CNMI, it is the power system that should be given top priority. Even though Rota and Tinian's situations vis-a-vis power are not as dire as Saipan's, if the Commonwealth Utility Commission's power problems are not resolved, the entire CNMI economy will suffer, affecting even them.

Nor can financial issues be intelligently dealt with, until power problems are resolved. That must come first. After all, without reliable, affordable power, investors won't come, hotels will fail, tourist income will be lost, businesses will close.....Ideally, all of the stakeholders should be locked in a room, and not allowed out until agreement is reached on how to make power reliable and more affordable in the short term; over the longer term, on how the privatization process can be implemented in the shortest time possible; on where and how to procure funds to accomplish both; and, lastly, on who will be responsible for

carrying out the agreement.

Unfortunately, locking stakeholders in a room is not realistic. Nonetheless, government leaders, and businessmen, and the people of the CNMI should demand, loudly and persistently, that members of the legislature stop spending their time filing bills that allocate funds in an incoherent and totally willy-nilly manner to this or that personal project (many thanks to Rep. Sablan for making lists of legislative filings available so promptly!); that the governor stop his grandstanding and his endless jaunts; that all affected parties be brought together in a working session that would not adjourn until agreement is reached on the implementation of practical solutions to the power crisis.

Once the power issue is resolved - i.e., agreement reached on implementation of next steps towards reliable power over both the short and the long term - attention could be turned towards determining priority criteria for the many other demands on the CNMI's limited resources. And if that would put some government operations at risk, all the better. It might force the agreement on power to be made all the more quickly. In the meantime, the CNMI is living on borrowed time.

Representative Heiz Hofschneider has proposed an initiative that would broaden the CNMI's ability to borrow money - intended in this case for repair and upgrading of CUC's power system. The borrowing would still need public voter approval through an initiative. His proposal would appear both prudent and timely - since funds are desperately needed and do not seem forthcoming from any other source - though having to mount a second initiative for actual approval of a loan does delay the process somewhat.

Another approach has been offered by Washington Rep Pete A. Tenorio, who has suggested that all the CNMI's unspent CIP monies be used towards either substantial improvement of the existing power plant or the building of a new one. Also a seemingly viable proposal.

Yet "the Fitial administration" is opposed to both suggestions - rejecting the Hofschneider idea on the grounds that the money should be spent on privatization, and the Washington Rep's on the grounds that the CNMI "cannot simply abandon existing capital improvement projects," according to a report in the *Saipan Tribune* earlier this week.

But why not? Isn't reliable power the basis on which all else depends? And aren't the CIP monies funds that have lain unused for years anyway?

Privatization will take far longer than the repair. It should be conceivable to do both, either borrowing money or using CIP money to do the necessary repairs for the short term, while, simultaneously, pursuing privatization. To the CNMI's detriment, however, working with others does not seem the governor's forte.

Thank goodness the fracas about whether the Senate President's wife should or should not become head the Legislative Bureau has gone away - at least for the moment - thanks, it would appear, to Senator Frica Pangelinan's peace-making efforts. The account in the paper seemed to indicate that the issue was now settled, but it wasn't really - it's just been postponed.

There does not yet seem to be agreement on what happens when the present director's term expires in September. Let us hope that the Senate Pres will have recognized by then - which he seemingly has not up until now - how seriously it would compromise any claim to ethical, impartial conduct he might try lay claim to if he persists in supporting his wife as Bureau head. Representative Sablan's statement that needed are a better job description including minimum qualifications, and a formalized process for selecting and hiring the best candidate for the job, makes a lot of sense.

Short takes:

Will wonders never cease! According to a letter to the editor in the *Marianas Variety* earlier this week, seems that now the Governor's Press Secretary has become an expert in labor law - expected, all on his own, to respond, on behalf of the governor's special legal counsel and vocal supporter of the local labor bill, to statements on the so-called federalization bill issued by U.S. Senate staffer Bill Wicker. In an apparent put-down of the staffer, we are also told that the special legal counsel is awaiting an answer from someone of equal rank. Ain't politics fun?

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One of the FFF's (Fitial's Federalization Fighters - a term coined in one of the many local blogs) has voiced objection to statements in my last column regarding a couple who are attempting "to persuade one and all that the local labor bill is good..." and has asked that I print a lengthy correction. Regrettably, space is lacking. In essence, Deanne Siemer asked that I note that she is not a consultant/advisor but an unpaid volunteer; that she is not an "off-island person" since she has been coming to the CNMI regularly since 1976, is a member of the CNMI bar and has been living in the CNMI full-time since January 2006; that she has never met Willy Tan, has not succumbed to anyone's wiles and that her motives are not murky. Rather, she writes, "I am working for the Commonwealth because I believe it to be a wonderful place populated by very nice people whom I like and respect."

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On a less contentious note, public radio station KRNM's more recent appeals for listener support are prompted not only by a very real need for

significant amounts of money, but also by a need to document to prospective grant agencies and larger donors that there is a sizeable listening audience - large enough to justify investment in KRNM. So even if it's only for a few dollars, listeners are urged to write a check to KRNM - as an indication of the number of listeners. (Checks, rather than cash, are being asked for so the money can be refunded should the fund drive fail - NMC/KRNM lack a method for keeping cash amounts separately.)