

On My Mind
6/27/08

What with all the moneys that are owed by the CNMI government - to the Retirement Fund, to Telesource, to taxpayers who haven't yet gotten their economic stimulus check, to the many vendors CNMI does business with; what with new debts occurring as we speak - for a lawsuit against the U.S. government, for an impractical and unaffordable buy-out to the power problem, for who-knows-what questionable contracts; and what with there being little apparent chance of payment anywhere along the line, perhaps it's time for the CNMI to seriously consider declaring bankruptcy.

Or it might be time for the CNMI's creditors to consider jointly forcing the CNMI into bankruptcy, given that neither the administration nor the legislature seem likely to voluntarily opt to declare the CNMI bankrupt.

Under a forced bankruptcy, as I read the web items, a court-appointed receiver would be assigned to manage the CNMI government as it liquidates assets and tries to come to terms with its debtors. And clearly, a court-appointed official would be more capable of doing that than any present member of government.

An unrealistic, impractical, unreasonable scenario? Not necessarily. Other political entities that are much larger than the CNMI have declared bankruptcy and survived. A discussion of possible bankruptcy for Pittsburgh, Pennsylvania states, for example, that "Since 1937, when Chapter 9 was created, more than 500 municipalities have gone bankrupt and have restructured their debt under federal bankruptcy laws." The largest and perhaps best known, was the declaration of bankruptcy by Orange County, California, in 1994.

There's no question there would be grim consequences. But every reasonable, alternative solution to CNMI's problems that has appeared on the horizon seems to get shot down by this administration. So where is there to turn?

Sleep deprivation - the interruption, or denial altogether, of a good night's sleep - is a standard form of torture. Saipan's frequent late night/early morning power outages have brought me to the point that when they do NOT happen, I wake up and thank the powers that be for allowing me to sleep through the night.

One wonders whether the point here is to so disturb people by a lack of sleep that when help is offered, they will be so grateful that they do not look at just what is involved in the offer. Take the news, earlier in the week, that a contract had been signed with a power supplier that would guarantee, for a full year, that there'd be no more power outages. I was ecstatic! What's more, I was almost ready to personally thank the governor for finally doing something right.

It didn't take long, though, for the glow to wear off. Turns out that the CNMI doesn't have the money to even make the down payment, much less pay for the full cost.

That the contract may not be all that clean. And worst of all, that there are far cheaper alternatives for doing much better.

As sane-energy spokesman Dr. Tom Arkle pointed out in his letter to both papers today, for less than what the governor has promised to pay for **rental** of a single 10 MW generator for but one year, the CNMI could have **purchased**, from an established German power company, not one, but two, completely overhauled and like new 11 MW generators, originally made in 1994 (newer than CUC's generators). Though these operate at 50 Hz, and the CNMI needs 60 Hz, in a private communication, Arkle said that conversion would not be a problem, and that the point is, there are MUCH cheaper and better alternatives out there than the deal made by the governor.

Wrote Arkle, "And how in the world can CUC estimate the worth of its broken down, over-used, non-operating facilities at \$250 million? That's ONE HUNDRED TIMES the value of one of these refurbished like-new 11 MW Gen sets. On top of that CUC is paying more than \$10 million for "repairs" on broken down engines that STILL aren't fixed. We could have PURCHASED FOUR of those Mann engines for that money and that's FORTY-FOUR MEGAWATTS of like-new power for the same as unrealized "repairs." This is "funny" finances if I ever saw it and somebody needs to find out what's REALLY going on." Let's hope the House oversight committee succeeds in doing exactly that.

There's also, much closer to home, the Telesource statement that it could have provided its presently-unused excess power for far less as well.

So wouldn't a receiver appointed by a court to oversee CNMI finances be a far better way to go than continuing under the wastefulness, the short-sightedness, the seeming ignorance and obduracy, of the present administration? Or would it be enough just to declare CUC bankrupt?

For CUC in particular, privatization is unarguably the best solution. Proof thereof is crystal clear in the Saipan *Tribune's* front-page feature, on Tuesday of this past week, which depicts all of Saipan's power generators, and lists their present status. Power Plant #1, government-run, has eight generators of which only two are operational. Power plant #2, also government-run, has six generators, of which only one is operational. In sharp contrast, Power plant #4, which is privately-run, has ten generators, of which nine - that's all but one - are operational. Need more be said??????????

Short takes:

The new issue of *Island Locator* is out. Though it's feature story is about the 15th anniversary of Shirley's Coffee Shop, two other stories are particularly noteworthy: the WWII memories of Sister Antonieta Ada, now at Maturana, and the even-handed discussion of pros and cons related to the proposed Marianas Marine Monument. Good job,

Alexie! The magazine is available for free at various local stores. It can also be found on-line at < <http://islandlocator.blogspot.com> >.

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Those who intend to vote in the November election of the CNMI's first non-voting delegate to the U.S. Congress, must have voted in the last CNMI election. If they did not, they will need to register with the CNMI Election Commission. To make it easier, the Election Commission has stationed a staff member just inside the door at Price Costco Saturdays from 9:00 a.m. - 3:00 p.m. to register voters between now until September 13. Voters may also register by going to the Election Commission office at house number 1313 on Capitol Hill during normal business hours.

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The Department of Finance reports that it is sending out the not-yet-paid economic stimulus checks "every Friday." So maybe there is hope yet for those of us who did not make it in the first round.

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Though KRNM is off the air at the moment, it has not yet died and gone out of existence. Its absence from the airwaves was caused by transmission equipment failure. As is true of so much equipment failure on island, the parts to repair it were not available locally and have to be brought in from off-island. If the shipping isn't messed up, and if the parts all fit, and if that is where the problem lay, the station should be back on air some time towards the end of next week. If that fails, a loaner replacement will have to be shipped out, and the broken part sent back to the manufacturer to be repaired, which will further delay the station getting back on the air. If you've missed the station being on air, and you haven't yet sent in any indication of your support for the station, it is incumbent upon you to do so now! Your support will ensure that National Public Radio, in one form or another, continues to be available in the CNMI.

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We've offered this url before, but it is such an excellent source of information that we'd like to offer it again. It is the site for Hawaii's national marine monument: < <http://hawaiireef.noaa.gov/management/welcome.html> >. Not only is it an excellent source of information per se, but it is also attractive, user-friendly and very well put together - a real model that the powers-that-be would do well to follow if, as, and when, a web site for the proposed CNMI monument ever appears on the web.

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It's been said that the governor likes to say "no" to suggestions/ideas/offers, in hopes that he will be offered something in return to try change his mind. That, of course, is bribery, and illegal. In the case of the marine monument, the governor could, however, have said, "I will agree - if you'll fix our power plant" - which is "negotiation," and not illegal, and might even have worked.

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Anyone interested in helping to collect signatures in support of the monument can obtain petition forms from me, from Chuck Sayon at < cfsayon@hotmail.com >, Ike

Cabrera at < inac1@pticom.com >, Ken Kramer at < ken_kramer0886@yahoo.com >, or Mike Tripp at < scubatrip@mac.com >. Signatures will also be collected at JoeTen, Susupe, Saturday, 6/24, between 10:00 a.m. and noon.