

3/9/12

With the Commonwealth Health Corporation and the Retirement Fund about to fall apart, and the Commonwealth Utilities Corporation not far behind, it appears that the legislature and the administration, unable to agree on which one to help first - much less how - are going around in circles, throwing out one option after another but never getting anywhere, never making a decision.

Now CUC has done the unthinkable - finally acting on its long-standing threat - and has actually cut power to government offices. I say "Hooray for CUC!" It is, after all, CUC that keeps everything else functioning. Without power - without lights, without water, without refrigeration, without, nowadays, telecommunication - the government cannot operate. It provides the basic necessities that we all need to survive. Yet even after CUC made its statement - that power underlies all other activity - the talk is of how to help CHC, how to help the Public School System, not how to help CUC. CHC can live one more day. So can PSS. So can the RF. But without funding, CUC cannot pay its vendors, and without fuel there can be no power. It's as simple as that. The administration, the legislature must focus on meeting CUC's needs first and foremost, must make CUC first priority.

PSS claims that it was promised first priority. But reality says otherwise. Even PSS acknowledged that without power, it is severely handicapped - it cannot conduct its breakfast and lunch programs, it cannot operate its computer networks, it cannot communicate with its many parts.....

Power, CUC, must come first.

A myriad of options has been identified for obtaining needed funding - everything from imposing a sales tax, reducing or eliminating the tax rebate, zero-funding inessential offices, increasing taxes or fees for various government services, pursuing collections and/or establishing a casino to borrowing from the Marianas Public Land Trust, selling public lands and/or reducing payroll. Here again, there's been no attempt to prioritize. Moreover, to make intelligent decisions, one needs information so one can analyze and compare options, but there's been little evidence of any such data gathering.

Nor have criteria been developed on which to base selection of a workable solution - other than who can talk the longest, the most often. Without criteria, the decision as to which idea to pursue is bound not only to be flawed but also to be contentious - and therefore difficult to reach. But if sufficient information were available, and criteria agreed upon before hand, a decision would be much easier to make, and far less controversial.

Four such criteria come to mind: how much money will that particular option generate; is it enough to make it worth doing; how soon would that funding become available; and how practical, viable is that option.

Using those criteria, the legislature and the administration should concentrate on solving CUC's dilemma first. Once that's been resolved, they can turn to the next crisis.

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Should it be CHC or the Retirement Fund? Every day that the Retirement Fund continues as under-funded as it is, it loses money - and that in turn, is money lost to the CNMI, because its retirees are losing the means to spend money that supports the economy. Yet every day that CHC remains underfunded, among other things the supply of medicines decreases, the equipment

deteriorates further, the risk of losing personnel increases, putting the lives of everyone in the CNMI at stake.

Clearly, then, CHC should be given second priority. As noted last week in this space, "The solution would seem fairly obvious. Pass the bill that establishes an \$11 million line of credit with the Marianas Public Land Trust, as had been negotiated between MPLT and CHC. Pass a separate bill that covers the other positive changes made by the Senate - the reduction in the size of the board, the change in authority of the board from advisory to governing, the re-alignment of public health functions. And instead of robbing Peter to pay Paul, find other sources of funding for PSS and CHC debts to CUC, for a CT scanner."

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Time, however, is also a factor here. As the clock ticks on, the Retirement Fund's money is draining away in making pension payments. The need for action is urgent. Every day that goes by without solution represents an added cost to the Fund, an added drain on its investment, an added loss to both present and future pensioners. Again, the need is for a solution that provides immediate relief.

All of the possibilities mentioned above apply here too. But they all take time - to draft, pass and/or amend a law, to write regulations, to implement procedures. It would appear that the quickest way to cut the drain on the Fund would be to decrease pension payments. Except for collections, that is the only "solution" that is totally within the purview of the Retirement Fund, that does not depend on others' actions. But for people who have no other income than their pensions, such cuts would be painful. With some refinements, however, they might be more acceptable, do-able. First of all, abuses of the system should be identified and eliminated. Secondly, both a cap and a floor could be placed on the amount of the pension payout per person, together with a sliding scale from high to low.

So far as the Constitutional mandate that no benefit be diminished or impaired is concerned - as cutting pensions apparently do - according to a local bar association member there is no definitive law on whether postponing or deferring payments, rather than cutting, would violate this provision of the Constitution.

Clearly, such an approach leaves a casino or a pension obligation bond at the bottom of the list, since both require a change to the CNMI Constitution - quite a lengthy process - and one the outcome of which is not at all certain to begin with.

One very tiny ray of hope: predictions of the death of the Retirement Fund are based on no increase in the revenue of the CNMI from one year to the next. Should the economy improve, however, and payments into the Fund increase, the picture becomes a little brighter. It all depends on whether, when and by how much the economy improves.....

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This is not to denigrate the Public School System. Yes, its function is critical to the welfare of the CNMI, particularly in the long term. Yes, its students are demonstrating significant achievements in various fields. Yes, its faculty and staff are, on the whole, dedicated and hard-working. But without power the schools cannot function. Nor can they function without health care. And without pensions, the economy will fail as well.

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Short takes:

- Kudos to Acting Zoning Board director Therese Ogumoro for her letter to the editor providing the details of the devastating changes Representative Stanley Torres' hastily added amendments made to the zoning law. Her letter can be found in the 3/7 issue of the *Saipan Tribune*, the 3/6 issue of the *Marianas Variety*.
- The Mariana Islands Nature Alliance has started asking the Presidents, Governors, and Legislatures of Micronesia to ratify the Micronesia Regional Shark Sanctuary agreement with supporting resolutions and to prohibit the exportation of, commercial fishing and selling of any shark, shark part or shark product within the Micronesia Region, including Palau, Guam, Northern Mariana Islands, Marshall Islands, and the Federated States of Micronesia and her four states, Yap, Chuuk, Pohnpei, and Kosrae. To sign the petition, go to < <http://www.gopetition.com/petitions/support-the-micronesia-regional-shark-sanctuary.html> >.
- A reader notes that one cause of the death of Saipan's flame trees is flawed pruning - leaving open, unsealed wounds and improper cuts - that then make them susceptible to infection from blight, bacteria or fungi.
- On the subject of flame trees, Sam Sablan of Mariana Islands Nature Alliance reports that MINA is very active in promoting tree-planting. It donated 800 trees for individual planting during its 350 Climate Awareness project, is currently arranging planting of 400 more in cooperation with Tan Holdings. She asked anyone with suggestions on where to plant trees to please contact her at 233-REEF(7333), at < [sablansam@gmail.com](mailto:sablansam@gmail.com) > or at < [www.minapacific.org](http://www.minapacific.org) >.
- I've not seen the actual invitation, but it has been reported that Judge Govendo has invited all retirees to Courtroom 205A at 9:00 a.m. on Tuesday and Wednesday, March 13 & 14, to voice their concerns, ideas and recommendations on settlement terms for the Fund's suit against the government for unpaid obligations. Also sent the invitation were the Fund Board of Trustees, officers and members of the Commonwealth Retirees Association, the Governor, the Lieutenant Governor, Senators, members of the House of Representatives, all Directors of the autonomous agencies, and all interested parties. Reportedly, the Judge will ask the retirees how much their pensions should be cut, and who should order the cut.
- It's not clear whether the caption, "Failed punditry," for John DelRosario Jr.'s letter to the editor in today's *Trib* was aimed at DelRosario's reference to medical professionals "with rock solid moral turpitude" or whether I missed something else in the letter. But the phrase certainly warrants attention, when so clearly something other than turpitude would appear to have been intended - turpitude usually being defined as wickedness, depravity or moral corruption.
- The Queen Mary 2 cruise ship with 2600 passengers, 2400 crew members, is scheduled to arrive on Saipan at 5:00 a.m. on March 15 and leave at 5:00 p.m. Residents are being encouraged to stop and pick up passengers on the road who may want a ride into Garapan or Susupe, or to see some of Saipan's historical sites and monuments. It may be possible to go into the dock area itself for this purpose - at this writing that is not yet clear. The visit is expected to generate welcome revenue; in return, residents are asked to be helpful and welcoming, and do everything in their power to protect the passengers and crew from harm.
- Highway robbery? CHC was reportedly being charged \$7.50 for each lunch and dinner served to Rota and Tinian patients staying at the local guest house, until the new CEO stopped the practice. For lunch, that's a good bit more than many local restaurants charge....

- The person whose letter in support of abolishing Article XII appeared in both papers today actually reveals, quite clearly, exactly why people oppose the idea. "Our voting power would finally make non-NMD the dominant political force," she writes. Precisely.