

5/25/12

Though this past week's bad weather may have left us - with the welcome sun once more in evidence - in view of the disaster that lies ahead, the relief is only temporary, and not all that effective, either. Both newspapers carried the bad news, that Commonwealth Utility Corporation's executive director Utu Abe Malae has resigned, effective as of yesterday. Despite the enormous problems that CUC has faced over the years - and continues to face to this day - over the few short years of his tenure Malae has brought stability and reason, expertise and initiative, responsiveness and resourcefulness, productivity and effectiveness, accountability and accessibility to the operation, with the result that CUC's past debilitating unannounced power outages had become only a bad memory - even the need for rolling power outages had ceased - and access to a reliable water supply is now available to most of the island's inhabitants. Given that all things depend on the availability of power, and given that able as the deputy executive director may be, one man cannot do the work of two, it is inevitable that in the absence of Malae's leadership the island's situation will only become more stormy. It's just a question of how soon.

Malae, who holds MA's in public works administration and civil engineering from the University of Pittsburgh in Pennsylvania and who was named one of the top ten public works leaders of the year by the America Public Works Association, had intended to leave his post in the CNMI next spring - ample time to find and train a replacement. But obstructed once again by politics, by the disruptive micromanagement efforts of the administration, Malae apparently has had enough. Based on newspaper reports, the issue appears to be a renewable energy contract involving one or more companies connected to the governor. Mention has been made of a requirement drawn up by legislators, not engineers, for "40% penetration of the grid with renewable energy in 2012" - an exceedingly optimistic goal if ever there was one - which Malae has said would cause the grid to collapse.

In an apparent move to promote "his" contractors, the governor has now declared another state of emergency for CUC with little evidence, according to several legislators, of the need for one, and despite the fact that it was not asked for by CUC's executive director.

The "reasons" cited in his declaration are weak indeed: CUC rates are too high, high rates are crippling the economy, alternative energy producers have not materialized quickly enough, and "lack of a prospect for change." As though a different CEO could, in the face of the reality of today's market and the administration's heavy-handedness - as well as the legislature's lethargy - instantly lower the price of fuel, start up the economy, or effect either of the other two changes! Utu Abe Malae: Thank-you for all you have done for the CNMI and its residents, for CUC and its employees, for the power plants and other CUC infrastructure as well. We wish you well!

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Not surprisingly, the governor's belated "plans" to "save" the CNMI retirement program don't have much substance either. In the first place, until and unless the U.S. Congress changes the law to include the CNMI as among those entities eligible to participate in a Social Security "buy-back" plan (in this case, more aptly named a "buy-in," perhaps?), there can be no rescue. At the moment, the CNMI is not on that list in the federal law governing buy-backs.

In the second place, CNMI's buy-ins will benefit only active members of the Retirement Fund - that is, members who are still employed. It will not benefit those who have already retired, nor, even, those about to retire.

Social Security requires that a candidate for retirement work a minimum of 40 quarters - the equivalent of four quarters per year for ten years. Under consideration is a buy-in of five or maybe ten years. If a five-year buy-in is negotiated, employees who have worked for five years would have to work another five years to be eligible for retirement. If a ten-year buy-in is negotiated, the employee would not have to work any longer to be eligible for retirement. BUT regardless of whether it be 5- or 10-year buy-in, the employee would have to wait until s/he reached the age of 62 or more (depending on his/her date of birth) before s/he could actually start collecting a retirement pension - one that would, it is reported, be far less than what is available under the CNMI retirement plan.

How much will that cost? and where will the money come from? There are no hard answers. No one is saying how much the CNMI will have to turn over to the Social Security Administration in order to have the SSA provide coverage for CNMI employees. Apparently, this will be negotiated between the CNMI and the SSA - once the law is changed to allow the buy-in. With the SSA taking on the extra liability, it's clear that it won't be cheap.

An amateurish attempt to inject some reality into the picture: Say 2500 CNMI government employees earned an average of \$25,000 per year. Say that between the government and the employee 7%, or \$4,375,000 were paid into a retirement program yearly - and those figures are admittedly low, both in terms of average salary and in terms of the payment into the retirement program. If the CNMI wanted to put the equivalent of those payments into the Social Security system,- that would cost the CNMI \$4,375,000 x 5 for a five-year buy-in, or \$21,875,000. (n.b. That's theoretical, for purposes of illustration. It's not at all certain that that is how the "buy-in" would actually work.) That's a lot of money for any government, much less one that already has all sorts of problems paying its bills. Where will that money come from?

And in the meantime, what of the retirees? There is talk of using RF money to pay for the Social Security buy-in. Where will it come from? RF investment assets? The money that had been set aside in that private corporation for retiree protection? or?

In the meantime, "principals" involved in the discussions - asserting brashly that they are intent on saving the Fund - bandy about such wild ideas as annually remitting \$25 million to the Retirement Fund - though they have not remitted more than \$13 million for more than a year. Sadly enough, it looks very much like Uncle Ben's promise to fix the CNMI's retirement program is just like all the other promises he has made in the past - a lot of flim-flam.

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Time is running short for those hoping to get initiatives on the ballot this November. The deadline is a few short weeks from now: June 8th. According to an e-mail from Assistant Attorney General Teresita Sablan, the Northern Mariana Islands Administrative Code states that petitions to submit an amendment to the Constitution must be submitted to the Attorney General's Office 150 days before the next election. Election this year falls on Tuesday, November 6; 150 days before that is Saturday, June 9. However, since that is a Saturday, the NMIAC provides that the petition must be submitted on the immediately preceding business day. Thus, a petition to propose an amendment to the Constitution must be submitted to the Attorney General on or before Friday, June 8, 2012.

The Attorney General has 30 days to determine the validity of the signatures and whether there are enough to meet the Constitutional requirement (about 7,300+). If there are enough signatures but not all of them can be validated, the submitting party has an additional ten days to submit more signatures. But if the petition does not have enough signatures to begin with, the submitting party does not get time to submit more signatures.

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Short takes:

- Zaldy Dandan, in his "Variations" column today mentions the hope of new/young faces in the upcoming election, at the same time noting the effectiveness of seasoned office-holder Kilili Sablan. I expected him to continue along those lines, and suggest that perhaps voters should look towards other elder statesmen, if you will, as promising candidates for the legislature. He did not go there, but perhaps one should. There are any number of former government officials as well as private sector individuals who have been seasoned by experience, and could be expected to be more knowledgeable, more realistic, more practical and pragmatic, more productive, than younger candidates.....
- There have been lots of complaint about the loss of civility of late - mostly on the mainland, mostly related to political campaigns. But yesterday's contretemps at the Senate showed that unfortunately the CMNI is not so far behind - with crude words exchanged between the Senate floor leader and a Senate committee chairman at an open hearing, no less! Whatever happened to civility? to the traditional Pacific way of consensus? Maybe NMPASI should repeat its recent course on conflict resolution just for legislators?
- Saipan Southern High School's Manta Ray Band is striving mightily to find the funds required to underwrite its trip to the London Olympics in July. Among ways to help: attend its concert scheduled for the American Memorial Park at 6:30 on June 18; donate Educational Tax Credits; sponsor planting a flame tree by calling 483-9477, or putting a check for \$100 in the mail and sending it to the school at P.O. Box 500268, putting a check for any amount in the mail and sending it to the same address. The Band has already cut its trip short, giving up performances in Europe, in an effort to reduce its budget needs.
- If you're concerned about CUC priorities for water and wastewater development, there's a public hearing at 12 noon on June 18 to review the proposed priority lists. Electronic copies of the lists and scoring criteria are available by e-mailing < brian.bearden@cucgov.org > or < larry.manacop@cucgov.org >.
- First Friday Film June 1, *Ocean Frontiers* at 6:30 p.m. at American Memorial Park Visitor Center. To celebrate its 2nd anniversary, there will be a brief reception in the courtyard, with dinner to follow at the Spicy Thai house in Garapan.
- June 8th, Pacific Winds Concert will perform at the American Memorial Park Amphitheater, 5:00 - 8:00 p.m.