

On My Mind
11/21/08

Despite the hope that the election of Barack Obama inspires, the news while we wait seems only to get worse, not better - not only in the CNMI, but also on the mainland. Not that that is any comfort!

For one, the CUC clock continues to tick unheeded: only 41 ½ weeks, or about 10 months, before the Aggreko contract comes to an end. Meaningful progress on an alternative? Zero.

As though that wasn't bad enough, CNMI's power oracle, Dr. Arkle, has come up with some really scary statistics on just how long CUC will be able to continue to function at all. The latest payment to Aggreko was a month late, he notes in a recent e-mail, and the next one is already overdue. Its contract, according to Dr. Arkle, "clearly states that payments are due whether Aggreko functions or not," so the excuse given by CUC Executive Director Tony Muna that the next payment of the \$504,000 has been delayed because Aggreko owes CUC "certain reports" would appear weak, at best.

Arkle notes, as reported in today's Saipan Tribune, that CUC also is overdue in making payments to Pacific Marine and Industrial Corporation, which runs power plant #4, to the tune of \$1.5 million, due since the 07/16-31/08 billing period. "...what happens if PMIC decides to shut down after 4 months of non-payment?" he asks.

Continues Arkle, "...there has been no mention of payments to Telesource on Tinian. Has Telesource been paid (up to date), or are they also delinquent?" Then there's CUC's "current ability to purchase fuel. How much fuel is presently on hand and how will CUC pay for the next shipment?" The issue "of compliance with EPA regulations - both water/wastewater and power. The stipulations agreed to under court order, and the possibility of future sanctions because of the installation of non-compliant Aggreko gen-sets may potentially cost CUC as much as \$10,000,000.00 - or more."

Finally, writes Arkle, "CUC's contract with Aggreko called for TEN gen-sets and a production of 10 MW resulting in an energy output of 1.68 GW per week. Yet reports now insist that CUC is receiving 15 MW of power. WHAT contract changes were imposed to raise the production from the initial 10 MW to the present 15 MW? What charges are due and/or being paid? At 15 MW, the energy output would be 2.52 GW and the [additional] weekly energy charge at 5 cents per kWh [as called for in the Aggreko contract] would be \$126,000.00 and for the nine weeks of operation (so far) would amount to \$1,134,000.00. How much is CUC paying in current energy charges and has it been paid?"

It all adds up to \$3 million or more that CUC would appear to owe just to power vendors, a pretty scary scenario that Arkle describes so graphically as "a hand to mouth operation, with no thoughts toward the next bend of the elbow."

As one observer put it, "the only positive note in this scene of doom and gloom is the stipulated order and the filing of the civil lawsuit to compel CUC to comply. At least the order spells out a detailed, long-term plan for CUC. Its focus is on water, wastewater,

and used oil infrastructure and management improvements -- but compliance with these provisions (particularly on the management side) would necessarily translate into improvements in the power division."

"And if CUC still fails to comply, perhaps Judge Munson will rule as Judge Tydingco-Gatewood did in Guam, with the Ordot Dump -- and order receivership."

Bring it on!!!!

In the meantime, even I may start thinking of leaving island.....

Another clock ticking away is the one set for June 1, 2009, when the federal immigration act is slated to go into effect - that's a little over six months from now. Progress on the promised "working together" on the implementing rules and regulations? Again, zero.

Unfortunately, it looks like there won't be any working together either, if the incident in September, when Marian Aldan Pierce was refused entry to a meeting of the Joint Marianas Immigration Task Force in Washington, D.C., is any indication. Apparently, she was not admitted because "defendants" of the law suit filed by Governor Fitial against several federal agencies did not feel they should be communicating with the "plaintiffs." That's a pretty big hurdle to overcome.

Does the Task Force begun within the legislature stand a chance of getting anywhere with the feds? Can the Washington Rep help?

There is, moreover, apparently concern that in any case, when it comes to listening to the concerns of the CNMI in regard to the immigration bill's implementation, Washington officials may not be all that flexible, sympathetic, given their long memories and experiences with past CNMI governors and lobbyists. Nor, despite accounts of our Washington delegate-elect's friendly visit with Congressman George Miller, would it appear that the CNMI has many friends in the House of Representatives willing to fight on CNMI's behalf.

A small bright spot: U.S. Senator Bingaman and his staffer Al Stayman are said to be supportive of a more sympathetic approach. But without support from administrative officials in Washington and little support in the House, prospects over-all do not look that all that bright, particularly now that Homeland Security, rather than the Department of Interior, is taking the lead in the process.

Highly vulnerable, if the federal immigration law is not changed, would appear to be immediate relatives of U.S. or FAS citizens, widows and widowers of U.S. citizens, and CNMI permanent residents, all of whom would stand to lose their eligibility to stay in the CNMI. Thus the efforts being made by Bruce Mailman and Maya Kara to inform this group of options available to them to protect their status, appear to serve a useful purpose. They draw attention to the issue, and they make clear not only its complexity,

but also the consequences if changes are not made.

It is theoretically possible that the rules and regulations currently under development for the federal immigration act will provide for an alternative to the green card that Mailman and Kara are advocating that all those who can should obtain, but it is, at this point, still an unknown.

While Mailman and Kara also rely on what are still only proposed amendments to existing immigration rules and regulations, apparently the expectation is that these amendments which, among other things, provide for a two-year entry permit for some applicants, will be adopted in the near future.

Short takes:

The idea that the CNMI government should absorb all employees displaced by the federal immigration takeover is sheer nonsense. Normal governments are not considered safety nets for the unemployable! The legislature, if it is concerned about these employees' fate, should devise and budget for ways to help them re-tool and find new jobs. It would, among other things, be a lot cheaper!

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Question of the week: what assurance does anyone have that NCLEX applicants from the Philippines will apply to the CNMI nursing board for their required U.S. approval? The legislature apparently stands ready to give the nursing board \$100,000 to beef up its staff so it can process the approvals and thereby generate revenue for the CNMI. Legislators might better allocate that money to less speculative activities. For example, the Department of Commerce needs staff to improve and strengthen two vital business-related activities: its banking and insurance sections.

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Among the week-end's social events: the student Thespian Chapter will be presenting its first play of the year, "The Secret Garden, this Friday and Saturday evenings, November 21 and 22 at 7 pm (doors opening at 6:30) at PIC's Charley's Cabaret.

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Also, the Asia Pacific Academy of Science, Education and Environmental Management, formerly the Western Pacific Academy of Science and Environmental Management, meets at the American Memorial Park theater next Tuesday, 11/25, from 6:30-9:30 p.m Five 20-minute presentations are scheduled, with a 5 minute Q&A afterwards. For more information contact John Furey at jfurey@saipan.com, or call (670) 234-5103 (seven ring answering machine).