



Commonwealth of the Northern Mariana Islands

Office of the Governor

Saipan, Mariana Islands 96950

AUG 7 1985

Phone: 6407/6408/6581
Telex: 783-622 Gov. NMI

The Honorable Vicente M. Sablan
Speaker, House of Representatives
Fourth Northern Marianas
Commonwealth Legislature
Saipan, CM 96950

and

The Honorable Ponciano C. Rasa
President of the Senate
Fourth Northern Marianas
Commonwealth Legislature
Saipan, CM 96950

Dear Mr. Speaker and Mr. President:

This is to inform you that I have approved, in part, House Bill No. 254, S.D.1, J.D.1 entitled "To identify \$3,100,000 to meet the financial needs of the power plant, hospital, and Senate for the remainder of FY 1985, to transfer the resources to the general fund, to appropriate the resources, to identify CIP resources and appropriate \$540,000 for capital improvement projects in the Commonwealth, to restrict the use of the resources, and for other purposes". Pursuant to the power granted me by Section 7(a) of Article II of the Constitution of the Northern Mariana Islands, I have vetoed Sections 8 and 10 of the measure. My reasons for vetoing these sections follow.

Section 8 conflicts with P.L. 4-47, which established the Commonwealth Utilities Corporation and provided, in part, that no rate increases may be implemented until the Corporation has taken all steps necessary to accurately meter and bill all consumers, including government consumers, and all government buildings for electrical power, sewage, refuse and water collection (see Section 8143(c)). In addition to the inconsistency noted above, this section is unworkable because of the timeframes mandated by subsections 8 (a), (b) and (c), as the measure was officially transmitted to me on July 30, 1985, two days before the required regulations were to be issued. It is neither feasible nor equitable to consumers to require public officials to promulgate complex regulations in such a short time.

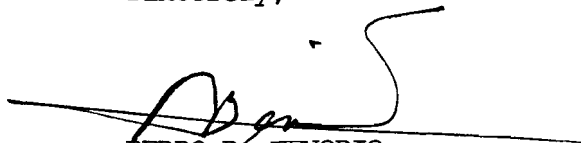
Section 10 is also deficient in that it mandates the Director of Public Health and Environmental Services to issue a new schedule of fees for medical referral and medical supplies by August 1,

1985, said schedule to be effective on September 1, 1985. The Director of Public Health and Environmental Services has advised me that his department is currently working on a total re-structuring of the financing of our health care system based upon considerations such as amendments to the medicare and medicaid systems, insurance and HMO programs and income eligibility. To increase fees, without addressing these complex issues, is not in the best interest of our people, especially those in low income brackets.

I have been informally advised that an autonomous agency has directed its legal counsel to challenge the legality of transferring the sum of \$1,200,000 to the general fund, said sum to be included as part of the sum appropriated by Section 13 of the measure. Because of the purpose of this bill, as stated in Section 2, I would respectfully request that the Legislature be prepared to provide, by statute, guidance as to how the balance is to be appropriated in the event such a suit is filed and a restraining order granted. This is properly a matter for the courts to determine and, while legal opinions may differ, I have chosen not to veto this section and will abide by the decision of the court. In the absence of such guidelines, I have no authority to determine which items of appropriation are to be reduced or by what amounts. This unfortunate result would, of course, be contra to the intent and purpose of the bill.

This measure becomes P.L. 4-54, copies of which are enclosed for your information and ready reference.

Sincerely,



PEDRO P. TENORIO
Governor

CC: Special Assistant for Programs and Legislative Review

1 Section 4. Transfer of MVB Funds to the General Fund.

2 Notwithstanding 4 CMC Section 1803(b) and any other provision of law to
3 the contrary, the Director of Finance shall withhold all funds in excess
4 of \$800,000 from the MVB account and transfer it to the general fund
5 before October 1, 1985; Provided that MVB's annual appropriation for
6 FY 1985 shall be \$800,000.

7 Section 5. Transfer of MIHA Funds to the General Fund. Upon

8 negotiation of a loan for \$1,300,000 with the EDLF or a private
9 financial institution to cover part of the \$1,800,000 appropriated by
10 P.L. 3-3 for low cost housing, and in any event before October 1, 1985,
11 the executive director of MIHA shall transfer \$1,300,000 to the general
12 fund.

13 Section 6. Transfer of CPA Funds to the General Fund. The

14 legislature hereby resolves the Tinian land ownership dispute between
15 the CPA and the Commonwealth Government. Before October 1, 1985, the
16 Commonwealth Government shall pay \$1,200,000 from the Tinian escrow
17 account leasehold funds to the CPA for a leasehold interest to the
18 Tinian lands over which the CPA claims ownership. Upon receipt of the
19 \$1,200,000, the executive director of the CPA shall transfer \$1,200,000
20 from the CPA to the general fund.

21 Section 7. Rental Fees Required. The MPLC shall immediately

22 assess rental fees for the use of public land for business purposes.
23 The rental fees shall be assessed beginning with the Garapan business
24 district, and the rental fees shall be received by the Marianas Public
25 Land Corporation in accordance with Article XI of the Constitution.

1 Section 8. Department of Public Works. Notwithstanding any other
2 provision of law:

*Section 8^B
VETOED A
~~ADG~~
8/7/85*

3 (a) By no later than August 1, 1985, the Director of
4 Public Works shall issue a schedule of user fees, to be
5 effective on September 1, 1985, which reasonably relate
6 to the costs of the services provided for sewer hook-up,
7 honey wagon collection, sewage system usage, and other
8 sewage services.

9 (b) By no later than August 1, 1985, the Director
10 of Public Works shall revise the water and power rate
11 schedule effective September 1, 1985, so that power
12 consumers are billed at a rate related to the costs
13 of the services provided to them, including the
14 establishment of sinking funds to purchase capital
15 equipment and to make other capital improvements for
16 water system improvements and power generation and
17 distribution, respectively.

18 (c) The Directors of Public Works and Finance
19 shall promulgate proposed regulations relating to sewer,
20 water, and power rates and services by no later than
21 September 1, 1985.

22 (d) Upon establishment of the Commonwealth
23 Utilities Corporation, it shall assume all of the
24 authority provided in Section 8.

1 Section 9. Hiring and Salary Freeze. The executive, legislature,
2 and judiciary branches shall freeze all hiring and salaries as of the
3 effective date of this act, unless the governor, presiding officers,
4 or chief judge respectively certify to the governor and presiding
5 officers of the legislature that exceptions are required as to
6 specific positions. The exceptions shall be deemed effective 10 days
7 after a certification notice is made. This freeze shall remain in
8 effect until the legislature enacts a FY 1986 appropriations law or
9 until January 8, 1986, whichever is earlier. The freeze shall apply
10 to all vacant and new positions and all independent contractor
11 contracts. There shall be no retroactive salary payments covering
12 any part of the period during which Section 9 is effective. The
13 freeze shall apply to the Senate only in regards to the dollar amount
14 of the appropriation in Section 13(b).

15 Section 10. Medical Referral and Supply Policy. By no later
16 than August 1, 1985, the Director of Public Health and Environmental
17 Services shall issue a new schedule of fees for medical referral and
18 medical supplies to be effective on September 1, 1985. The fees shall
19 implement a means test for medical referral financial assistance.
20 Medical supplies shall be priced at a rate related to their cost.

21 Section 11. Spending Limitation. The executive, judiciary, and
22 legislature shall not obligate or expend more than one quarter of
23 their annual appropriations between October 1, 1985 and the second
24 Monday of January 1986. As of October 1, 1985, the appropriations of
25 the legislature shall not exceed \$2,800,000 to be divided equally

Section 10

VETOED

ADG
8/7/85

1 between the two houses. In the event an appropriations act is not
2 enacted before October 1, 1985, each house of the legislature shall
3 allocate its budget by its rules.

4 Section 12. Public Auditor. Before August 1, 1985, the Public
5 Auditor shall transfer \$100,000 from his account to the general fund.

6 Section 13. Appropriation. There is hereby appropriated for FY
7 1985 the following amounts:

8 (a) For fuel, medical referral, and medical
9 supplies; provided that none of these funds shall be
10 used for personnel cost \$2,775,000

11 (b) For fourth quarter Senate operations for
12 majority, minority, coalition, and legislative
13 delegations, to be allocated by the rules of the
14 Senate; provided that none of the funds shall be used
15 except for personnel cost (280,000), travel outside
16 the Commonwealth (\$10,000), travel within the
17 Commonwealth (\$10,000) \$ 300,000

18 (c) For the Second Constitutional
19 Convention Post Convention Committee \$ 25,000

20 Section 14. Administration of Appropriated Funds.

21 (a) Expenditure Authority. The funds appropriated
22 by Section 13(a) and (c) may be obligated and expended
23 by the governor, and Post Constitutional Convention
24 Committee Chairman, if established by law, from the
25 Second Constitutional Convention, respectively.

1 (b) Reprogramming. The funds appropriated
2 by Section 13 and Chapter 2, Section 102 shall not
3 be reprogrammed for other purposes. If there are
4 funds remaining after FY 1985 expenditures are made,
5 the balances shall revert to the general fund for
6 further appropriation.

7 (c) This act shall not be counted as continuing
8 budget authority in FY 1986.

9 Section 15. Cash Flow Requirement. Notwithstanding any
10 provisions of law:

11 (a) The Governor or his designee may enter
12 into an agreement with a lending institution to
13 meet the short-term cash flow needs of the
14 government, provided that the government shall
15 guarantee that the funds advanced will be repaid
16 as soon as funds become available from the sources
17 identified within this act.

18 (b) If the cash flow requirements of the
19 public corporations so require, the Economic
20 Development Loan Fund, and the successor
21 Commonwealth Development Authority, shall loan
22 the public corporations sufficient funds without
23 interest to meet their cash flow needs so that
24 they may continue meeting the economic development
25 needs of the Northern Marianas.

1 Section 103. Expenditure Authority for CIP.

2 (a) The expenditure authority in Section 102 A,
3 B, F, G, H, and I shall be the Governor or his designee.


4 (b) The expenditure authority in Section 102 C shall
5 be the Mayor of Rota.

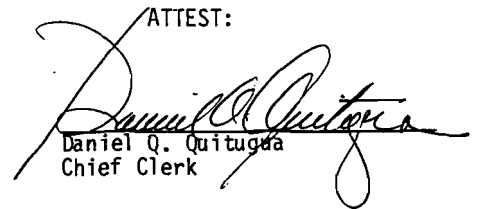
6 (c) The expenditure authority in Section 102 D and E
7 shall be the Mayor of Tinian.

8 Section 104. Repealer. Items A, C, E, D, and G of Section 2 of
9 Public Law No. 4-28 are repealed.


10 Section 105. Severability. If any provision of this Act or any
11 rule, regulation, or order promulgated hereunder, or the application
12 of any such provision, rule, regulation or order to any person or
13 circumstances shall be held invalid, by a court of competent
14 jurisdiction the remainder of this Act or any rules, regulations or
15 orders promulgated pursuant thereto or the application of such
16 provisions, regulations, rules or orders to persons or circumstances
17 other than those to which it is held invalid, shall not be affected
18 thereby.

19 Section 106. Effective Date. This act shall take effect upon its
20 approval by the governor or upon its becoming law without such approval.


Vicente M. Sablan
Speaker of the House

ATTEST:

Daniel Q. Quitugua
Chief Clerk

August 7, 1985


Pedro P. Tenorio
Governor
Commonwealth of the Northern Mariana Islands

*Section 8 & 10
are vetoed*

SAMPLE

Dear _____,

I am pleased to appoint you to be a member of the Post Convention Committee established pursuant to Public Law 4-52. You will be representing _____.

At this point in our history this Committee will play an important role in the future of the Commonwealth of the Northern Mariana Islands. Your decision to be a part of this Committee demonstrates your desire to be of service to your people.

You have been highly recommended by the ~~th~~ President of the Second Northern Mariana Constitutional Convention and I share his opinion that you will discharge your duties and responsibilities in an impartial and professional manner.

BE
Sincerely

Pedro P. Tondio
Governor