

On My Mind
8/19/05

Wouldn't it be nice if there were a single, accessible, knowledgeable and credible source of information as to what the real story is on the Commonwealth Utilities Corporation's power system? On its operation and its physical and financial condition; on what options are out there that offer practical, effective and affordable solution to its many problems?</P>

Unfortunately, such a source has not yet surfaced. Different people have different pieces of the puzzle, have different angles to promote, have different motives for providing misinformation rather than accurate information, or for withholding information altogether, or if they do have it, have different reasons for not speaking up.</P>

For example, though we're being told that heavy fuel oil - that is being promoted as the solution to the high cost of fuel for CUC - is cheaper, what they're not saying is that heavy fuel oil must be heated in order to flow, so it requires heating of the pipes that carry it from ship to storage tank to power plant, and requires heating at the generator site. For this and related reasons, the importance of proper and regular maintenance required of the entire system, including the generators that burn heavy fuel oil, is far greater than the level of maintenance required to keep diesel oil-burning systems and generators operating. Obviously, the increased level of required maintenance adds considerably to the cost, making it questionable as to whether heavy fuel oil really is cheaper over-all.</P>

Another voice has it that CUC is losing thousands of dollars every month due to flaws, errors, and other shortcomings in the billing system, due to major power theft, due to large consumers by-passing the meters while CUC turns a blind eye.....</P>

Serious concerns have been raised about the wisdom, or the need, for privatizing the power plant under the present proposed terms and conditions - or even for privatizing it at all.</P>

Concern has also been raised about the qualifications of one or another of the consultants/consulting firms that have and are being paid to, supposedly, solve the problems.</P>

So how is one to know where truth lies?</P>

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Providing greater transparency in the decision-making process would help, of course - but that has not been a feature of this administration, despite its early promise to do just that. Less catering to political interests and more reliance on qualified professionals in resolving the situation would also help. But there is not much hope, in light of the upcoming election, that things will get much better. It begins to look like the governor bit off far more than he could chew in declaring a power emergency and taking over CUC - somewhat along the line of Bush's invasion of Iraq: action on the wrong front without proper planning for anything beyond the first steps of taking over - in this case, re-programming moneys to pay the fuel bill and for emergency maintenance.</P>

Are we too in for a long siege? Sure looks that way.</P>

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On the other hand, someone that seems to be doing things right - at least in part - is the Department of Public Safety. The decision to make the recipients of what it considers its non-essential services pay for them, makes a lot of sense. According to a front-page story in the (EM>Saipan Tribune earlier this week, emergency regulations have been promulgated that authorize the DPS to charge for the towing of private boats, service of process in civil cases, escorts, marine events and non-emergency opening of locked vehicles, among other things.</P>

Of course, the Commonwealth Ports Authority has been charging the public for some of its "non-essential" services as a way of augmenting its budget for quite some time - by charging fees for parking at the airport and seaport. However, one could question whether or not the CPA should even be in the parking-lot management business. At least in the case of DPS, it is uniquely equipped to provide the services for which it will be charging.</P>

Then there's the Commonwealth Utilities Corporation, which has decided to charge for the services it supplies to such functions as the Liberation Day festivities, and is asking the Mayor to pay for the "free" water his office distributes on island. And PSS, which has turned to fund-raising through the operation of on-campus cantinas, raffles and car wash campaigns to fund student needs.</P>

The practice of passing on to users, beneficiaries, recipients, the costs of some of the services provided to them is a good idea, in principle. Making them paying for something tends to make them appreciate such services, and to use them more prudently. Though not "non-essential," just look at what's happening with the increase in power costs, in gasoline - now that people are having to pay more for them, they are working harder to use them wisely. The principle is the same.</P>

There are many services that the people of the CNMI have long gotten for free, or for very minimal costs. But if every agency started charging for such services, the burden on the public might get to be more than people could afford. That's why it would make sense to begin discussing implementation of a general tax, such as a sales tax, to help government meet the costs of providing services without forcing each agency to devise its own means of raising funds.</P>

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A corollary would be that each agency streamline its operations. DPS may well need additional funds, but on the other hand, as a letter to the editor in today's (EM>Marianas Variety points out, if DPS didn't insist on using over-sized, gas-guzzling SUV's, it could easily afford not only new uniforms but even pay raises for its personnel. If it were clear that agencies were indeed operating cost-effectively, charges for their services would not be so grudgingly given - again, look at CUC, where the known fat in its operation makes everyone resent the size of the fuel surcharge fee.</P>

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The extent of the re-programming of funds the governor has authorized in order to pay "to keep the lights on," as he put it, raises an interesting question in terms of its impact over the long term.

Not only health-care programs but also environmental programs are being victimized in the

process. Programs and projects that protect and improve the environment are essential if the CNMI wants to continue attracting tourists, upon which, after all, the CNMI depends for a major source of its revenue. If the lagoon, if the beaches, are dirty, if corals are dead, tourists won't come, and the CNMI will have even less income for basic infrastructure needs.</P>

The need to set priorities, and the high priority that should be given to implementation of major environmental projects such as the Garapan water quality restoration project, or the Kagman watershed project, or even the Agingan outfall project, were the topic of considerable discussion at a meeting earlier this week on Beach Road area management held at the Aqua Resort.</P>

The meeting generated a wealth of suggestions for improvement of the area in three broad categories: management, pollution prevention, and amenities. Among them: restrict heavy traffic on Beach Road, lower the speed limit, enforce the sewer hook-up requirement in the area, improve drainage on each property, follow zoning guidelines as to use and design of developments, form a "beach patrol" of teens to encourage litter-pick-up by beach party-goers, enforce signage standards - all aimed at improving the health and cleanliness of the roadside, the beaches and the lagoon for the benefit of both tourists and residents.</P>

Mechanisms to implement some of the strategies already exist. Others could be funded with private sector support. And some could be done with volunteers. But all of those, said one member of the group, were "small potatoes" compared to the need to address the underlying issue of storm-water run-off and the damage it is doing to the lagoon, its corals, and its inhabitants. Those need capitol-improvement-project monies - millions, not just hundreds or thousands of dollars.</P>

If the CNMI is to survive, it needs tourists. But if the CNMI expects the tourists to continue coming, it must clean up the beach front and the lagoon. However, to clean up the lagoon will take major CIP funding. If CIP money is diverted to CUC, the CNMI may have power, but it may lose its tourists.</P>

In looking at the long term, deciding which should get higher priority poses a real dilemma.
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Short Takes:

- Wonder if the governor's emergency powers would enable him to shut down poker parlors between, say, midnight and 7:00 a.m. as a power-saving measure? Just think of all the power the air conditioning in all those poker parlors consume - and how much would be saved if they shut down at night? That would save on fuel consumption, at least.</P>

But since that's not when power consumption is at its greatest, perhaps he ought to shut down the parlors during the day instead? That would keep all the working folk out of the poker parlors....</P>

- With the Commonwealth Ports Authority about to start design work on passenger terminal facilities, would be nice if it made sure the result reflects the island tropical setting and offers a

more inviting, pleasant ambience than is presently the case - for both arriving and departing passengers.</P>