

Marshall Islands Chamber of Commerce

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Meeting Minutes

Tuesday, October 16, 2007

Marshall Islands Resort

Meeting called to order by President Jack Niedenthal at 12:01 P.M. Approximately 50 members and guests were in attendance. The next regular meeting will be on Tuesday, November 13, 2007.

- **Minutes** – approved electronically prior to the meeting
- **Treasurer's report** - \$2,013.98 BOG balance
- **Guests**
 - Casten Nemra, RMI Chief Secretary and Chairman of the Board, Marshall Islands (RMI) Postal Services Authority (MIPSA)
 - Jefferson Barton, RMI Secretary of Finance and Director MIPSA
 - Sailass Andrike, RMI Postmaster General
 - Danny Note, Majuro Postmaster
 - Clyde Bishop, American Ambassador
 - Bruce J. D. Linghu, Taiwan Ambassador
 - Doug Morris, American Deputy Charge of Mission
 - Samuel Smith, Director MIPSA
 - Ainrick George, Director MIPSA
 - Dr. Paula Smith-Hawkins, CMI Dean of Academic Affairs
 - Donna Lewis, CMI Consultant (Education)
 - Dr. Meg Malmberg, CMI Vice President, Academic and Student Affairs
 - Dr. Steve Malmberg, CMI Special Assistant to the President
- **Chamber President's remarks**

I would first like to welcome and recognize our guests from the RMI Postal Authority, Chief Secretary Casten Nemra and the other members and staff from the Authority and post office, including the Secretary of Finance, Jefferson Barton. I would also like to thank Roger Cooper for preparing a short presentation about the Solid Waste Authority. I would like to recognize the Honorable U.S. Ambassador Clyde Bishop, Taiwan Ambassador Bruce Linghu and members of the Diplomatic Corps from the US and Taiwan, and other RMI and local government officials. Finally, I would like to take this opportunity to recognize the general public in attendance, and of course our Marshall Islands Chamber of Commerce membership.

First and foremost, thank you all for coming today. My remarks today will be very brief. To state the obvious, the business community and the private sector depends heavily on the public sector, i.e., government, to provide basic infrastructure for the country. The better the infrastructure that is provided, the better the atmosphere for businesses to thrive and our economy to grow and prosper. One element we discussed at our last general meeting, that being telecommunications. Today we will be discussing the post office. Earlier this year it was announced that we had won some concessions from the US government regarding how the post office will work in the Freely Associated States. This was a great victory for the Chamber as many of us in the business community had been actively lobbying for these changes for several years. It is nice to know that every once in a while someone listens, and moreover, someone acts on a problem and thereby fixes it. Those “someones” have already been acknowledged at earlier Chamber meetings.

While the post office has improved to some degree over the past few months, the members of this Chamber still have quite a few concerns and suggestions for the new RMI Postal Authority. We will get to those in a minute. After we have our discussion regarding the postal issues, again, I would like to give Roger Cooper a few minutes to update us on the Solid waste Authority. Afterwards, we will go right into our committee reports.

Before moving on I would just like to thank and praise everyone who was involved with the Summit Conference over the weekend. It was as fine a performance as I have seen here in the RMI, everything was on schedule and very well prepared, especially the organization at the party Friday night. The Marshall Islands resort did an outstanding job with the food and the buffet lines, they were very professional.

Now I would like to ask the Chief Secretary, Casten Nemra, to come forward and start our session with an opening remark.

- **Remarks – last week’s trade show and summit**

Ambassador Linghu thanked all those who participated in last week’s trade show and summit.

- **Chief Secretary Nemra’s remarks - MIPSAs**

I’m proud to be here. The MIPSAs Board and the private sector have a mutual interest in improving RMI postal services. We’re willing to answer your questions here and in writing so that you can circulate our answers to those Chamber members who might not be in attendance today.

Postal services in the RMI have a long history even before 1983 when the Postal Services Act was passed establishing formal postal services. Early in 2007 this act was amended to create MIPSAs. The new Board would monitor postal services and enact policy. In May, 2007, this amendment was certified and thereby became law. That same month the Cabinet appointed the present Board. The Board first met in June, 2007.

At present, there are a total of 50 employees three of which are in Ebeye. The remainder serves in the Uliga and Delap locations.

The Board has decided to work closely with its counterparts in the United States Postal Service (USPS). Mr. Leo Tudela, USPS, came to Majuro and met with us in July, 2007, when we had our second Board meeting.

In August, Majuro Postmaster Note and I traveled to Palau to attend a postal meeting. The US announced at that time that FSM and Marshall Islands postal services would return to what is referred to as US "domestic rates." We identified and scheduled management and staff training for MIPSAs employees during this meeting.

At present, the Board is continuing to work on restructuring the Majuro and Ebeye operations and formalize qualifications for each position. We're in the process of hiring a full time accountant and several mail carriers. The mail carriers will increase our efficiency in moving especially inbound mail. We've authorized the purchase of new equipment to upgrade our capabilities. New training has been scheduled. Executives will be trained first followed later with clerical training. We expect that during March, 2008, we will be visited by a USPS inspection team based in Hawaii to review our financial situation and operations.

In answer to the question about there being any plans to speed up mail movement to and from the Delap substation, the new mail carriers that we're in the process of hiring will accomplish this.

In answer to the question about the construction of a new Post Office, by 2009 we expect to have this accomplished. It will be similar to but smaller than the Saipan Post Office.

In answer to the question about us obtaining more parts and keys for the post office boxes, the Board has instructed management to do this.

In answer to the question about when we might see Western Union money orders being sold at the Post Office, all of the documentation is done. We're waiting for training. We just missed available August training.

In answer to the question about the Post Office ultimately selling stamps and other souvenir items to tourists to raise income, we have no firm plans yet but the Board likes this idea.

In answer to the question about the Post Office doing more to advertize what it does well to improve its public image such as how we handle the large number of retirees each month, that is one of the reasons why we're here today.

In answer to the question about when we might see past audit reports released to the general public, the Board doesn't have these audits yet but is expected to receive them soon. After the Board reviews them, it will consider their public release.

As a final comment, the Board exists to work with and for its customers – the private sector. The composition of the Board reflects this with there being more private sector directors than public sector directors (three versus two). The Board wants to improve service. I appreciate the invitation to attend today.

- **Questions from the floor**

Q. Joe Murphy. Why does the RMI sell stamps created in and designed by people in Wyoming? Why isn't this done here featuring local topics? Why is there a shortage of post office boxes? When will we be able to have post office box keys duplicated here? Can the RMI Customs office be moved from the back to the front of the Post Office? Can you direct us to any documents, references, or Internet Web site that confirms the USPS decision regarding the Marshall Islands?

A. Casten Nemra. There is an agreement with Unicon that has detailed provisions to provide our stamps. We're working with the FSM on this. The Board is interested in changing how we receive our stamps.

Q. Jack Niedenthal. Is there any law that requires that stamps come from the US?

Q. David Strauss: Why do we do business with a company that sued the RMI?

A. Casten Nemra. The Board is looking into the legal issues.

Q. Jack Niedenthal. Can the Board consider producing stamps locally?

A. Casten Nemra. Yes.

Q. Jack Niedenthal. Joe, can you produce stamps locally?

A. Joe Murphy. Yes.

A. Casten Nemra. Regarding the shortage of post office boxes, the planned new building will take care of this. Regarding the duplicating of keys, the Board has directed management to do this. Regarding moving the Customs office to the front of the Uliga Post Office, there are physical constraints. We also want to keep the Postmaster up front to be better able to oversee his operation. Regarding references of the USPS decision, I expect to see a USPS circular published very soon that you can review. We've been informed that the change back to US "domestic rates" will occur as early as the end of this November or at the latest by January 1, 2008.

Q. David Strauss. You've been a proponent of the private sector, and we appreciate that. Why then will the Post Office compete with the private sector by offering Western Union money transfers?

A. Casten Nemra. US postal money orders are no longer available. That missing service needed to be replaced. The replacement was selected before the present Board was

formed. Our ability to issue postal money orders was packaged with a requirement that we also offer money transfers.

Q. Jack Niedenthal. Why not just do money orders?

A. Casten Nemra. The Board will look at this after training has been completed and we're ready to start.

Q. Jack Niedenthal. A lot of equipment seems to be broken at the Post Office. Why does it take so long to fix?

A. Casten Nemra. The equipment has been fixed.

Q. Jack Niedenthal. Why isn't there any change at the Post Office at 8:00 AM when it opens? Sometimes there is no change until 9 or 10:00 AM.

A. Casten Nemra. The Board is now starting to work on management issues such as this.

Q. David Strauss. Sometimes when we go to buy stamps we're told that the person who has the key to the stamp drawer hasn't come to work. Shouldn't there be more than one key? Also and when it is busy in the Post Office lobby, why not have someone from the back come up front and assist in the handling of customers?

Q. Al Fowler: Are you planning to remain open during the noon hour to service employed people who wish to visit the Post Office during the lunch hour?

A. Casten Nemra. At present there are personnel constraints that prevent us from doing this. But the Board will consider this after we hire the new people.

Q. Giff Johnson. What are your plans to speed up container mail handling? Will there be better coordination with Finance so the containers can be released sooner?

A. Casten Nemra. The new Board has temporarily decided to keep postal financial matters with RMI Finance until we can complete the hiring of the new accountant. Also, we have to wait for the hiring of the new postal carriers as we only have one crew to handle all incoming mail. We're in the process of identifying a special kind of mail vehicle to help with this. So far, we've received one application for the accountant position and twenty applications for the mail carrier positions.

Q. Giff Johnson. Every RMI agency is audited by the Inspector General. A report is issued and reviewed by the government. Then the report is released to the public. Why is there a difference with the Post Office?

A. Casten Nemra. There is no difference. Such audits are public information.

Q. Giff Johnson. What about past audits?

A. Casten Nemra. The audit in question was performed by the USPS and not the RMI.

Q. Roger Cooper: To help with the container mail delays, why not set up a postal facility at the dock and at the airport into which cleared container contents can be received directly?

A. Casten Nemra. We will consider that for the airport. But we don't want this at the dock.

- **Final comments**

Chief Secretary Nemra thanked the Chamber for the invitation to speak and noted that the private sector represents the Post Office's customers.

Jack Niedenthal thanked Chief Secretary Nemra for coming to address the Chamber and bringing the Board and management with.

- **Roger Cooper brief presentation – Majuro Atoll Waste Company**

In the past there was no progress on solid waste. The new authority was established in March of this year. Last year, the Marshall Islands Conservation Society became active and secured grants.

Progress so far this year includes:

- Ten large bins repaired
- Drains installed to keep dump waste water out of the ocean
- New and salvaged equipment in operation
- Completely altered dump appearance
- New waste separation building almost completed
- 250 tons of chipped green waste now becoming mulch
- Handle batteries
- Handle plastic
- We're ready to begin selling scrap metal to Indonesia
- We're ready to launch a community awareness training program
- We've seen increased interest by JAICA in possibly funding some of our activities

Problems are:

- Three seawall collapses this year from high water resulting in area pollution – waiting on significant funding
- No trash collection yet from the airport to Laura – hopefully within a year
- We don't handle medical waste yet – this has become a dangerous problem

- **Questions and comments from the floor**

Comment. Don Hess. We commend Roger. He works well with the Board. The problem now is that the RMI and MALGOV haven't given us any money.

Q. Ben Graham. What about MALGOV funding?

A. Roger Cooper. There has been no money from MALGOV. We've been informed by them not to expect any.

Comment. Ben Graham. I would like to commend your efficiency in the area of solid waste. What has been done has been done quickly and well.

- **Committee Reports**

Government Relations –Jerry Kramer

I'm not sure what is happening today with the container clearing issue. There may have been some changes. I haven't been able to get copies of the laws passed last session. They're still working on them.

Business and Trade – Neal Skinner – no report

Financial Services – Jim McLean – no report

Tourism – Bill Weza

We need to replace Debra Kramer as our director on the MIVA Board. The Secretary was directed to poll Chamber members to see who is interested in holding this position.

Communications – David Strauss – no report

Transportation – Salome Andrike

With Air Marshall Islands not flying due to mechanical and/or financial difficulties, the Bikini Dive operation again has stranded tourists and is in danger of having to cancel future drive trips to Bikini.

Education –Carlos Domnick – no report

Health – Dr. Alex Pinano – no report

Environment –Don Hess

Roger Cooper's presentation constitutes this committee report.

Membership and Public Relations – Liz Rodick

Special Projects – Sam Smith

Hirobo and Sam are coordinating this year's Christmas parade. Now it's time to ask each organization to donate to this worthwhile, annual event.

Meeting adjourned at 1:45 PM.

Minutes prepared by:

Jim McLean