

Majuro Chamber of Commerce
P.O. Box 1226 Majuro, MH 96960
Tel.: (692) 625-3177
Fax: (692) 625-3330
Email: Commerce@ntamar.net
Website: <http://www.MajuroChamber.net>

Meeting Minutes

Wednesday, April 12, 2006

Marshall Islands Resort

Meeting called to order by President Jack Niedenthal at 12:01 P.M. Nearly 50 members and guests were in attendance. The next regular meeting will be on Wednesday, May 10, 2006.

- **Minutes** – Minutes of the February meeting were accepted and approved
- **Guests** (completed Chamber Guest Form)
 1. Mr. Ishikeli Fotofili, Owner, Waratah Air-conditioning. This is a new business and Chamber member. The telephone number is 455-1165, and the e-mail is saleswaratahair@connect.com.fj. Introduced by Hirobo Obeketang.
 2. Mr. Everett Wohlers, Secured Transactions Specialist, Asian Development Bank Consultant, Vinstar, New Zealand. Introduced by Jim McLean.
 3. Mr. Johnny Willis, Manager, Majuro Broadcasting Company. Introduced by Ramsey Reimers.
 4. Mr. Geoff. Harris, Personnel and Information Technology Manager, Robert Reimers, Inc. Introduced by Ramsey Reimers.
 5. Mr. Anoop Kumar, Owner, Majuro Motors. Introduced by Sam Smith.
 6. Mr. Anel N. Philimon, Manager, Small Business Development (SBDC), Ministry of Resources and Development. Introduced by Fred Muller.
 7. Ms. Tiffany Taylor, Honolulu US Department of the Interior Office, Honolulu. Introduced by AL Fowler.
 8. Mr. William Nichols, yacht cruiser. Introduced by Charles Stinnet.
- **Financial** - \$4,943.22 balance in BOG plus \$600 in new membership dues collected this date. Salome will bring a list of members to the next regular Chamber meeting.

- **Presidential Remarks**

- Sixty years ago the Bikini people were moved off of their island for the purpose of securing world peace. We express our gratitude for their sacrifices.
- Each Chamber member business should express its own view on any pending legislation irrespective of any Chamber position in that regard. The Chamber's Executive Committee will investigate the most appropriate way for the Chamber as an organization of independent business persons to take an official position.
- Future Chamber guest speakers will represent "front burner" issues that are of importance to the business community.
- The Chamber has consistently promoted a "level playing field" in all matters that affect business. This includes not exempting government from any of the rules that apply to business.
- Our next meeting will be on April 12, 2006, at the Melele Room of the Marshall Islands Resort at 11:30 AM.
- Introduced guest speaker - S. Posesi Bloomfield, Attorney General, Republic of the Marshall Islands. He has worked for the Attorney General's office for four years, and now he is the Attorney General. He is here today to speak about immigration and taxation issues.

- **Guest Speaker Remarks**

- Born in England of Tongan parents, grew up in Fiji, attended school in New Zealand and Australia.
- Determined through extensive discussions that public perception and the constitutional role of the Attorney General's (AG) office are disjoint.
- The AG role is to administer justice; consider matters referred by the Cabinet; faithfully execute law; prosecute offenses; and maintain independence without direction from anyone.
- There are six attorneys – four Marshallese and two women.
- The AG also is the Registrar of Corporations; has oversight of immigration; maintains a criminal division and a civil division.
- The Marshall Islands is a simple environment, and investment here should be attractive.

- Improvement of labor law is a priority. A new bill has been introduced this session to do that. It provides more regulatory power over who immigrates to the RMI and encourages skills transfer from foreign to local labor. There is a public hearing on this bill today. Last week there were two “island sweeps” by law enforcement that identified illegal labor. Last year there were four of five successful prosecutions of illegal labor.
- The present immigration law is twenty years old and has not often been amended. The new law was drafted in-house. It is a large bill. It covers citizenship, marriage to foreigners, and entry permits.
- Tax compliance is improving with regular meetings between the AG and the Ministry of Finance’s Tax Compliance department. Cases are moving toward prosecution. Based on a recent agreement, there is information sharing among MISSA, Local Government, and National Government to assist in this area.
- The AG has no present ability to investigate crimes. There is no constitutional basis for such a role. Police do the investigations and submit their findings to the AG. The AG prosecutes. At present the police do not have the apparent ability to investigate financial crimes. There is the possibility that in the future there might be a financial crimes investigative unit in the AG.
- Police investigation is progressing based on improved relations between the police and the AG. Regular meetings are held. The goal is to have the police file their reports with the AG within four days of receiving a complaint. The AG will file charges within two weeks of receiving a police report. Prosecution will begin within two months of charges having been filed.
- Questions and answers:
 - AG has an “open door” policy.
 - A two-year judgment for a financial crime has not been properly handled by the AG. This will be corrected.
 - There have been abuses of the present Foreign Investment Business license to avoid obtaining otherwise necessary work permits.
 - Chamber members expressed the sentiment that with the new immigration and labor legislation there should not be an exemption for government employees. All foreign workers should be subject to the same rules.

- A jury trial bill is being considered that would not allow a jury if the criminal penalty consists of less than three years incarceration.
 - Majuro has visiting yachts crewed by many non-Americans. Past problems with these contributors to the local economy are being solved now with close cooperation between the AG and Mico Beach Yacht Club regarding tourist visas.
 - Ministry of Finance doesn't have either the legislative or financial ability to properly investigate foreign investment business licenses other than to check the proposed business against a prohibited list and that the business begins to operate within one year. There have been problems with holders of these licenses operating businesses other than what is authorized by the license.
 - It is necessary to have a separate work permit and entry permit for foreign nationals to achieve a working system of checks and balances however inconvenient this might be for applicants.
 - The AG is grateful for the new photograph management system that was donated by the United States government used now in the preparation of work permits. All foreign workers should now carry their work permits and make them available for inspection by the police when prompted.
 - It is necessary to have separate immigration and labor functions in government to also achieve the necessary checks and balances.
 - It is a problem in the proposed legislation that all work permits are to expire on December 31st of each year at a time when holiday travel occurs. There might be some consideration of having Americans and Freely Associated States citizens adhere to a different schedule to lessen this peak load. However, it is necessary to keep tight control of other foreign nationals.
- **Committee Reports**
 - **Government Relations – Jerry Kramer**
 - Bill 15 – marine areas below the ordinary high watermark now belong to government. This bill would vest ownership of this land in the traditional landowners of adjoining property.
 - Bill 84 – customary law now dictates that alab rights belong only to males. This bill would have the Nitijela clarify this.
 - Bill 85 – repeal the prohibition of right-hand drive vehicles.

- Bill 86 – change the composition of the Board of Directors of the Shipping Corporation.
 - Bill 87 – specify what constitutes a majority of KADA voting.
 - Bill 88 – adopt the 1996 Protocol of the Limited Liability of Maritime Claims Convention, 1976.
 - Bill 89 – creates an exception for publicly traded companies to allow for a level playing field for all investors coming into a publicly traded company.
 - Bill 90 – prohibit importation of betel nut.
 - Bill 91 – change the procurement act.
 - Bill 92 – require Nitijela confirmation of appointed Ministerial Secretaries, Attorney General, Chief Secretary, and the general managers and chief executive officers of statutory corporations and authorities.
 - Bill 93 – only persons accused of an offense punishable by three or more years can have a jury trial.
 - Bill 94 – establish a special fund based on agreements with the Secretariat of the Pacific Community (SPC) and the United Nations Food and Agriculture Organization (FAO).
 - Bill 95 – increase penalty for bribery to 10 years imprisonment and a fine of three times the value of the payment.
 - Bill 96 – change the Postal Service Act to reflect the new Marshall Islands postal status.
 - Bill 97 – wages will include house rental payments in excel of \$750 a month.
 - Bill 98 – create a fund to handle the administration of legal code.
 - Bill 99 – change identification of voters to allow other forms of photo identification such as a driver’s license.
- **Business and Trade** – Liz Rodick for Neal Skinner

There is nothing final regarding the Palau shipping proposal. Phil Welsh is assisting the Chamber on this matter. We should know more later this month.

- **Financial Services** – Jim McLean

An Asian Development Bank consulting team is here working on a new “Secured Transactions” law.

- **Tourism** – Delores deBrum Kattil for Bill Weza

Adventures in Travel Expo/ Hawaii Ocean Sports Expo

MIVA’s Loreen Bigler and Neiar Kabua attended this year’s Adventures in Travel Expo (ATE) held in late January 2006 at the Long Beach Convention Center, California. The show brought many thousands of attendees keen to plan destinations for vacation, leisure and even plan honeymoons. Many of our booth inquiries were related to visiting our outer islands and experiencing the “basic life” of our unique islands. CenPac’s (Central Pacific Dive Expeditions) Layne Ballard also assisted MIVA’s booth.

In the days following the ATE, MIVA also attended the Hawaii Ocean Sports Expo held in Honolulu, Hawaii. Since this was its first year of exhibition, the number of attendants was low, which was expected in observing the many events happening on the same days. MIVA aimed to put Micronesia on the map for visitors to Hawaii who wanted to experience a “special” island lifestyle.

MS Delphin Visits Majuro:

On February 20, 2006, MS Delphin Renaissance dropped its anchor in Majuro’s lagoon. There were about 550 passengers including crew on board. Most of the cruise passengers and crew aimed for a good swimming spot on Majuro. Most were directed to Laura, the beach in Marshall Islands Resort, and Robert Reimers Enterprises’ Eneko Island. According to MIVA’s recent economic assessment, and from what could be collected, Delphin injected an estimated \$14,000 into Majuro’s economy.

Yumekukan Dream Kids 21

The planned visit of 300 members from the Yumekukan Dream Kids 21 organization in Japan for the end of this month was cancelled due to the RMIPA being unable to assist with allowing for one of the special charter flights for this group to land in Majuro due to the possibility of fines from the company resurfacing the airport, as you may have seen in last week’s paper. MIVA Japan Office and Marshall Islands Tours are currently planning with the organization to conduct a trip in July.

JAL

Japan Airlines continues to be optimistic despite delays with the resurfacing of the airport runway and the acquisition of the equipment needed to service the airline. Communications continue between JAL, the MIVA Japan Office, and RMIPA. JAL is now looking at July for the first flight.

Upcoming Events:

- March 17-18: Pacific Asia Travel Association Micronesia Chapter Quarterly Meeting in Chuuk, FSM

- March 8-12: International Travel Exchange- Berlin, Germany
- March 25: Coconut Cup Regatta, Majuro, Marshall Islands
- March 24-26: "Beneath the Sea" Trade Show in New Jersey
- April 6-8: Guam Visitors Bureau- R&R Tour Guam 2006 (Target: Military Market)

- **Transportation** – Salome Andrike

Continental Airlines delivered a letter to the Ministry of Transportation and Communication specifying a maximum of a 92 foot NTA tower in the airport area or that the tower be moved outside of the area. If this does not occur, Continental rates will rise 4% as of June 1st to compensate for the loss of 6 passenger seats worth of revenue.

- **Communications** – David Strauss

NTA showed a net profit in 2005 up as compared to a 2004 net loss. It also recovered part of past funding that was originally destined for NTA but never delivered.

The NTA airport area tower was not the one that was originally approved. It is too high.

A marine survey has been completed for the proposed underwater fiber optic cable. A third party will operate the cable for the US Army. NTA will have to negotiate with this third party regarding its part of the cable. The acquisition cost of the cable will be 14 million down from original estimates. This does not include third party operation.

Chamber discussions on NTA issues

- The existing RUS loan to NTA of 15 million costs about \$800,000 a year in interest. The 14 million fiber cost would be added to this.
- Guam owed 175 million on their RUS loan. They sold their telephone company and paid off this loan with the proceeds of the sale. The new private operator cut costs and now offers nicely priced service.
- The NTA Board met four times last year. However, the Chairman lives in Taiwan and had to participate via teleconferencing.
- It is difficult to manage organizational cost now that land lines are being charged for calls to cell phones.
- New Zealand charges land lines for cell phone calls.

- David Strauss will write a letter to President Note about the importance of moving the NTA tower so that Continental Airlines customers do not have to pay 4% more beginning in June.

- **Education** – Carlos Domnick

- **Health** – Dr. Alex Pinano

The “Buckle up” logo contest is on now with advertising airing on MBC and V7AB. There will be a Chamber sponsored prize of \$200 for the winner.

- **Environment** – Don Hess

The Chamber should sponsor a prize for business environmental achievements.

- **Membership and Public Relations** – Ben Graham

- **Special Projects** – Hirobo Obeketang

Old Business

New Business

Meeting adjourned at 2:00 PM.

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Minutes prepared by:

Jim McLean

Approved _____

Approved with Corrections _____