

Majuro Chamber of Commerce
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Meeting Minutes

Wednesday, May 10, 2006

Marshall Islands Resort

Meeting called to order by President Jack Niedenthal at 12:01 P.M. Approximately 100 members and guests were in attendance. The next regular meeting will be on Wednesday, June 14, 2006.

- **Minutes** – Minutes of the April meeting were accepted and approved
- **Guests** (completed Chamber Guest Form)
 1. Kevin Daniel; AES student and “buckle-up” logo co-winner; 12 years old; likes basketball. Introduced by Dr. Alex Pinano.
 2. Kyle Daniel. AHS student and “buckle-up” logo co-winner; 18 years old; senior graduating on May 28th who hopes to see us there. Introduced by Dr. Alex Pinano.
 3. Tracey Spear; owner, Majuro Do it Best; traceyspear@yahoo.com. He has been coming to Majuro for 20 years. His other company Dateline Exports supplies construction materials to Majuro. Harry Doulatram is the Dateline Exports agent in Majuro. Introduced by Harry Doulatram.
 4. Benito P. Yadao, Jr.; Chief Accountant, Triple J Payless Majuro; 625-3123 Extension 247; byadao@tripplejmarshalls.com. Introduced by Dr. Pinano.
- **Financial** – no financial report
- **Presentation** – Dr. Alex Pinano presented a \$200 Chamber award to brothers Kevin and Kyle Daniel for their winning “buckle-up” logo design.
- **Presidential Remarks**

Kommolol Anij kin ien in. I would like to take this opportunity to recognize HE President Kessai H. Note; Honorable Ministers; Iroij; Alaps; government Secretaries; members of the Diplomatic Corps of the United States and the Republic of China Taiwan; other distinguished guests; students and teachers from SDA High School; the general public in attendance; and of course our Majuro Chamber of Commerce members.

I would like to thank President Kessai Note for not only accepting an invitation to speak before the Chamber today, but also for bringing other members of the Cabinet and the government to help answer our questions. I believe there is a natural tension between a government and a Chamber of Commerce, like a marriage if you will. And as we all know, there are good marriages and bad ones. I think it is up to the government and the membership of this Chamber to take this tension we sometimes feel toward each other and turn this energy into creative tension so that our entire community can benefit. The Chamber represents over 2,000 private sector employees who support households for thousands of people in the Marshall Islands. I believe that it is the collective responsibility and in the best interests of everyone in this room to make this relationship work.

I believe that the key component to making our relationship more successful is frank dialog and constant communication. Yes, we are the Chamber of Commerce, but if you have ever attended one of our regular meetings you would know that this is also a Chamber of Comments. We have had constant dialogue with numerous organizations such as the ADB and the World Bank, as well as our own government. So far this year the Chamber has met with Ministers Zackios, Silk and Wase, and we have had as guest speakers Attorney General Posesi Bloomfield and Chief Secretary Bobby Muller. We certainly appreciate this participation from our government. The bottom line is that in order for us to be effective in helping each other – as painful as this may sound – it is essential that we keep gathering in the same room.

Though the Chamber is a nonpolitical organization, in that we don't support any political party, we do acknowledge good deeds. In the late 1990's President Kessai Note, then Speaker Note, and many of his current Cabinet members supported legislation to ban slot machine gambling in the RMI. This stance against gambling was taken in the face of great political risk. Because of my job at Bikini, during the time that the slot machines were legal in the RMI, I dealt with many families that had to come to grips with the illness of gambling. I believe that if the gambling had not been stopped, many of our local businesses would have also suffered and ultimately failed. I mention this hugely dramatic event of years ago only to point out that taking great political risks and making unpopular decisions during challenging times is sometimes the only way that serious problems can get resolved, especially where the future of this country is concerned. As President of the Chamber of Commerce, I pledge to those government officials here today that we are all ready to roll up our sleeves – and to open our minds and our mouths – to stand beside and to work with our government to improve our community.

Again, thank you all very much for coming today.

- **Guest Speaker Opening Remarks** – HE President Kessai H. Note

Komolol Anij!

I thank you for inviting me to address the Majuro Chamber of Commerce today.

I also want to thank you for your contribution toward the development of the economy and our Republic.

I had a pretty long statement, but late yesterday afternoon, I was given a list of more than twenty questions and issues that the Chamber wanted to discuss, so in order to allow enough time to discuss these issues, I would just summarize some accomplishments of the last six years of my Administration.

We started off by bringing all the Government Leaders, Church Leaders, Community Leaders, Business Leaders, Representatives from the Civil Society, and NGOs, including women, youths, sport clubs, and a cross-section of the stakeholders throughout the Country, for consultation and development of a ‘vision’ for the future of the Marshall Islands. As a result of these consultations, we were able to produce two very important documents—the METO 2000 and the Vision 2018. Enshrined in these documents are the aspiration, commitments and hopes of the Marshallese people for a brighter future for themselves and generations to come. Together, these two documents have served, and continue to serve, as the road map for our nation rebuilding efforts.

I should add that this is the only administration since creating the governmental system that has ever held such wide range of consultation of this nature. In fact, it is the only administration that has ever developed a ‘vision’ and a road map for the future of the Marshall Islands.

In both METO 2000 and Vision 2018, the Marshallese people wanted to see priority focused on certain areas of development, such as, education, health, infrastructure development, capacity building, private sector development, environmental protection and preservation and sustainable development among others.

As you can see, these are the priority areas of development that were presented to our development partners, including the US, EU, ROC, Japan, ADB and other bilateral and multilateral partners for funding support and assistance.

Closer to home, we have reformed our public sector in order to improve delivery of essential services to our people.

In the area of public reforms:

- Re-established credibility and independency of the court system
- Reorganizing and strengthening the Office of the Attorney General, Legal Services, and Public Defender
- Improve transparency, accountability and good governance
- Creating the offices of Economics Policy, Planning and Statistical Office (EPPSO), Office of Environmental Policy, Planning and Coordination (OEPPC), empowering the Environmental Protection Authority (EPA), demanding audits and financial compliance, fiscal accountability, improve procurement procedures, contract bidding procedures, contract performance and contract management through BECA
- We have brought off-island medical referral under control
- We have improved health services—more doctors and nurses, more modern equipments and facilities, more specialists in various areas of medicine

- We have begun to improve education; more qualified teachers, more rigorous testing and examination of staff, teachers and students, more schools have been build, and more will be built soon. Teacher quality education is being vigorously undertaken. Better standardized curriculum for primary and secondary schools have been developed and implemented. College of the Marshall Islands (CMI) is back on tract and moving forward towards full accreditation
- We have constructed two new high schools and will soon double the number of students enrolled in secondary education
- The University of the South Pacific (USP) continues to provide higher education to our students, and we're in the process of expanding its programs here
- More Marshallese students are graduating from colleges and universities and are returning home to contribute to the country. For instance, in the last two years, we have four Marshallese students with law degrees. We currently have seven students in law schools
- As a result of more funding and a better managed scholarship program, we have more students in the fields of studies in colleges and universities in the U.S. and elsewhere
- We have reestablished and strengthen the National Training Council to provide vocational and technical training
- MISSA is back on track—thanks to the Board and Management
- The Government's audit report of last year was the best since Constitutional Government. And so was the one for MISSA and CMI, and there is requirement and demand for other agencies and public corporations to follow
- Some of the Government agencies that were un-auditable for years, like Air Marshall Islands (AMI), Marshall Islands Development Bank (MIDB) and others are now being audited
- We have reestablished air and sea transportation services to the outer islands. Although more frequency flights and improvement is needed in this area
- We are working on a fiber cable system that will improve transmission and communication to the outside world
- We are in the process of receiving grants from the government of Japan for water development in the city
- We've received \$1.5 million worth of project from the European Union for education and renewable energy project for the outer islands
- ROC (Taiwan) has agreed to provide funding of \$3 million for renewable energy—solar power units—to the outer islands
- We are getting technical and expert assistance from the UNDP, FAO, ROC, Israel and others to develop our marine resources and our agricultural industry
- The fish processing plant will recommence full operation in January of 2007, which will also create over 300 jobs
- The Fish Venture operation at the old fish base is now exporting fresh tuna steak to the U.S. market and currently employ over 100 people
- In the area of employment, all the government projects are given private contractors who now employ hundreds of people, and we have also provided loans to RRE and Payless so that they may retain their local employees
- We are currently talking to a fishing company from Israel who will develop our 'ocean farming' industry that will employ up to 1,500 people once fully

operational, in about two to three years. Output is expected to be around three thousand ton per year, at projected revenue of \$18 million

Let me summarize by saying that during the last five years, the Marshall Islands has seen the largest cash infusion into the country in its history. With the airport projects, ROC, Japanese, EU, ADB and Compact funded projects are worth over hundred of millions of dollars. All that money went into the private sector.

Let me also encourage the private sector and the business community to do more for the growth of our economy and our country. Try to be more aggressive in bringing in the dough. Try to reinvest into semi-manufacturing, value added enterprises, like the Pacific Pure Water, or the Black Pearl farms or the Bikini Dive Program or the Marshalls Dive Adventure, or the fish processing at the old fish base. Be more innovative and aggressive as you are about trying to find out what's wrong with the government, or about what you can get out of the government, and come up with ideas that can help in developing our economy.

Now, let me give you a chance to tell me about what's wrong with the Government.

Thank you!

- **Questions and Answers**

Public Safety/Crime

Q. Crime appears to be on the rise in the Marshall Islands, especially burglaries. Is there a plan to upgrade the Department of Public Safety by, for example, getting fingerprinting equipment, drug ID kits so that the detectives can ID the drugs that they confiscate, and building a new prison facility? What is the government's response to the woman that was caught trying to import forged birth certificates, marriage licenses, and stamps for falsifying custom forms? Will she be prosecuted to the fullest extent of the law? Why are there not more prosecutions for smuggling?

A. Minister Capelle and Attorney General Bloomfield:

There is ongoing training in public safety. Delivery of services has been a priority. We are obtaining more equipment as fast as our personnel can be trained to use that equipment. There is a plan for a new prison; the land has been located in Laura; and we are now waiting for funding. Charges will be filed against the woman.

Q. There have been reports of loan sharking (loaning of money at usurious interest rates) activities by certain individuals and businesses. It also appears that these entities do not pay gross revenue taxes on their illegal profits. These activities can result in employees not receiving a paycheck. Will we see any prosecution of such activities in the near future?

A. Attorney General Bloomfield:

We have not received any files yet. Citizens can either go to the police or come to me to report any instances of this.

Q. Marshallese citizens are deported or removed from the U.S. for the commission of crimes there and not allowed to enter the U.S. when convicted of crimes here. Are non-Marshallese citizens allowed to remain in the Marshall Islands after committing crimes? Are persons entering the RMI required to produce a police clearance?

A. Minister Zackios and Attorney General Bloomfield:

One American has been notified of our intent to deport him. We will be looking into this subject more.

Q. Are there any plans to revise our laws so that naturalized citizens can have their Marshallese citizenship revoked and be deported if they commit serious crimes?

A. Minister Zackios and Attorney General Bloomfield:

Existing law covers this. For example, if you commit fraud in obtaining citizenship then it can be revoked. We will be looking into this in the context of the proposed Constitutional Convention to change the definition of citizenship and how it may be granted.

Questions from the floor indicated that only a change in the law might be required to revoke citizenship.

Q. Some people in the business community suspect that there is corruption among certain persons in customs, immigration, and labor. If this is true, will there be prosecutions soon in such cases?

A. Minister Zackios and Attorney General Bloomfield:

There is one immigration case pending. There have not been any complaints made regarding Labor and Customs. The Ministry of Foreign Affairs has a “zero tolerance” policy regarding bribery. We hear lots of comments but have received no documentation. We have removed people in the past. The August session of the Nitijela will consider a new Labor bill.

Q. There doesn't appear to have been a gross revenue or withholding tax evasion case prosecuted by the RMI in recent years. If this is true, when may we see such prosecutions? Wouldn't enforcement of the current laws be a better avenue for raising government revenue instead of tax increases that were contemplated in recent Nitijela sessions?

A. Minister Wase and Attorney General Bloomfield:

There are two cases pending on Customs but none on taxation. We have reorganized tax compliance where the results of our investigations will be referred to the Attorney

General. We have several signed memorandums of understanding with especially local governments and similar organizations to collect taxes. The Secretary of Finance has a weekly meeting with MALGOV.

Questions from the floor indicated that there was a meeting several months ago with the Secretary of Finance, Finance staff, MALGOV, MISSA, and the Attorney General at which time specific names and businesses were mentioned. It appeared then that prosecutions “were in the works”, but we haven’t seen any yet.

Communications

Q. Are there any plans for the Cabinet to allow competition in the telecommunications field? Will the Cabinet ask NTA to lower the airport cell phone tower to prevent a scheduled Continental Airlines fair increase on June 1st?

A. President Note and Minister Konelios:

There is draft legislation that will be considered by the Cabinet and the Nitijela regarding allowed competition in telecommunications. The cell phone tower will either be lowered or moved. Most likely it will be moved. The Ministry of Transportation and Communication will be discussing this with “higher-ups” at Continental soon. We understand that it will cost \$80,000 to move the tower. Continental has raised rates many times but never lowered them such as when we removed the trees. This question should have been directed at Continental. Who will pay? Continental? Government? NTA? Either way that cost will be passed on to customers. Competition was not permitted with NTA to allow the original 25 million loan to be amortized. It was to have been a monopoly until that loan was paid. Private shareholders were allowed in an effort to encourage the shareholders to find a way to provide more efficient telephone service. That didn’t happen.

Questions from the floor indicated that it would cost less than \$10,000 to lower the cell phone tower which some people think is not functioning as expected. If NTA must remain a monopoly until the loan is paid, additional borrowing to install an underwater cable would appear to extend the required time.

Ethics in Government

Q. Have there been any changes to the RMI Procurement Code? If yes, can you briefly explain the new requirements as they would affect bonding?

A. Chief Secretary Muller:

There was an attempt to change the Procurement Act that was deferred. However, there is a new policy regarding only the bonding requirement. Bid bonds on projects over \$250,000 cost 2 ½%. Bid bonds on projects under \$250,000 cost 5 ½%. Performance bonds on projects over \$250,000 cost 10%. There are no required performance bonds on projects under \$250,000. Bonds are retained until the project is completed. There are no payment bonds.

Q. Is the Nitijela's Public Accounts Committee operational? If not, are there any plans to activate it?

A. Minister Philippo:

The Nitijela Public Accounts Committee has 9 members only 3 of which are from the majority party. They have been unable to get a quorum to meet. This committee should meet. It is important. The members are chosen by the Speaker with consent of the Nitijela.

Q. What is the government's policy on funding un-auditable public agencies?

A. President Note, Minister Wase, and Chief Secretary Muller:

The Appropriations Act of 2000 specifies that we do not fund agencies if they are un-auditable for three years. There was CMI, but that has been fixed. MIDB usually doesn't receive government funds. MIDB is caught up to 2004 and making progress. We are working with EPA. These organizations have improved by hiring qualified accountants. We expect that all agencies will be auditable by next year. KAJUR is in receivership. Some local governments don't have accountants or retain qualified staff long enough to have consistent recordkeeping.

Q. Is the Nitijela's Ethics Committee operational? If not, are there any plans to activate it?

A. Minister Philippo:

There is no Nitijela Ethics Committee, but there is an Ethics Board that has never met. This should be improved.

Q. Would it be appropriate for there to be a complete freeze on all government travel until all public debts are paid to the private sector, Air Marshall Islands, Mobil Oil, Social Security, NTA, and ADB?

A. President Note and Minister Philippo:

Yes, but there are many facets of government travel that need to be considered. Some funding sources require travel. Others provide funds that can only be used for travel. Two weeks ago the Ministry of Finance acted to restrict non-essential travel that was being paid out of the General Fund. One half of government travel is required. We need to reduce travel costs. Some funds will be provided for essential travel.

Questions from the floor indicated an interest in knowing who decides what essential travel is. The Minister of Finance and the requesting Ministers make such decisions.

Q. Are government and Ports Authority employees allowed to receive payment for piloting ships in addition to their full-time government salaries? If yes, do these persons

pay withholding taxes, gross revenue taxes, retirement or health fund taxes on these payments? Should this be changed?

A. Ministers Konelios, Zackios, Wase; Attorney General Bloomfield and Ports Authority Manager Jack Chong-Gum:

This is true under present regulations that are being looked at. We are following past practices. There are draft regulations for piloting that have been given to the Ministry of Transportation and Communication for review. There is a pilot association that bears the liability for any piloting error under maritime law. It is important to separate the government from this liability. Paying taxes is an issue, however. A letter was sent a year ago to all pilots advising them that they had to pay taxes. If this doesn't occur, the matter will be referred to the Attorney General.

Questions from the floor indicated that the paying of taxes has nothing to do with regulations. It is a matter of law that should be enforced.

Q. Recently a delegation of Jaluit High School students, teachers or sponsors, a Minister and his wife traveled to Saipan to perform at a youth conference and a festival. Was there any type of competition to select which high school would be represented? How were the funds released for this trip when the General Fund is frozen? What budget was charged for the cost of this trip? When will the aid to private schools be funded?

A. Ministers Morris and Wase:

The participants were chosen by Internal Affairs. Other high school programs were evaluated such as the MIHS Romeo and Juliet. As good as this program was, I felt that the one we presented needed to be a Marshallese story. Finance already has the payment requests to pay private schools. The checks will be cut this week.

Q. It was reported recently that two programs were removed from V7AB radio. These programs involved an hour of music every Wednesday night and a woman's issue program at noon. Why is the government involved in the operation of a radio station? Should radio broadcasting be left entirely to the private sector?

A. Minister Morris:

Scott Stege was not told to stop his music show. I told him that he could do a 30 minute taped show. In the context of the traditional Marshallese story of Jebro, the ladies did not demonstrate the proper mutual respect for me. The ladies went to President Note and others and did not come to me. A lengthy discussion ensued including questions from the floor.

Solid Waste

Q. The solid waste issue in Majuro is one that appears to have been continually avoided by the national government. It might be claimed that it is not a national issue and needs to be addressed by local governments. Health, safety and tourism which are directly

related to the solid waste issues appear to be national issues. Is the national government going to get involved in this issue? Several suggestions have been presented including legislation to create a solid waste management authority. Has there been any discussion on this? A solid waste task force was created almost two years ago and appears to have only met once. Will this change?

A. Minister Zackhras:

Solid waste should be addressed by the national and local governments as well as the private sector. One agency should do it. The national government is managing the dump. A new seawall has been contracted out to Anil Construction. We need more data and study. If the national government did it that would require more staff at a time when the government is already too large. There is an approved \$375,000 ADB technical assistance grant (TA) to improve the MALGOV operations. There was a Cabinet paper two years ago to turn this issue over to MALGOV. MALGOV refused.

Questions from the floor indicated that the Mayor of Majuro never calls meetings and that, perhaps, a new chairman should be appointed.

Q. Some developments appear to be delayed due to disputes with landowners. The law appears to state that the government "owns" the land below the mean high tide mark. Does the government intend to reclaim land and assert its ownership rights? For example, it appears that a proper waste disposal area could be reclaimed in the area between the Marshall Islands Journal and Marshall Islands High School on the ocean side. This could also later support athletic fields and facilities?

A. Ministers Zackhras and Zackios:

The government will not relinquish its land rights. There has been good cooperation with the land owners in the area specified in the question. The Cabinet formed a waste taskforce that is headed by the Mayor of Majuro. It was given a deadline to advise the Cabinet. It is unfair to say that the government has avoided the waste issue. There is a pending and Japanese sponsored solid waste coral atoll pilot project. The Japanese will return in July, and the project may be restarted.

Economy

Q. It appears that with the freeze on the General Fund and growing government arrears (including arrears to the ADB), we are now faced with a fiscal crisis. How are we going to steer our way out of this situation? What can the RMI expect in terms of reforms in the future?

-- This question was asked but not specifically answered. The following two questions were answered instead.

Q. What steps are we taking to ensure that private sector growth will really happen?

Q. What is the government's vision for the RMI? Where do you see our country in 5, 10, or 20 years?

A. Minister Silk, Chief Secretary Muller, and Secretary Muller:

An important question that we ask is whether or not the government is working in the private sector. We have sponsored a task force working group with broad private sector participation to review the proposed labor and immigration laws. We expect this working group to submit something to the Cabinet soon. Meto 2000 and Vision 2018 are the roadmaps that government is using to promote private sector growth. Alternate energy development is related to education such as with lighting for the outer islands so students can do their homework at night. We expect our citizens to become better educated in the next 20 years. Our focus is on outer island development and alternatives to copra. Handicrafts are part of the economic development of this country. In the past we may have thought too big and tried to develop too fast. Today we have better focus. The new micro loan project is about to start. RMI employment figures show that annual public employment is 50 million while private sector employment is 20 million. This represents a classic "crowding out" of the private sector. We need to restrain public sector growth. We need to restrain public sector wage growth to allow private sector salaries to catch up. We need faster implementation of capital projects. We need public enterprise reform such as to privatize more. We need to "farm out" public sector work. We need to free up the government policy environment.

-- The audience indicated strong approval of these comments.

- **Guest Speaker Closing Remarks** – HE President Kessai H. Note – we need to share and exchange ideas
- **Chamber President's Closing Remarks**

I would just like to acknowledge a few things before we close the meeting. I want people to understand that when I requested that President Note appear before the Chamber today, I only asked that he give a speech and that if he didn't want to answer questions that would be fine. It was his idea to bring the Cabinet Ministers, Secretaries, the Attorney-General and other government officials to answer questions. We even submitted the questions days in advance and told the President he had the option of striking any question he wanted, but he left all the questions there. For this great level of cooperation, I think that the President and all the government officials here today deserve a final round of applause.

Old Business - none

New Business - none

Meeting adjourned at 3:00 PM.

Minutes prepared by:

Jim McLean

Approved _____

Approved with Corrections _____

The following articles appeared in the Thursday, May 11th edition of the Marshall Islands Journal and are reprinted here with its express permission.

President talks openly to Chamber

President Kessai Note led his entire Cabinet and heads of government ministries and agencies to this week's Majuro Chamber of Commerce meeting — producing a standing room only turnout of business people and members of the local community, including high school students.

The first-of-its-kind interaction between the Chamber featured a lengthy and wide-ranging question and answer session that prompted comments from Note, many of his Cabinet ministers and, notably, Attorney General Posesi Bloomfield.

President Note opened the meeting with a short speech outlining accomplishments of his administration, saying among other things that his has been the only government to engage in such wide-ranging consultations with the public that produced “road maps” for development such as Vision 2018 and Meto 2000 (a detailed economic analysis of the RMI).

“We’ve reformed the public sector to improve the delivery of essential services,” he said. Among a list of accomplishments, Note said the government has “brought off-island medical referrals under control,” more agencies than ever before are being audited, the College of the Marshall Islands and Social Security are both on track, and “established the credibility and independence of the courts.”

He also encouraged the private sector to “be more aggressive” particularly in developing industry, and encouraged businesses “to be as creative as you are with finding out what’s wrong with the government with ideas to help the country.”

A sampling of the Q&A that came after Note’s short speech follows (which was moderated by Chamber president Jack Niedenthal):

Q: Are there plans for a new jail?

Minister of Justice Donald Capelle said land in Laura has now been identified for a new prison facility that is awaiting funds to build.

Q: Will the woman who last week attempted to smuggle in fake customs stamps and other RMI documents be prosecuted?

AG Bloomfield: A police report was received Wednesday and “charges will be filed.”

Q: Will there be any prosecutions of “loan sharks” or people not paying taxes?

Bloomfield: "I haven't received any investigative reports (on loan sharking). If I do, charges will be filed." People with specific information can call him at the AG's office, or report to the national police.

Q: Marshallese convicted of crimes in the US are deported to RMI; are US citizens allowed to remain in RMI after they've been convicted?

Bloomfield: We've addressed it. One US citizen convicted of a felony is now facing High Court action for a deportation.

Q: Can naturalized citizens have their citizenship revoked if convicted of serious crimes?

Minister Gerald Zackios: Naturalization in most countries can be revoked based on certain criteria. The proposed constitutional amendments are looking at citizenship issues for more protections.

Q: Will there be prosecutions of corruption in immigration, labor or customs?

Bloomfield: "We've referred to police one case for investigation. If they send it back, we'll pursue it."

Zackios: For prosecution there has to be an investigation. "In the Labor Division we have a zero tolerance policy (for corruption). If you know of labor staff receiving bribes, bring it to my attention. But I have not received any written information, though we hear about it. We have to be fair. If we receive written information, we can take action." In August, the government will push for approval of a new labor law to improve the labor situation.

Q: No tax violations have been prosecuted. Would enforcement of existing tax laws be better than new tax legislation?

Minister Brenson Wase: "We're trying to establish the memorandum of understanding with Social Security, Majuro Atoll Local Government and Kwajalein Atoll Local Government (for tax compliance). It's the basis for trying to provide enforcement and improvement on taxes."

Other topics included the NTA-Continental airport cell tower controversy, the Nitijela's Public Accounts committee's lack of action, status of the government's Ethics Board, government travel and the General Fund freeze, Ports Authority pilots receiving government salaries and pay for piloting, and how a Jaluit High School drama group was selected to go to Saipan for a festival last month.

Rien versus Carmen on WUTMI ban

By GIFF JOHNSON

Why did the Ministry of Internal Affairs halt two live shows on V7AB? That question sparked an impassioned debate between Minister Rien Morris and WUTMI president Carmen Bigler over control of the government's radio station, spicing up the Majuro Chamber of Commerce's regular meeting Wednesday at Marshall Islands Resort. Morris was with President Kessai Note and all Cabinet ministers who as a group participated in a Chamber meeting for the first time.

Morris' bottom line was that the leaders of the national women's organization, Women United Together Marshall Islands (WUTMI), had failed to show him respect because they hadn't talked with him about having a radio program on V7AB. Bigler's point: They did talk personally with Morris, but he told them it was a Cabinet decision, so they approached the President, who sent them back to Morris, who now is upset that they approached the President.

Morris delivered an abbreviated version of the famous Marshallese legend "Jebro," using it to say that although the mother had the authority to demand a place any of her sons' canoes, she politely asked each one, showing them respect. "It's about mutual respect," he said. "She has the authority but ask her son. It's Marshallese custom. The women went to the President instead of coming to me."

But Bigler stood up and said: "I want to make a correction. Daisy (Momotaro) and I sat with you. We went to see you about WUTMI having a show on the public radio station. You said you couldn't do it, that it must be approved by the Cabinet. That's why we wrote to the President and requested a meeting." The President, through Minister Witten Philippo, referred WUTMI back to Morris. "Because we couldn't find you in your office, we then delivered a letter to you," she said.

Morris retorted that the women "didn't show respect to me with the letter to the President. The good thing is to talk things out instead of writing letters."

Switching gears onto why an Internal Affairs women's lunchtime talk show was taken off the air recently, Morris said "I am the Minister of Internal Affairs and I didn't approve it." He added that "this is the government, not a take-out store." He said he got IA staff together and told them that there is already an IA women in development 30-minute radio show. "Everything that you are talking about in the lunch program is in the women in development show — gardening, sewing and cooking. It's a duplicate and discrimination. It's running every day of the week and I'm sure that the Ministry of R&D and the Ministry of Education would like their own one-hour program, too."

Bigler said bluntly that "since 2002 we've been trying to go on air with WUTMI conferences. These are different from gardening and sewing. Our issues are deeper." She said last month's major WUTMI conference brought in Dr. Neal Palafox to focus on cancer in the RMI, but the presentation was "banned from V7AB." WUTMI is also focusing on diabetes and teen pregnancy, "issues that should not be banned because people aren't aware of them."

Bigler repeated her request to Morris: "Can we have a 30-minute show on V7AB, like other NGOs?" Sustained applause followed Bigler's remarks. "I've been waiting for them to come to me," said Morris. "Call me for an appointment." This prompted Mona Levy-Strauss to go up to the podium, put her arm around Morris and, with a large smile, say: "I sat next to this guy and brought him a basket of donuts."

The following Committee Reports were submitted electronically and not as a part of the meeting:

- **Government Relations** – Jerry Kramer
- **Business and Trade** –Neal Skinner
- **Financial Services** – Jim McLean
- **Tourism** –Bill Weza

Pacific Hotel and Restaurant Expo (PHARE)/Anderson Air Force Base visit (AAFB)

Bill Weza and Hirobo Obeketang participated in these two events representing both the Marshall Islands Resort and MIVA. There were 47 exhibitors at the PHARE with an estimated 3,000 visitors while at the AAFB Summer Happenings, there were 32 participants with an unknown number of visitors. The MIVA has decided to further marketing and promotional efforts towards the military market and will be working more closely with the PATA Micronesia Chapter in establishing partnerships with various tour and travel operators for the U.S. military.

Marine Diving Fair

Satoshi Yoshii and the MIVA Japan Office participated at this event. The staff manning MIVA's booth conducted a survey where approximately 250 participated. Out of the 250 participants, approximately 88% were divers but what was most interesting was that 84% knew where the Marshall Islands are located. The Japanese being conscious about finances and vacation time, when asked, "If JAL was to conduct a direct flight to the Marshall Islands, would you go?" Out of 144, 99 said that they were willing to visit the RMI on JAL within this year, while 42 said that they would come in the next 1-2 years. There were approximately 48,000 visitors to the 3-day show.

Marine Diver Media Visit

Mr. Harada Masaaki, photographer for Travel Diver and Marine Diver magazines visited Majuro for a week back in April. Based on 2006 proposal from the Marine Art Center in Japan, photographs and excerpts from this trip will be featured in the June edition of the Travel Diver magazine and the July edition of the Marine Diving magazine.

Rongelap Expeditions

All activities have since been curtailed until further notice.

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. Estimates have shown that based on one flight consisting of 200 passengers on a 4-day trip in the RMI approximately \$240,000 will be injected into the RMI economy, with \$17,000 in taxes. If JAL was to fly into the RMI once a month for one year, we are looking at approximately \$3.9 million a year. This would encourage locals to start-up and/or expand their businesses to cater towards tourism eventually leading to the creation of more jobs resulting in an improved and sustainable livelihood for many of the residents here in the RMI. Communications continue between JAL, the MIVA Japan Office, SR

Associates and RMIPA. On a more positive note, MIVA was pleased to learn of President Note's apparent support of JAL when he discussed the possibility of this flight with the new Japanese Ambassador for the region. MIVA will also be working more closely with the Ministry of Foreign Affairs and the Majuro Atoll Local Government in gaining more support towards this project. JAL is now looking at August for the first flight (July schedule has been cancelled).

10th Annual Marshall Islands National Cup Race

The Marshall Islands National Cup Race celebrated its 10th year during the weekend of May 6 with over 20 canoes (tipnol and korkor) participating. The event was presided over by Cup organizers, Hirobo Obeketang and Alson Kelen, along with Iroij/Senator Jurelang Zedkeia and Reverend Enja Enos. The "Konne Jubar" race will be held this weekend.

Upcoming Events:

- May 15-17 – Coastal Management Advisory Committee (CMAC) Strategic Planning Workshop @ MIMRA.
- May 18-19 – 5th Consultation on the Economic Partnership Agreement (EPA) between the EU and the Pacific-ACP states (Ministry of R&D) and discussion on the preparation and development of the Pacific Islands Tourism Partnership Agreement.
- May 25-30 The Pacific Islands Exhibition coordinated by the Pacific Islands Center in Tokyo, Japan. Marshallese handicrafts and noni products will be on display.

(Trade/Investment/Tourism Development)

- June 23-24 – PATA Micronesia Chapter June Meeting in Rota.

June 23-July 2 – Micronesian Games in Saipan.

- **Transportation** – Salome Andrike
- **Communications** – David Strauss

1. Is NTA planning on taking any remedial action before June 1 in regard to lowering the height of the cell phone relay tower and has this been communicated to Continental and the FAA?

Re: #1...answer will be given at Chamber meeting by government official

2. Is there an explanation for the continued dial-up internet problems in which people are connected but cannot download web sites or email?

The problem NTA encountered over the weekend was with one of our access servers for dialup...apologies for inconvenience encountered, but our boys worked on it on Sunday morning. Apparently, one of our access servers froze over the weekend and our crew did a cold start; services came back online the following morning. Our IT dept. suspected faulty software a while back and had replaced the software, which worked for a while but has recently resurfaced. We will have to bring our backup dialup server online and see how that works. We have an outside expert visiting us next month, from June 10 til early part of July...rest assured we're on it and with additional support early part of next month, we

should have a permanent fix. Again, apologies for inconvenience and thank you all for your patience.

- **Education** – Carlos Domnick
 1. CMI will be offering Chinese Language courses in the Summer as well as the Fall Semester. Call 625-3394 for more information.
 2. Majuro Cooperative School will be having its Talent Show on May 12 at 6pm at the Assumption School grounds. This is a great example of two private schools helping each other out. Please come and support.
 3. It's that time of the year again for graduations. Do not be surprised if requests for donations flood your office. Be generous and offer scholarships to high achievers. At the same time, I would warn companies selling alcoholic beverages not to sell to drunken graduates. This is the time of the year that we see a lot of car accidents involving graduates. Your conscientiousness will go a long way in saving peoples' lives this graduation season.

The Chamber received a preliminary cohort analysis on educational attainment from the EPPSO office and the following is a brief summary of it:

In approximately 1970, give or take a couple of years on either side of that year, is when the RMI "maxed" out in terms of reaching the highest levels of high schools graduates and college graduates as a % of the population and that since 1970 we have seen some rather serious declines in education attainment since then. I believe the info we have on ri - Majol working on USAKA from the recent will bear this out as well; the people who currently are employed in the more technical and high paying jobs at USAKA are in their 40's and 50's and we are not seeing much "new blood" at all in these types of positions. It appears that most of the 20 and 30 year olds are currently employed in non - technical areas.

- **Health** – Dr. Alex Pinano
- **Environment** – Don Hess
- **Membership and Public Relations** – Liz Rodick

Current Paid Membership: 35

Having only recently been elected to the Chamber Executive Committee I have not yet had the opportunity to secure additional memberships.

My goal is to expand membership but also encourage attendance at and participation in our monthly meetings regardless of whether an individual is a member or not.

I have made a number of telephone calls and spent a considerable amount of time talking to potential new members. I understand that Do It Best Hardware and Bank of Guam will become members this week.

I have tracked down the Chamber's files in Carlos Dominick's office and have arranged to spend some time going through them to ascertain which people and organizations were formerly members but are no longer. I will then canvas them to rejoin.

Starting this week, there will be registration forms at Chamber Meetings which I hope will be completed by all attendees so that we will have a record of who is attending meetings. I will approach non members and ask them to join. I will also cross reference these records to ascertain which paid members do not regularly attend meetings.

The President's acceptance of our invitation to speak at this month's meeting is a very important step in our revitalization process. The government's continued support and interest in the Chamber will encourage fuller participation from the business community and will enable us to develop a cohesive and engaged membership.

Special Projects – Sam Smith