

Marshall Islands Chamber of Commerce

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Meeting Minutes

Friday, May 9, 2008

Marshall Islands Resort

Meeting called to order by President Hirobo Obeketang at 12:15 P.M. Approximately 50 members and guests were in attendance. The next regular meeting will be on Friday, June 13, 2008.

- **Minutes** – approved electronically prior to the meeting

- **Guests**
 - Steve Why, Director, Majuro Atoll Solid Waste Corporation
 - Representatives of the American Embassy
 - Representatives of the Taiwan Embassy
 - Victoria Goncharova, Director, MICNGO

- **Chamber President's opening remarks**

A nice place to visit is a nice place to live. Our member businesses are committed to promoting a nicer place for all of us to live. We want to see tourism develop. We want to showcase our beautiful islands. We want our children to enjoy this natural beauty and pass it on to their children. The single most important thing that we all can and should do today to make this a reality is to properly handle solid waste.

Solid waste has been a problem here for a long time. There's been much talk and no action in the past. But today, there is a big difference. We have a working solid waste program. Think about that for a minute. We actually have a solution in hand to this old and thorny problem.

But just because we have a solution that is working doesn't mean that we can all sit back and relax. No! It is essential that this solution receive the necessary funding to allow it to continue. How can this be done?

The private sector has been paying for solid waste management for years in the form of a special tax that has never been used for solid waste management. It's time for that to change. We're paying for something, and we're not getting it.

As President of the Marshall Islands Chamber of Commerce I call on the Ministry of Finance to intervene immediately and divert all of the funds collected from the private sector for the purpose of solid waste management to the new and working Solid Waste

Corporation. There is no time to lose. Please do this now. There is no time to waste. At the very least this will afford this new Corporation the time that might be needed to secure other funding. But the important issue is that this is the right thing to do.

If we have a choice between politics and the natural beauty of our islands, there is no choice. Our islands must win every time. To do otherwise will cheat all of us today, deny our children their rightful heritage, and guarantee that this will become a bad place to live. We can't let this happen. The time to act is now. Tomorrow is too late.

People are happier when they live in a nice place. Happy people are a magnet that attracts tourism. Tourism produces jobs. A nice place to live is a healthy place to live. We won't get sick as often. Our country's medical costs will go down. Happy people don't commit as many crimes. Our country's public safety costs will go down. Investing in solid waste management is a good investment that will pay for itself.

As President of the Marshall Islands Chamber of Commerce I call on our traditional and religious leaders to inform the people who run our country that you want to enjoy the natural beauty of our islands every day. And you want this now, not tomorrow. You want this for your children and your grandchildren. And you think that this is a financial priority today. You want the Solid Waste Corporation to be adequately funded. And you want politics to be kept out of it. You want your people to be happy. You want our islands to be a nice place to live.

Solid waste is not part of our tradition. Solid waste is what is left after we consume imported products. Our lagoon is not a dump. The roadside is not a place to hold discarded beverage containers. The yard around our house is not a vehicle junkyard. When we look around our islands, we don't want to see solid waste everywhere we look. We want to see our islands as God made them. That will make us happy. That will make this a nice place to live.

That concludes my opening remarks. I would also like to thank the American Ambassador and the others here who made a return of US Postal Services a reality.

Now, please join me in welcoming Steve Why, Director, Majuro Atoll Solid Waste Corporation. Steve is standing in for Roger Cooper who was scheduled to appear here today but took ill this morning.

- **Steve Why remarks**

Roger Cooper became ill. That's why I'm standing in for him. I'm the Executive Director of the Marshall Islands Conservation Society and a Director of the Majuro Atoll Solid Waste Corporation (MSWC). The environment and the economy go together. For example, a clean environment attracts tourists.

MSWC has received funding from Australia, New Zealand, Taiwan, and various American foundations including funds obtained through the American Embassy in Majuro.

Majuro is in crises. We've fixed the dump, but we want to move forward. We've made a large effort in the last two weeks speaking with Cabinet members. Some of our donors are all set, but the Cabinet must act.

MSWC was established in March of 2007. We've worked with EPA, MOH, Malgov, and Public Works. We're starting to look at the outer islands where there is no environmentally friendly waste disposal.

We'd like to do a new public awareness campaign such as "Please use the dumpsters." But there's a problem with the dumpsters. We have a lack of the necessary infrastructure to support such a public awareness campaign. Today, 20,000 people have to use 20 dumpsters, and only 11 of those 20 will remain serviceable for the remainder of the year.

Taiwan has proposed to supply new dumpsters and the trucks to haul them. All that remains is for the Cabinet to sign off on this.

Our system is failing. The national and local governments do not have a plan. 10,000 people living past the airport do not have access to dumpsters. We have no beaches anymore – only ten years worth of accumulated trash.

The landfill needs a new seawall.

The one remaining Malgov dumpster truck is on its last legs. MSWC purchased a backup dumpster truck to handle the situation when the Malgov truck stops working. Previously, Taiwan donated \$20,000 for the repair of dumpsters. We found that it cost \$3,000 to fit worn out dumpsters with new steel. We then tried using excess metal left over from old fishing bins. But now the remaining dumpsters' frames have deteriorated so much that there is nothing left to hold a weld.

The national government hasn't given us any money. Our bank balance is zero. The Cabinet pledged \$70,000 yesterday.

We're in the process of commercialization. We earn \$2,000 on each container full of scrap metal that we export. Taiwan will purchase all of the recycled plastic that we can give them. But it costs \$150,000 for a machine to bail recycled plastic for container shipping.

Taiwan and the US Embassy can't move until they receive a request from government.

Who is going to do something about this?

Several years ago Malgov increased its local taxes from 3% to 4%. This 1% increase was to be used for solid waste management. This tax yields \$600,000 a year. But Malgov has only spent \$70,000 a year for hauling solid waste.

Comment from the floor: The national government has no jurisdiction over local government.

Public Works used to spend ½ million dollars a year for the dump. MSWC has taken over the dump. This money has not been given to MSWC.

Comment from the floor: Public Works now hides its trash collection budget in other line items.

Comment from the floor: The amended Compact provides for an environmental impact grant. This is done for Kwajalein because it is required. National government decided to not request this at the expense of other programs such as MOE and MOH for Majuro.

Comment from the floor: It is more than an educational issue. Many people know that they have to use the dumpsters but still toss their trash in the lagoon. Land owners must demand that the people do this.

We're now experiencing the rising cost of fuel. It will become a problem to run old and less efficient equipment.

Comment from the floor: What can we do? Should we go after the 1% Malgov tax? We have 5 Majuro Senators. Let's ask them to solve this problem. Solid waste management is not on the agenda now. There is no pending legislation about this. The Nitijela will not meet again until August. Local government is broke.

If we receive the \$70,000 that was pledged yesterday by the Cabinet, that will allow us to operate for approximately 3 months.

Comment from the floor: We need to see a detailed financial report.

We have a good financial system that can provide this. And we have good internal controls such as only the Directors signing checks.

Comment from Chamber President: The Executive Committee will meet to decide how our Senators should be contacted about this.

Comment from the floor: You need to have a long term plan.

Our current operations cost about \$600,000 a year. We project that this cost will rise to one million after we expand into the necessary areas. Our capital needs include 1.2 – 1.6 million for new bins and trucks; 2 million for a new seawall; and a sand suction machine for 1.5 million to comply with new EPA regulations. Our pending grants include UNDP (in a few weeks), Taiwan funding dumpsters and trucks (waiting for Cabinet request), and low cost loans from USDA in Guam.

Comment from the floor: What about incinerators? A test some time ago with an incinerator from Johnston Island was successful.

We would have trouble maintaining high-tech incinerators. Kwajalein has this, and they are having trouble. Ideally, an incinerator should be placed at the end of Laura. However, we're not comfortable with the pollution produced by incinerators.

Comment from the floor: Under the Local Government Act, national government has the authority to put their own administrator in Local Government if Local Government is not doing what it should do.

- **New Business**

A US Naval ship will arrive in Majuro in about a month. It is a medium sized ship that will spend 4-5 days in port. We expect that there will be 200- 300 sailors.

In Marshallese Custom, people pull together in a crisis. Solid Waste is a crisis. We all need to work together more now to solve this crisis. Treading water is not good enough.

There will be a US Small Business Administration workshop next week beginning on Monday. Its purpose will be to present business borrowing from Bank of Guam.

There will be a Business Diagnostic Workshop May 21 – 23. The cost for participants is \$300 each. Our business members are encouraged to send an employee to this.

At 3PM today, the final report from the (election) Commission of Inquiry will be presented to the Cabinet.

We now have (tourist) divers on Bikini.

Meeting adjourned at 2:15 PM.

Minutes prepared by:

Jim McLean