

Marshall Islands Chamber of Commerce

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Meeting Minutes

Tuesday, June 12,, 2007

Marshall Islands Resort

Meeting called to order by Vice President Hirobo Obeketang at 12:01 P.M.
Approximately 50 members and guests were in attendance. The next regular meeting will be on Tuesday, July 10, 2007.

- **Minutes** – approved electronically prior to the meeting
- **Treasurer’s report** – \$4689.47 in the bank account
- **Guests**
 - Hon. Tony DeBrum, Senator
 - Hon. Jeban Riklon, Senator
 - Hon. Amos MacQuin, Namdrik Mayor
 - Hon. Melvin Majmeto, Wotho Mayor
 - Laji Taff, Senior Alap
 - Jiba Kabua, advisor
 - Fred Pedro, advisor
 - Thomas Kijiner, Jr., advisor
 - Tony Aiseia, advisor
 - Fredly Dribo, advisor
- **Chamber Vice President remarks**

Iakwe aolep

Welcome to the regular monthly Marshall Islands Chamber of Commerce meeting. Today, we are fortunate to have Senators Tony Debrum and Jeban Ricklon as guests. Senator Debrum will address us right after my brief opening remarks.

Please allow me to introduce myself. I am Hirobo Obeketang. I am Marshallese, and I am the Vice President of the Marshall Islands Chamber of Commerce. Two of our four officers are Marshallese. Our immediately past President is Marshallese, and I am confident that our next President will be Marshallese. This is a Marshallese Chamber of Commerce dedicated to the advancement of Marshallese owned and other business in our country. When we speak, we speak as Marshallese people to other Marshallese people about topics of importance to business. If anyone takes issue with that or inappropriately calls that “politics,” then the fault lies with the

listener, not us. We ask that all to whom we speak not take personal offense at what we say. Rather, we encourage everyone to think first about his or her country and then view our words in that context. We may be blunt and even wrong at times, but more often than not we are right in what we say as it regards business development.

As Marshallese people we value respect – respect of our elected and traditional leaders, respect of our God, and respect for our country and our people. Please allow me to point out that respect is much like the main road in Majuro. This road allows cars to travel both ways. Respect is a two-way street. We have been accused of not being respectful of others at times. But have those others always respected us or our needs? Do our leaders respect our nation's business? It is our job to encourage this two-way respect. Business in the Marshall Islands not only deserves respect but needs it in order to survive and flourish. When a country's businesses are not doing as well as they should, it can often be true that there is insufficient respect for those businesses and what those businesses need.

It seems to me that the first step toward respecting another person is to respect oneself. We heard last week from an outstanding Samoan that elected leaders can best respect themselves when they think of their country's needs ahead of their own. As business men and women we do this daily in our organizations. We place the interests of our business and our employees ahead of our own personal interest. That is how we're able to build a viable business. Let each of us respect himself so that we may learn to respect others.

After we learn to respect each other, then it seems to me that we might be able to allow, listen to, and then thoughtfully consider the views of another person. I think that this is important for the Marshall Islands because we're such a small country. We don't have that many people. Frankly, we need to take advantage of all of the native intelligence that is available. We don't have the luxury of being able to exclude any group of people. We need everyone's point of view if we're to solve the many problems that we face. Half of our people are women. Many of our people are young adults. More than 30% of us live in Ebeye. We need to hear and consider the viewpoint of every adult regardless of age, sex, or geographic location.

We don't need to invent all of our solutions. We can take advantage of the experiences of other countries in a selective fashion being sure to adopt only those things that would work in harmony with our culture of respect.

We might copy Australia in the way that they inform all of their guest workers that those workers decided to come to Australia, and Australia welcomed them. This means that those guest workers decided before they came to adopt and adhere to the laws and customs of Australia. If that's not the case, then those guest workers are free to repatriate themselves back to their own countries. That would seem to fit our custom of mutual respect.

We might copy Japan in the way that Japanese bureaucrats are expected to earn less than their private sector associates and work harder to achieve first what's good for Japan as a country as opposed to serving a vested interest the way that Japanese

businesses are presumed to operate. Wouldn't such a practice respect the nation building that our first President began?

We might copy some of our Pacific Island neighbors such as Samoa in the way that they developed a vision for their country, implemented, and then followed a long range plan to achieve that vision. Wouldn't that be consistent with our island heritage of respect for long term survival in an isolated environment?

We might copy the United States but not necessarily select from the contemporary offerings. We might choose rather to adopt some of the ideas that the United States used in its past to develop into what it has become today. Henry Ford, the first billionaire in the world early in the 20th century is quoted as saying: "Thinking men know that work is the salvation of the race, morally, physically, socially. Work does more than get us our living. It gets us our life." As business men and women we respect work so much that we want to see that option available for all of our people. Sadly, that is not the case today. It can be true, but only the further development of business in the Marshall Islands will make that dream a reality.

We also heard last week from that Samoan gentleman in words to the effect that if we want to solve crime we don't need to hire more policemen. Rather, we need to empower the people more so that they gain self-respect. Self-respecting people don't commit crimes. One of the best ways to empower a man is to allow him to work and in so doing be able to take care of his family. If we had no vision for our country other than to provide a job for most of our adults, we would solve many of the social problems that we contend with today.

We've read Father Francis Hazel's latest essay "Island politics: Do we keep out?" in the last two issues of the Marshall Islands Journal. Rather than thinking of him as "that meddling priest from Pohnpei," maybe we should consider thoughtfully some of the things that he wrote. If elected leaders had sufficient self-respect and more respect for the intelligence of the people that elected them, there wouldn't be any need to have secret financial records in state owned enterprises or organizations that have been granted monopoly status. Wherever public funds are spent, the people deserve fully disclosed financial information.

As an aside, I disagree with one thing that Father Hazel wrote. The business community in the Marshall Islands has never stopped building our country. Therefore, it isn't necessary to rebuild it. But it is necessary that everyone here join with us to continue building it.

Perhaps, the most important aspect of respect upon which our business community depends in the equal enforcement of the law. It isn't so important what the laws are. But what is important is that everyone, including business men and women, abide by the same laws and be held consistently accountable to those rules. When government grants itself exemptions from the rules that it imposes on others, this represents disrespect and cannot be tolerated. There is no nice way to say this. If the government cannot abide by all of the provisions of a law then there is no reasonable way that business can abide by those provisions either.

The Marshall Islands Chamber of Commerce respects the viewpoints held by all of our elected leaders. Last year we were privileged to host the President, Cabinet, and many of the Ministries. We listened to the issues that are involved in the running of our country. And we had the opportunity to consider that important information. In keeping with our broad level of respect for all views, please join me in welcoming Tony Debrum.

Komol

- **Senator Tony Debrum remarks**

Senators Michael Kabua and Christopher Loeak were not able to attend due to a prior engagement in Ailinglaplap. They send their regards. Iroj Anjua Loeak and Iroj Imata Kabua send their regards from Honolulu. We recognize the importance of private sector development, and we're pleased to have been invited today to address the Chamber.

What's going on in Ebeye? These areas are critical to Ebeye and the whole country. We heard last week that good governance is only as strong as its weakest link. Ebeye is the weakest link. The problems are not all recent ones. Some of the problems began with the first interaction with the US Military's use of Kwajalein. Kwajalein continues to bear the brunt of these issues.

Currently, if the power is on for 24 hours then that is an abnormal situation. Typically, the power is on for only four hours at a time. When businesses want to buy propane on Ebeye, they have to first apply to EPA in Majuro for approval before they can purchase from Kwajalein. Even though our hospital is very good and we're proud of it, public health suffers when the sewers back up when it rains or when the power is off.

Whose problem is this? Why not do something about it? People want to help, but the government has decided that Ebeye will only get Amended Compact supplemental funds. The issue with this in Ebeye is that the people there believe that for them to accept the use of the approximately 1.9 million in such funds would constitute acceptance of what they didn't agree to do – continue without a land use agreement. The government says that they don't have any money for Ebeye except this 1.9 million dollar. What about using part of the General Fund?

The reason that the Ebeye people will not accept the new agreement is that in real dollars it represents less money than was received during the first Compact. They want better conditions on Ebeye than experienced during the first 15 years. The new agreement would not produce better conditions.

There was a time when the difference between the proposed 15 million and our desired 19 million was the issue. That is no longer the case. We discovered that there was a plan agreed to by our government and the United States to put pressure on Ebeye. Government promised that they would deliver Kwajalein to the United States. This might

have worked if we had not found out about it especially as we became more desperate over time. But now we can't accept it.

Children in Ebeye lose $\frac{1}{4}$ of their time in school due to a lack of power and other problems. We have requested that the government declare that Ebeye is in a state of emergency so that we could have tapped some of the available FEMA funds that are available until October of this year. Government didn't do this. It decided to disband KADA to be able to spend its money to solve the problems. Ebeye people think that this is illegal.

The problems now stem from Marshallese people fighting Marshallese people about the constitutional requirement that the people have to agree before the government may allow another country to use their land. There are some encouraging developments recently, but they all require a land use agreement.

While the rest of the country is debating the issue, Ebeye went directly to the US Army and requested that they be able to tap into the Kwajalein under water fiber optic cable. We have received encouragement on this.

The island of Diego Garcia and Kwajalein have been short listed by the US Army regarding the deployment of ocean thermal energy production. There have been four scientific studies. Now funding is being sought. Ebeye wants to participate in this program to have its own new technology power generation facility.

The previous US Ambassador Plaisted asked the US Army to study the feasibility of having Kwajalein power and water be delivered to Ebeye. The US Army Corps of Engineers estimated that it would cost 28 to 30 million dollars to do this.

The difficulty with these developments is that it takes time to amortize such large costs. For example, it would take 30 years to amortize ocean thermal energy production. It would take 15 years to amortize an under water fiber optic cable. And it would take 18-20 years to amortize a causeway from Ebeye to Kwajalein. But there are only 9 years remaining on the US Army lease of Kwajalein.

The government has told the United States that it will change the Constitution and just take Kwajalein so that the proposed lease will go into effect. The opportunities that exist cannot occur with the present stance of the government.

The people on Ebeye will not invest in Ebeye now believing that they will have to leave Ebeye and go somewhere else in the near future.

There is no fire truck now on Ebeye, and some of the people in this room have lost money in previous fires.

- **Questions from the floor**

Sam Smith: What happened to the Ebeye fire truck?

Answer: A person who changed the oil didn't replace the oil cap. The next person to operate the vehicle burned up the engine. The fire truck was returned to Majuro for repairs five months ago. We're waiting for \$18,000 for repairs.

Adam Mitchell: What are your plans if there is no new land use agreement with USAKA?

Answer: We've been informed that the US has no desire to move from Kwajalein. During the Amended Compact negotiations we asked our government to include the necessary clauses that would require that Kwajalein and the middle corridor islands be restored should the US Army decide to leave Kwajalein. Since it takes about seven years for a breadfruit tree to produce food, we used that as benchmark of how long it would take to restore the land. The final Amended Compact did not have the provisions that we requested. As it stands now, the US Army only has to give us a one year notice before it departs. There is a multi-billion infrastructure on Kwajalein. We want to discuss with the US Military now those things can be left intact should they decide to leave.

Giff Johnson: There are nine years left before 2016. Are the landowners pursuing other lease opportunities?

Answer: We will not fail to consider any option, but it is premature at this time to discuss such options other than to say that we will not consider armed forces of any other nation.

Phil Okney: What are the current negotiations with the RMI and US?

Answer: Recently we've sent over 6 specific letters to our government. We've received no response.

Dennis Momotaro: The fire risk on Ebeye exceeds the cost to repair the fire truck. Of course, the fire truck would also need fuel.

Answer: The houses on Ebeye are built close together of flammable material. Due to the fuel crises, people are taking gasoline and other fuel home with them. Especially if a fire starts on the north end of Ebeye, it would be unstoppable and destroy Ebeye. Ebeye is like other islands some of which have power plants. Those other islands don't have land use agreements. The general fund is used. Why can't the general fund be used for Ebeye?

Jerry Kramer: Even though these are private sector problems, I've heard that Mobil couldn't get a lease in Ebeye.

Answer: When we heard that Mobil would sell the tank farm to ALRO for one dollar, we asked to see the document pertaining to that sale. We didn't want a local company to assume all of the liability for 37 years of Mobil operating in Ebeye. We wanted to make sure that what was left was up to industry standards. We wanted to make sure that the tanks were insurable. We've seen the US Army spend millions of dollars on Kwajalein to bring its tanks up to industry standards. We asked the government to authorize our use of the South Pacific Forum to do a review of the tanks. The government would not do that.

We then discovered that Mobil offered this same deal to MEC. MEC turned down the deal.

Dr. Pinano: I sympathize with the people of Ebeye. I hope all levels of leadership come to terms with the issue. But if the military pulls out, I recommend that you study the success story of the former US bases in the Philippines – Subic Bay and Clark Airbase that were abandoned in 1992. The Philippine experience is a good way to do it.

Answer: We've already looked at the Subic Bay and Clark Airbase experience. It shouldn't be up to the people of Ebeye to say whether the US Army should stay on Kwajalein. But it is not right to have things continue as they have for another seven years.

David Paul: Mobil paid for a responsible inspection of the tanks. They made a business decision. I think that it is fair to point this out.

Answer: We asked for government assistance. The best interim solution was to tap in the Army's fuel. This was accepted by the Army. But for some reason, gasoline and kerosene were not included – only diesel fuel. Having only diesel fuel is useless.

Ramsey Reimers: What is the status of the Continental Airlines freight issue?

Answer: When we heard about this, we went directly to the military. The military then worked with Continental. We also advanced an old suggestion that Continental should have its own office and a resident manager. Then the employees could come to work each day from Ebeye. This would be more economical for Continental.

Fred Pedro: Can we have a clarification of the Mobil issue? Was it a lease problem or a business decision?

Answer: It was not a lease issue.

David Paul: The lease was a factor among other issues. It was estimated that it would cost 3 – 5 million dollars to bring the Ebeye tanks up to Exxon international standards. But the lease was not the sole issue. It was also the market. This was a combination issue that resulted in a business decision.

- **Committee Reports**

Government Relations – Jerry Kramer

No report.

Business and Trade – Neal Skinner

No report.

Financial Services – Jim McLean

No report.

Tourism – Bill Weza

**NTO Report
Marshall Islands Visitors Authority
March – June 2007**

Marketing and Promotions

- Action Asia – one-page advertisement for the May/June 2007 issue.
- ScubaDiver AustralAsia magazine – ¼ page advertisement in the March/April and May/June 2007 issues.
- MIVA continues to receive questions, comments and requests referred from the website.
- Approximately 85 emails responded to including information packets mailed out during the 3rd quarter.
- Through public relations with MOJO International, Inc., MIVA hosted Maik Brandendurg of Mare Magazine in Germany from April 7-26. He was able to visit Jaluit and Arno atolls during his stay in the RMI.
- MIVA hosted the Pacific Expeditions Fishing Show also in April. Mr. Joseph Bright, one of the top fishing tournament organizers in Hawaii led the group, which included Mr. and Mrs. Charles Helscel, who won this trip at last year's Maui Jim International Tournament in Maui, HI.
- In collaboration with Continental Airlines, MIVA and Marshall Islands Tours with the assistance of Hotel RRE, hosts Mr. Charlie Furusho from AIRLINE magazine from April 21-23.
- From April 23-28, MIVA and Marshall Islands Tours, with the assistance of Marshall Islands Resort, hosted Mr. Tomohito Ishimaru from Marine Diving magazine.

Trade Shows

- Satoshi Yoshii, on behalf of MIVA, attended the Marine Dive Adventures show in Japan during the month of April. Approximately 50,000 visitors attended the event. 80% of those who visited the MIVA booth were divers.

Product Changes & Developments

- The RMIPA acquires two push back tugs as part of Japan Airlines requirement to conduct charter flights into Majuro. The tug was the last equipment needed for the project. Jal will conduct its third charter flight to Majuro on June 30 for five days. Representatives from JAL will be on this flight to hold meetings with Kwajalein to discuss and finalize an agreement for JAL to utilize the Kwajalein airport in case of bad weather. Another 200 passengers are expected for this flight.

Industry Relations

- Maria Fowler and Dr. Irene Taafaki, along with collaborative efforts from WUTMI, MIVA and Marshall Islands Resorts, organized the first annual silent auction and awards ceremony for the “jaki-ed” (traditional Marshallese clothing

mats). The contest kicked off after a weeklong workshop, held back in November 2006. 25 mats were collected from Kwajalein, Ailinglaplap, Namdrik, Arno, Mili, and the Kabinmeto, plus a display of chiefly mats from Iroj Michael Kabua personal collection. Over \$5,000 was distributed in cash winnings and bids. This annual event is part of the Marshallese Cultural Weaving Resurgence Project of which MIVA is a member. MIVA hosted a media team consisting of Marylou Foley, another contributor and supporter to the event, and Caroline Yacoe, representing various magazines, radio stations and museums in the United States.

- Emelyn Simon represents MIVA at the Australia Road Show organized by Continental Micronesia. The group, with representatives from Continental, Guam Visitors Bureau, Palau Visitors Authority, Yap Visitors Bureau, Chuuk Visitors Bureau and Kosrae Visitors Bureau, will visit and conduct presentations and one-on-one meetings in Cairns, Brisbane, and Townsville.
- Our Airline announces its plans to discontinue its once-a-week service to Majuro due to low bookings, effective July 4. With the loss of the Fiji route from Kiribati, Our Airline was not able to acquire the needed capacity in order to operate its 130 seat aircraft to the RMI.

Local Events

- March 25 15th Annual Coconut Cup Sailing Regatta
- May 1 RMI Constitution Day
- May 2-14 First RMI National Games
- May 25 Global Environment Facility (GEF) Small Grants Program holds another workshop in Majuro to familiarize all components of the program including a call-out for projects.
- May 28-30 The RMI hosts the 7th Food and Agriculture Organization (FAO) meeting of the South West Pacific Ministers
- May 31-June 1 National Disaster and Risk Management Training organized by the Chief Secretary
- June 5 RMI observces International Environment Day with clean-up and tree-planting activities including the showing of “An Inconvenient Truth” in the main community of Majuro.
- June 5-8 - The Micronesian Conservation Society held a retreat in Majuro with representatives from all of the Micronesian Islands. The event was held at the Long Island Resort.

Upcoming Events/Activities

June 11-12 4th Qtr PATA Micronesia Chapter meeting in Guam - Bill Weza and Emelyn Simon will attend from MIVA.

June 30 JAL Charter Flight

July 6-7 25th Annual Marshalls Billfish Club Tournament

July 6-7 Made in the Marshall Islands Fair

August 5-10 RMI hosts the annual Pacific Power Association Meeting

August 31- Sept 3 15th All Micronesian Fishing Tournament

August/September JICA “Sustainable Tourism Development in the Micronesia Region” training in Okinawa, Japan

September 14-16 JATA Show in Tokyo

September 24 Kwajalein Trade Fair

Communications – David Strauss

No report.

Education –Carlos Domnick

No report.

Health – Dr. Alex Pinano

Next Monday on June 18th there will be a Father's Day conference on diabetes prevention. It will be held at the RRE Bokanake facility. It begins at 8 AM and end at 4 PM. I'll be there. The public is invited.

Environment –Don Hess

No report.

Membership and Public Relations – Liz Rodick

No report.

Special Projects – Sam Smith

We have three private sector sponsors for the Harlem Ambassadors who will perform for two days in December. The sponsors are: RRE, PII, and The Marshall Islands Chamber of Commerce.

Meeting adjourned at 1:30 PM.

Minutes prepared by:

Jim McLean

Approved _____

Approved with Corrections _____