

Marshall Islands Chamber of Commerce

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Meeting Minutes

Tuesday, February 6, 2007

Marshall Islands Resort

Meeting called to order by Vice President Hirobo Obeketang at 12:01 P.M.
Approximately 45 members and guests were in attendance. The next regular meeting will be on Tuesday, March 13, 2007.

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

- **Guests**
 - RMI Minister of Transportation and Communications Mike Konelios
 - RMI Ports Authority Manager Jack Chong-Gum
 - RMI Director Civil Aviation Stanley Myazoe
 - US Ambassador Clyde Bishop
 - US Deputy Chief of Mission Helen Reed-Rowe
 - Taiwan Ambassador Lien-Gen Chen
 - Taiwan First Secretary and Deputy Chief of Mission Oliver Yung-Hui Weng
 - Taiwan Third Secretary Robert Chang
 - Taiwan Third Secretary David Wen-Chiun Lin
 - Taiwan Chancellor David Chun-Chieh Chen
 - Leader of Taiwan Technical Mission Hugo Ko-Shih Sheu
 - US State Department Science Fellow Tom Pfleeger
 - Bill Alexander, Kurt Pinho's Rongrong Resort partner

- **Outgoing Taiwan Ambassador Lien-Gen Chen farewell remarks**

I would like to introduce my new colleagues. The Leader of Taiwan Technical Mission Hugo Ko-Shih Sheu is a fisheries expert previously assigned to South America. Deputy Chief of Mission Oliver Yung-Hui Weng is a German expert. Third Secretary Robert Chang was previously assigned to Gambia. Chancellor David Chun-Chieh Chen has been here for four months. Third Secretary David Wen-Chiun Lin has been here for one and half years. I will leave on the 28th of this month. I would like to thank the business community for assisting a new nation struggling in a changing world. The private sector plays a vital role in this effort. And I would like to thank the business community for its support. I would also like to thank everyone here for the friendship that has been extended to me in this beautiful country.

- **Chamber Vice President's remarks**

More than 10 years ago, President Amata Kabua had a dream that Republic of the Marshall Islands has a potential for Tourism. By the end of this week, ladies and gentlemen we will witness the First 200 Japanese Tourists arriving on a first ever Japan Airlines Chartered Flight to the Marshalls.

Being apart of tourism here in RMI, which is about the same time when President Kabua started to make tourism a reality its amazing. How he started to make his dream become reality? President Kabua initiate a plan for RMI to built a 150-room hotel. Today I am proud to announce that Majuro alone has about 250 hotel rooms.

You know, when I first heard about Japan Airline interest to bring in Charter flights with Tourists on board, I asked myself why Republic of the Marshall Islands. Why not FSM, which is closer to Japan? And then I asked another question, Why JAL pulled out from Saipan but have interests in RMI? I believe because we do have a group of individuals who has a strong believe on success tourism in the RMI. We do have energized people go has done a lot to make this Dream a reality. On behave of The Marshall Islands Chamber Of Commerce. Let me take this opportunity to recognized Mr. Willliam Bill Weza, Chairman of Marshall Islands Visitor Authority and Mr. Satoshi Yoshii of the Marshall Islands Tours. These are the energize individuals who has contribute a lot to make this a reality. Lets give them a big kab bokbok. On this spirit of appreciating, a big komol tata to the President Kessai H Note and his cabinet, Minister Zakios, Minister Konelios for believing in us that Tourism is the on of the bests for the Republic of the Marshall Islands. Ladies and Gentlemen, all the required equipments for the JAL's Boeing 767 are all on Island. Lets give a big komol tata to President Note and his cabinet. My last komol tata goes to the RMI Ports Authority for you faith and trust in us that again this will work out for all of us.

Ladies and Gentlemen, there are no questions that we do have a lot to offer to the tourists upon arrival here in Majuro. We do have the best of the best diving spots and snorkeling spots; we do have the most unique culture that is always ready to be shared to our visitors. We do have energized people who can make these visitors remember this trip and the up coming trips for the rest of their lives. On top of that, we do have rooms that can accommodate the size of this type of group. What I just said, answered my previous question, "Why the Republic of the Marshall Islands". Ladies and gentlemen, this is no longer a Dream, THEY ARE COMING, and Looking forward to a clean air, beautiful ocean, sunshine and friendly people.

Komol tata.

- **Minister Konelios' remarks**

Even though there remains a question in our minds why JAL selected the Marshall Islands as a tourist destination, we're committed to making this private business venture successful. An overview of the Ministry of Transportation and Communications shows that most functions of the Ministry have been transferred to other entities leaving primarily an oversight role. NTA handles communications. The Trust Company handles the ship registry. The Ports Authority handles the ports and airport. Air Marshall Islands handles inter-island travel. The new shipping corporation handles shipping. The

Ministry's oversight role includes rules, regulations, supervision, and security concerns. Civil Aviation still reports to the Ministry. Following the passage of new legislation that has been introduced, there will be a distinction between the telephony operator and the regulations. Public comments have been solicited beginning in 2004 for this legislation. Ministry of Education, Ministry of Health, and the Chamber of Commerce have made comments. There will be a hearing at 10:00 AM tomorrow regarding this legislation.

The government has been helpful regarding the JAL visit. We're interested in increasing the number of such flights and number of people who come as tourists. The Ports Authority has obtained all of the necessary ground handling equipment. Air Marshall Islands will perform other ground handling duties. The Director of Civil Aviation will handle all safety issues. Marshall Islands Visitor Authority has coordinated this activity. Satoshi and Co. has served as the middleman.

- **Questions from the Floor**

David Strauss: Have the three hotels been surveyed to find out their water levels and, if low, have any arrangements been made to have MWSC ship water from Laura?

Bill Weza: Yes. There is some concern.

Scott Stege: What is the purpose of the hearing tomorrow?

Minister Konelios: Telecommunication regulations and policies. Also a distinction will be made between the regulator and the operator.

Carlos Domnick: Majuro needs to be cleaned up some more before the tourists arrive.

Hirobo Obeketang: We'll refer this to the Chamber's Executive Committee for action.

Jerry Kramer: 30 pages in addition to the 90 pages of the proposed legislation represent policy. Minor infractions are defined as felonies such as the possession of any radio or telecommunications device without a license. The new regulatory agency is criminally and civilly immune from prosecution. The Minister may exempt anyone from any provision covered by this legislation. The introduction to the bill, however, is excellent. In 2009 there will be consideration of privatization.

David Strauss: Who drafted the law?

Minister Konelios: A hired consultant. The bill also went through the Attorney General and Legislative Counsel's offices that made contributions.

Scott Stege: The punitive measures are Draconian suggestive of the Star Chamber. If you receive outside input tomorrow, will you implement those suggestions?

Minister Konelios: The bill has been introduced.

Jerry Kramer: We need to be careful when we allocate scarce local resources just to meet international protocols. We're a small country. For example, the bill would create a new office with a staff of 14.

Jim McLean: What is the status of the fiber optic cable?

Minister Konelios: We're waiting for the operator company.

Giff Johnson: How many people are going to be moved from your Ministry to the new shipping corporation?

Minister Konelios: We're in the process of moving assets now including budgeted money. The plan is still begin worked on regarding the staff.

Dan Fitzpatrick: Air Marshall Islands now owns three aircraft. As of last Friday, we own the Dash Eight. We'd like to thank the Embassy of Taiwan and the government for the funds that allowed us to purchase the Dash Eight.

Liz Roddick: I'd like to thank PII and DAR for what they've already done to cleanup so many cars.

- **Committee Reports**

Government Relations – Jerry Kramer

The Chamber's Executive Committee met with Minister Zackios about the labor law that was passed in September. There was no transition period. We just got copies of the law in the third week of January. All alien permits expired 12/31/2006. This means that, under the law, all of these aliens and their employers are now guilty of felonies waiting to be prosecuted. We haven't been able to meet with Minister Capelle yet regarding the companion immigration law that has similar Draconian provisions. For example, no visiting ship person can be on land after 10PM. The immigration law affects tourism.

Some of the other laws that were passed in September are: Parole Board increased from 5 to 9 members; Land Recording Law changed to not allow a real property trust to be used as collateral for a loan; usury rate stays at 24%, but violators now face 5 to 10 years in jail; changes to the composition of the new shipping corporation's Board; and penalties for the importation of any alcohol based product without a license.

Business and Trade – Neal Skinner

No report.

Financial Services – Jim McLean

There is a new issue involving the USPS regarding the mailing of credit cards to the Marshall Islands.

Giff Johnson: US businesses no longer recognize the Marshall Islands with the USPS change in designation from domestic to foreign. The zip code is not recognized.

Don Hess: Credit cards with Marshall Islands addresses are now not being accepted by US companies for payment.

US Ambassador Clyde Bishop: We will be bringing a high level USPS person to answer questions.

Tourism – Bill Weza

I'd like to recognize the efforts of many people in preparing for the JAL flight this Sunday. For example, the Ports Authority, Customs, Immigration, Air Marshall Islands and others have spent up to two years making this happen. There is the possibility for 12 flights this year.

On Sunday there will be briefing at three hotels for the tourists: Marshall Islands Resort, RRE, and Long Island Hotel. The Marshall Islands Billfish Club will be renting boats. The "Just Do It" Committee recognizes that there are more cars to pick up.

Jerry Kramer: Majuro has been clean in the past. This can be done again.

Suzanne Murphy: The Uliga cleanup will begin at 8AM on Saturday.

Kurt Pinho: Tell us about the Hawaii canoes. I'd like to ask for a donation of things like soda, beer or anything else that I'll need for the men and women on the day that they arrive. These people will have been at sea for 30 days.

Bill Weza: The canoes reached Johnson Islands and are expected to arrive here on the 14th. Traditional and elected leaders will fete the arriving sailors.

Transportation – Salome Andrike

No report.

Communications – David Strauss

There will be an NTA Board proposal this week to upgrade the existing cell phone service. If approved, this will double the capacity of this service. We can expect that this will be installed in approximately four week following Board approval. NTA cannot pay for the proposed fiber optic cable by itself.

Education – Carlos Domnick

The Ministry of Education and the National Training Council will have a "Rethinking Education" conference from 2/26 to 2/28. All Chamber members and other interested parties have received details concerning this via e-mail.

Health – Dr. Alex Pinano

I'd like to thank the US for its recent assistance to the Marshall Islands to prepare for the possibility of avian flu. This has become a problem now in many countries. Customs and Immigration recently refused entry to chickens from an avian flu affected country. This was a good move.

Environment – Don Hess

The Solid Waste Corporation now exists. There have been two Board meetings. We're looking for an interim general manager. There will be a public meeting today at 4:30 PM conducted by the Asian Development Bank regarding solid waste community endorsement to be held at the Youth to Youth building.

Membership and Public Relations – Liz Rodick

We have 34 paid members for 2007 including Air Marshall Islands that didn't make the current list.

Special Projects – Sam Smith

Regarding postal issues, Hawaii is trying to assist us.

- **New Business**

US State Department Science Fellow Tom Pfleeger made the following remarks. I'd like to commend the Chamber of Commerce for taking a positive view of the importance of solid waste issues for business. I was impressed with the recent battery pickup that was quickly organized by Roger Cooper and MICS. Over 1,000 batteries were collected. I'd like to suggest that all individuals and businesses do three things. Recycle aluminum cans, glass bottles, and plastic bottles. Try to find alternatives to Styrofoam the way that McDonalds and Starbucks have done.

US Ambassador Clyde Bishop: Tom has already persuaded the US Embassy to do these things.

Danny Muno: Made a motion that the Chamber of Commerce join the newly formed Marshallese Business Association and appoint Hirobo to represent us at the meeting. The motion was not seconded.

Meeting adjourned at 2:00 PM.

Minutes prepared by:

Jim McLean

Approved _____

Approved with Corrections _____