

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

### **Meeting Minutes**

Wednesday, October 27, 2010

Marshall Islands Resort

Meeting called to order by President Steve Philips at 12:00 P.M. Approximately 35 members and guests were in attendance. The next regular meeting will be held the week of November 22<sup>nd</sup>, 2010, unless otherwise scheduled to accommodate a guest speaker.

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

- Alvin Jacklick, Speaker, Marshall Islands Nitijela
- Martha Campbell, American Ambassador
- George T. K. Li, Taiwan Ambassador
- Nikolao I. Pula, Director, Office of Insular Affairs, US State Department
- Wendy R. Fink, Counselor to the Assistant Secretary of the Interior for Insular Areas
- Bernice Joash, Nitijela
- Gary Ueno, Nitijela
- Divine Waiti, Nitijela

- **Chamber President's opening remarks**

Welcome to the October Chamber of Commerce meeting. Please join me in welcoming our guest speaker, Alvin Jacklick, Speaker of the Marshall Islands Nitijela.

- **Alvin Jacklick's remarks**

I inherited the Nitijela Marshall Islands Parliament Corporate Plan 2010 from the previous Speaker, but I welcome the opportunity to support it. There was a resolution to establish a committee to study this plan. There will also be a committee to discuss a constitutional convention. I would like the private sector's assistance in naming members to these two committees. The constitution needs to be changed to help support economic development. Our economy is depressed in part due to some of the constitution's restraints. For example, it requires that there are 33 members of the Parliament. If we only had 12 members we would save substantial cost. We need to reduce government expenses and use some of that money for private sector development.

Many government workers come to work at 9:00 AM instead of 8:00 AM. This wastes approximately 2.7 million dollars annually. If we reduce the government workday to 7 hours we would save this amount of money.

The government provides the necessary infrastructure for economic development. It is up to the private sector to utilize these resources.

Questions answered by Speaker Jacklick:

1. In light of the recent vote of no confidence petitions in Nitijela does the Government think that this may worsen in the future and if it continues to worsen would it disrupt the implementation of crucial government economic policies related to tax reform, CAP, and other important policy initiatives on trade?

A. Marshallese people know who is pushing votes of no confidence. The President should be directly elected by the people. No one wants a vote of no confidence in January because no one wants to be president for ten months. If and when the land use agreement is signed there will not be any more votes of no confidence.

2. Is it reasonable at this point in time that the Constitution is revisited and possibly amended so that the President is only elected by a popular vote by the citizens of the Republic of the Marshall Islands? If there are obstacles, what are they?

A. The only obstacle would be those people that know that they cannot be elected President. It is time for Marshallese people to elect their president. Only the people should be able to remove a president. The constitution should be amended to allow this. This would make the Marshall Islands more democratic. The president should be able to appoint his Cabinet from the most qualified people and not just Nitijela members.

3. Whats delaying the development of our tourism sector? Can we identify what are the obstacles and make an attempt to study Maldives success path in developing this sector of their economy?

A. Bills were introduced into the last Nitijela to repeal the land registration and customary law acts. This kind of thing discourages foreign investment. There are valuable customs and those that should be abolished such as allowing one of three landowners to prevent the lease of Marshallese land regardless of what the other two landowners might want. We need to open a door to outside investment.

4. Is EPPSO fully equipped with the human resources and financial support by the Government to fully undertake its responsibility as key advisory body on government economic policies, planning, statistics, and analysis?

A. I'm not able to answer this question about another area of government.

5. In light of the nearing termination of the Compact financial assistance in 2023, does the Government have a clearly defined national development plan with clear long term goals that the Government, RMI stakeholders, and people could use as a road map to ensure the long term economic security after 2023 especially on our national fiscal deficit and the viability of our trust fund? What could be the most appropriate government policy on private sector development that would help in achieving this long term plan?

A. I'm not able to answer this question about another area of government.

6. You are to be commended on your public noting of the poor work attendance of most government employees. What is the status of your suggestion that the paid government workday begin at 0900 in recognition of the problem of late arrivals? No business could survive paying employees for time not worked. Rather than penalize those few good government workers who do show up on time, why not institute time clocks as our business do? Ultimately this is a problem of poor management.

A. Today PSC thinks that the president is the head of the Nitijela. The constitution says otherwise. PSC needs to improve.

7. In advance of its parliamentary election next month, Tonga's election commission has set a campaign spending limit of \$5,300 per candidate and each candidate must submit a statement of expenses within two weeks following the election. Given that many people believe candidates for the Nitijela purchase votes with gifts and other inducements, do you think that the RMI should have a candidate spending limit and an expense-reporting requirement?

A. The Marshall Islands is not yet ready to set these kinds of limits.

8. The Tongan election supervisor has publicly declared that the results of Tonga's General Election on November 25 will be announced on the same evening. Given that in RMI's last national election, results were still being tabulated and litigated three months after the election, what changes have been made to avoid ensure that RMI's election next year will proceed in a timely, fair and transparent manner?

A. The constitution is part of the problem regarding elections. The Ministry of Internal Affairs has the responsibility for elections. I've been told that they are reviewing the recent commission's recommendations and expect to introduce legislation soon.

9. We all know that many members of the Nitijela have private business interests and some receive substantial income from land and property ownership. Since the Nitijela is the RMI's only lawmaking body, and since senators must vote on many issues relating to business development, land leasing, and taxation, do you think senators should be required to publicly disclose all their non-salary income as is required now in most democratic countries? Can you cite any time when a member of the Nitijela did not vote on a bill due to a personal conflict of interest?

A. A code of conduct is very important. President Amata Kabua introduced the first one. I introduced a stronger one that requires the disclosure of all financial interests if a person holds local or national office. I would like to see the constitution amended to require this. At present our elected officials have developed a life style that encourages them to seek additional income. It is for this reason that it is very hard to get them to limit Nitijela perks.

10. During this time of budget crisis, high unemployment and severe economic hardship in the RMI, can you tell us how many vehicles does the government own, to whom are they assigned, how much do they cost to purchase, to fuel and to maintain, how are procurement bid opportunities announced to vendors and to the public, how are they disposed of when the government is finished using them, and what restrictions are in place on the use of these vehicles during and after working hours?

A. The Chamber should invite the Cabinet to answer this question.

11. Can you please provide as a matter of public record the attendance record of each senator during the last two Nitijela sessions? Can you list for each senator the number of days present and voting, the number of days excused, and the number of days unexcused?

A. Yes. [Secretary's note: Speaker Jacklick handed this to President Philips]

12. It has been estimated that donor agency construction projects yield around 17% in tax revenue, considering import tax, GRT, salary and wage tax and the taxes associated with purchases made by workers on the projects. This is in addition to jobs created and other benefits of the projects that help advance our social and economic development. We understand that Palau recently was awarded a \$20 million airport upgrade project by JICA and that the RMI is eligible for a variety of JICA projects. We further understand that the RMI does not have an approved priority list for JICA projects and if one exists, it is changed so frequently that except for the purchase of two new field trip ships, there is no JICA project in the pipe line. Can you comment on the existence of a priority list and the status of consideration by JICA of any infrastructure construction projects?

A. The private sector should go out and work with donors to get these funds.

13. In regards to the two new ships that the RMI is requesting under the Japan ODA program, we understand that the Shipping Corporation is having financial challenges with meeting expenses and that there is no budget for dry-docking. These ships are reported to be worth about \$13 million and will cost the RMI funds for maintenance and operation. Had there been \$13 million in infrastructure construction projects, the government would have earned about \$1.2 million in taxes. Have funds been identified to support two new ships when the present ship budget has been cut? Would it have been a better decision to seek funds to dry-dock the existing field trip ships rather than take on the expenses of additional ships?

A. I've asked Wally Milne, General Manager, Marshall Islands Shipping Corporation, to answer this question.

[ Secretary's note: the following appears in a letter addressed to Speaker Jacklick from Wally Milne:]

"The following is a list of responses for questionnaire #13 pertaining to the two new ships for Marshall Islands from Japan; should you need further information, please don't hesitate to ask.

1) The Cabinet has approved \$300,000.00 for FY2011 toward dry docking of the RMI vessels;

2) The two new ships are worth 10 million and not 13 million.

3) If these ships were built here, then RMI would have benefited in taxes;

4) The recipient bears the cost for maintenance and not the donor country;

5) The RMI government made the decision to accept two new ships under the Japan ODA program; the reason for the decision to acquire two new ships is mainly on the aging condition of three of the ships, namely the M/V Landrik, M/V Ribuuk Ae, and L/C Jeljelat Ae."

14. The RMI Cabinet approved, endorsed and passed the RMI EPA June 2009 Sustainable Development Regulations under C.M. 110 (2009). We understand that the EPA refuses to honor these and are implementing the November 2006 Regulations which were refused by Cabinet. There may be provisions in the November 2006 regulations, refused by Cabinet, that are not constitutional, but in any event, are controversial. Please advise which set of regulations are legally in effect.

A. I'm not able to answer this question about another area of government.

15. There was an independent Commission of Inquiry into the 2007 election that made numerous suggestions as to how to make the election process better and fairer for all involved, why have none of these suggestions been acted upon by the Nitijela?

A. I'm not able to answer this question about another area of government.

Questions from the floor:

Is the Chamber free to publish the information that you have given us today?

A. Yes.

- **New business**

A. The immediately past Nitijela session passed six new laws briefly as follows:

1. The Ministry of Justice will establish a special fund to control fines and fees collected.
2. The salary of a judge can be withheld if he does not render a decision on a case within a prescribed period of time.
3. There is now alternative dispute resolution.
4. The Marshallese language will be spelled according to an old University of Hawaii dictionary.
5. 40% of the tax collected on Majuro land leases will be given to MALGOV.
6. A vehicle in a funeral procession has the right of way.

B. There will be a meeting today at 5:30 PM in the Marshall Islands Resort's Jakaro Bar for anyone interested in volunteering for the annual Marshall Islands Chamber of Commerce's Christmas Parade. At least 5 volunteers are needed otherwise this event will be cancelled.

C. Contact Mark Stege if you have an old computer monitor to donate to the Marshall Islands High School. It will be used in a classroom in lieu of projection equipment.

D. There are some new businesses on island doing photo/portrait - 1) IslandPhoto Enterprises near MEC office, and 2) Micronitor see Suzanne Chutaró

E. There is a consultation with SOPAC and SPREP on climate change policy meeting this Friday at the Nitijela Conference room at 3:00 PM.

Meeting adjourned at 1:00 PM.

Minutes prepared by:

Jim McLean