

defined by 4 CMC § 1103(e) (b) and § 70-40.6-030(a) of this subchapter. Items that are not derived in the course of carrying on a business are subject to the earnings tax or the wage and salary tax, as appropriate and applicable, imposed at 4 CMC § 1202 or 4 CMC § 1201, respectively.

(b) Gross Revenue. "Gross revenue" includes the following items that are derived in the course of carrying on a business as defined by 4 CMC § 1103(e) and § 70-40.6-030 of this subchapter (b):

(1) The total amount of money or the value of other consideration, without deduction for any expenses, received from:

(i) Selling or leasing, including the assignment of any lease, real property located in the Commonwealth;

(ii) Selling or leasing any "CNMI real property interest" as defined by 4 CMC § 1103(c) § 70-40.6-030(e) of this subchapter;

(iii) Selling personal property, tangible or intangible, in the Commonwealth;

(iv) Leasing personal property, including the assignment of any lease, located in the Commonwealth;

(v) Performing services in the Commonwealth;

(2) The total amount of money or the value of other consideration, received as interest, dividends, royalties, or similar income earned in and derived from a person in the Commonwealth, without deduction for any expenses;

(3) Gross revenues of a partnership;

Example. Partnership ABCD has interest income from a savings account in the amount of \$200, amount realized from the sale of personal property in the amount of \$1,000, and gross revenues derived from the performance of legal services in the amount of \$10,000 all of which are deemed sourced within the CNMI. Partnership ABCD must report the entire \$11,200 as gross revenues and pay the gross revenue tax due thereon.

(4) That portion of the distributive share of income or gain of a partnership, as provided in the NMTIT, that is derived from the conduct of a business in the Commonwealth to a partner who is not an individual.

(i) Example No. 1. Partnership WXYZ is comprised of partner W, partner X, partner Y, and partner Z each having an equal interest in the partnership. Partner W and partner X are resident individuals of the Commonwealth, and partner Y and partner Z are domestic corporations. During the taxable year, Partnership WXYZ has gross revenues in the amount of \$1,000,000 and net income in the amount of \$100,000; each partner's distributive share of income from Partnership WXYZ determined under the NMTIT is \$25,000.

(ii) The partnership must report and pay the BGRT on the entire \$1,000,000. Partner Y and partner Z must report and pay the BGRT on each partner's distributive share of net income of Partnership WXYZ, i.e., \$25,000 per partner.

(5) "Gross revenues" of a corporation, including a subchapter S corporation as defined by the NMTIT;

(6) "Gross revenues" of a sole proprietorship or independent contractor;

(7) The total revenue received or accrued, whichever is earlier, and without deduction for any expenses, by a person who by ocean-going vessel delivers property or transports individuals in or out of the Commonwealth. The gross revenue included by this paragraph

shall be no more than the amount which bears a reasonable relationship to the activity performed by the person in the Commonwealth;

(8) For inventory property, the amount of money or other consideration received by a resident as insurance proceeds for fire or other casualty, theft, embezzlement, and the like of such property; and

(9) For all property other than inventory property, the amount of money or other consideration received by a resident as insurance proceeds for fire or other casualty, theft, embezzlement, and the like of such property to the extent the amount of money or other consideration received exceeds the adjusted basis of such property.

(10) "Gross revenues" of a casino, casino operator, or casino licensee, which shall include the total of all:

- (i) Cash payments received;
- (ii) Credit card payments received;
- (iii) Checks received, whether collected or not;
- (iv) The face value of any credit instruments issued, whether paid or not;
- (v) Any other sum received as payment for credit extended or the issue of chips;

by a casino, casino operator, or casino licensee for casino gaming activities, less the total amount paid out to patrons as winnings. For purposes of this section, no deduction shall be permitted for any credit card fees or discounts.

(c) Exclusions. "Gross revenue" shall not include the following items:

(1) Wages and salaries subject to the wage and salary tax imposed by 4 CMC § 1201;

(2) Gross revenues derived solely from the export sales of goods, resources, food, fish, or agricultural products produced or manufactured in the Commonwealth and delivered by the manufacturer or producer to the buyer outside the Commonwealth. However, a quarterly tax return must be filed regardless if no tax is due and a statement verifying the amount and destination covered by the exemption;

(3) Gross revenues derived from the sale of diesel fuel for use in any vessel's commercial operations that are primarily outside the territorial waters of the Commonwealth;

(4) Gross revenues earned by a Foreign Sales Corporation, as defined by 4 CMC §§ 1601, et seq., from its operations;

(5) Gross revenues earned by off-shore banking corporations as defined by 4 CMC § 1103(p);

(6) Gross revenues earned by a person granted tax- exempt status by the Division of Revenue and Taxation as an organization exempt under NMTIT §§ 501(c)(3), 501(c)(4), 501(c)(5), 501(c)(6), 501(c)(8), 501(c)(10), 527 or a qualified plan under NMTIT § 401(a) to the extent allowed under 4 CMC § 1305(g) provided the person is in compliance with part 400 of this subchapter;

(7) Refunds and cash discounts allowed and taken;

(8) Money received and held in a fiduciary capacity;

(i) Example No. 1: Mr. Z owns a hotel. The price of a room per night is \$75.00 which does not include the 4 CMC § 1502 hotel occupancy tax in the amount of \$7.50. Mr. Z

would report only the \$75.00 as gross revenue and would exclude the amount of the hotel occupancy tax collected in the amount of \$7.50 from the gross revenue tax.

(ii) Example No. 2: Mr. X owns a grocery store and sells an item to a customer for \$50.00. Mr. X would report gross revenues in the amount of \$50.00. In this case, the gross revenue tax is imposed upon the sales price of the goods collected from the purchaser even if the gross revenue tax imposed on the sale is included within the sales price.

(iii) Example No. 3: The trustee of a bankruptcy estate established under title 11 of the United States Code holds property on behalf of the estate in the amount of \$100,000 to be distributed to creditors pursuant to title 11. The bankruptcy estate earned no income or gross revenues. Neither the bankruptcy estate nor the bankruptcy trustee is required to report any of the \$100,000 as gross revenue as this amount was held by the estate and the trustee in a fiduciary capacity only.

(iv) Example No. 4: Same facts as example no. 3 above except that the bankruptcy estate receives gross revenues in the amount of \$20,000. The bankruptcy estate is required to report the \$20,000 as gross revenue.

(9) De Minimis, "gross revenues" which combined with all other gross revenues of a person for a taxable year do not exceed \$5,000 in total for a complete taxable year.

(d) Additional Gross Revenues.

(1) Gross revenues shall also include those NMTIT deductions allowed under 4 CMC § 1706(a) and § 70-40.6-645 of this subchapter. Such amounts shall be combined with the person's total gross revenues for the year in the last quarter of the person's taxable year.

(2) Example. For the taxable year, Partnership MNOP derives gross revenues from the performance of services within the Commonwealth in the amount of \$500,000. The entire \$500,000 is subject to both the gross revenue tax and the NMTIT. For purposes of the NMTIT, Partnership MNOP is entitled to a deduction in the amount of \$1,000 under § 179 for the purchase of an asset not within the Commonwealth no portion of which substantially benefits business activities conducted in the Commonwealth. Partnership MNOP is required to report gross revenues in the amount of \$501,000 (i.e., \$500,000 plus \$1,000) and pay the gross revenue tax thereon in the amount of \$20,040.

D. NMIAC § 70-40.6-360 is amended to read as follows:

§ 70-40.6-360 Uncollectible Accrued Gross Revenues

(a) ~~The amount of any accrued gross revenues which are reported as gross revenues but are later determined to be uncollectible may be deducted from gross revenues in the year in which they are determined to be uncollectible. However, no deduction will be allowed under this section unless the taxpayer has made a serious effort to collect the debt including legal action or other collection efforts. Further, any amount deducted as uncollectible which is later collected must be reported as gross revenues in the quarter and year in which they are collected.~~

(b) — Example: A business sells merchandise both for cash and on credit, establishing account credit sales. In 1995, the business has cash sales in the amount of \$20,000 and credit sales in the amount of \$15,000. For taxable year 1995 for gross revenue tax purposes, the business is required to pay gross revenue tax on the entire \$35,000 of gross revenues.

As of December 31, 1996, the business had uncollected accounts receivable in the amount of \$2,400. If in 1996, no part of the \$2,400 could be collected after a serious effort was made to collect the debt and the business so recorded this uncollectible amount in its accounting records, the amount of \$2,400 would be deducted from the business's taxable gross revenue for 1996.

If on September 1, 1998, the business recovered \$1,000 of the \$2,400 amount written off and deducted in 1996, the total amount collected of \$1,000 should be included in the business's third quarter 1998 gross revenue tax return.

- (a) General Rule A taxpayer may deduct amounts of bad debt from the total gross revenue used to calculate the amount of yearly tax levied under 4 CMC §1301 on a December monthly business gross revenue tax return (or a final return as described in §70-40.6-365 of this chapter). The amount of gross revenue deducted must be charged off as uncollectible on the books and records of the taxpayer at the time the bad debt becomes worthless and can only be deducted on the final return for the year during which the bad debt is written off as uncollectible in the claimant's books and records.
- (b) Bad Debt defined. For purposes of this section, the term "bad debt" means any portion of a debt created or acquired (as the case may be) in connection with a trade or business of the taxpayer that is eligible to be claimed as a deduction under section 166 of the NMTIT.
- (c) Prior inclusion in gross revenue required. Bad debts shall not be allowed as a deduction under this section unless the revenues such items represent have been included in a business gross revenue tax return for the year for which the deduction as a bad debt is claimed or for a prior taxable period.
- (d) Requirement of Statement. A statement of facts substantiating any deduction claimed under this section on account of bad debts shall accompany the tax return. Any claim for a bad debt deduction under this section shall be supported by the evidence required by the Division of Revenue and Taxation.
- (e) Subsequent Payments. If a consumer, business, or other person pays all or part of a bad debt with respect to which a taxpayer claimed a deduction under this section, the taxpayer shall report the amounts received in the monthly return for the month payments were received and pay the tax due.

(f) Casino Licensees. A bad debt does not include any unpaid balance on a credit instrument extended for gaming credit by a casino licensee unless:

- (1) The casino licensee submits a certificate of compliance from the Commonwealth Casino Commission, with respect to each credit instrument, certifying that it has complied with the requirements of NMIAC §17510.1-565(h), relating to treatment of credit for purposes of computing gross revenue, as provided in the Commonwealth Casino Commission Regulations adopted pursuant to 4 CMC § 2314;
- (2) The Commonwealth Casino Commission has determined, as required by NMIAC § 175-10.1-565(h), that the public interest will be served if the unpaid balance is not included in gross revenue of the licensee; and
- (3) The debt otherwise qualifies under this section.



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Ralph DLG. Torres
Governor

Victor B. Hocog
Lieutenant Governor

EXECUTIVE ORDER NO. 2017-06

SUBJECT: DECLARATION OF A STATE SIGNIFICANT EMERGENCY

AUTHORITY: I, RALPH DLG. TORRES, pursuant to the authority vested in me as Governor of the Commonwealth of the Northern Mariana Islands ("CNMI" or "Commonwealth") by Article III, § 10 of the Commonwealth Constitution and PL 18-4, § 104 of the Homeland Security and Emergency Management Act of 2013, do hereby declare a State Significant Emergency for the CNMI as a result of the recent resignation of the Commonwealth Utilities Corporation's ("CUC") Board of Directors which prevents CUC from conducting a proper procurement in accordance with the Commonwealth Code and CUC's Administrative Regulations to purchase a replacement generator for old Engine, Alternator (No. 8) at CUC Power Plant No. 1, located at Lower Base, Saipan ("Engine No. 8"). CUC's inability to immediately purchase a replacement generator for Engine No. 8 poses an imminent threat to its day-to-day operations and its capability to provide critical power generation, water, and wastewater services to the CNMI. This imminent threat of loss and damage to life and property, could lead to disruptions to critical infrastructure and key resources. These events directly threaten the CNMI in various ways, which include but are not limited to, its overall economy, health services industry, import/export industry (e.g., food, medicine, etc.), public school system, the environment, and the Government's ability to properly protect its citizens.

WHEREAS, CUC IS THE SOLE ELECTRICITY SUPPLIER:

- (1) CUC is the sole electricity supplier to the CNMI, which encompasses the Government including all public safety activities, the school system, and the only hospital;
- (2) CUC also supplies electricity to most of the CNMI's businesses and homes; and
- (3) While some businesses and agencies own backup generators, they are not generally organized to use the backups as permanent power sources and the diesel oil purchased to run these generators is substantially more expensive than the cost of CUC power.

WHEREAS, WITHOUT OPTIMAL CUC ELECTRICITY OUTPUT:

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(1) CNMI would lack the ability to maximize electricity output which could have the potential to harm life, information, operations, the environment, and/or property;

(2) Most CNMI economic activity would be at risk to sustain immediate losses with the potential for long-term adverse economic impact, much refrigeration and air conditioning would end, and the airports and ports would be forced to rely on emergency generation on the limited, expensive oil supply for it;

(3) The CNMI's health and safety would be at risk because traffic signals and street lighting could cease to function; emergency, fire, police facilities and their communications systems, and the hospital and island clinics would have to rely on limited oil supplies for emergency generation and then cease functioning; and much refrigeration of food and medicines would end, as would air conditioning for the elderly and sick;

(4) The public schools and the Northern Marianas College would be at risk to close. Other educational institutions would be at risk to close as their backup oil supplies for emergency generators were exhausted; and

(5) Water and sewage treatment would be adversely impacted. CUC is the sole supplier of electricity for these systems. CUC's water system relies on electricity to maintain the system pressure needed to prevent the backflow of pathogens, to chlorinate, and to pump, store, and distribute water supplies. CUC's wastewater system requires electricity to collect, pump, process, treat, and discharge sewage. The lack of electricity could result in sewage overflows, contaminating land and water.

WHEREAS, A FUNCTIONING BOARD OF DIRECTORS DOES NOT EXIST:

(1) CUC's Board of Directors ("Board") resigned effective May 12, 2017 and therefore the sole electrical supplier to the CNMI cannot properly carry out its procurement function to remedy the immediate need to procure a replacement for Engine No. 8 that complies with the Commonwealth Code and CUC's Administrative Regulations. CUC board members tendered their resignations leaving no quorum for the transaction of business as required under 4 CMC § 8132(c), and the Governor has had insufficient time to find qualified replacements. While CUC's enabling act (Commonwealth Utilities Corporation Act of 2008), reenacted as P.L. 16-17, as amended, authorizes a Board, there is no CUC Board as a result of these resignations, but CUC must continue to function in order to procure this vital replacement generator;

(2) Without a Board in place, I still must provide for the continued operations of CUC in order to protect the CNMI's short-term and long-term interests and public well-being;

(3) As Governor, it is my responsibility to protect the CNMI from immediate threats to our critical infrastructure and to general losses and damages to life and

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property stemming from the occurrence of a State Significant Emergency. By declaring a State Significant Emergency, this will centralize our Government's disaster response and recovery efforts and authorize the deployment and use of any forces to which plans apply and the use or distribution of any supplies, equipment, materials, facilities, and personnel available under the Homeland Security and Emergency Management Act of 2013; and

(4) At this moment, the only way for CUC to be the recipient of an emergency replacement generator for Engine No. 8 is by immediately effectuating a statutorily effective procurement in accordance with CNMI law to replace Engine No. 8 and enable CUC to operate at a substantially higher capacity. This can only be achieved through a declaration of a State Significant Emergency.

WHEREAS, CUC WILL CONTINUE TO FUNCTION UNDER CUC'S EXECUTIVE DIRECTOR:

(1) The Executive Director shall continue to carry out the general operations and management of CUC pursuant to the Executive Director's duties set forth in 4 CMC § 8134;

(2) In order to provide the most efficient delivery of its services at the most reasonable cost to consumers, the Executive Director, pursuant to 4 CMC § 8141, under the supervision of the Governor, shall manage the corporation in a business-like manner until a new Board of Directors is fully constituted;

(3) I have been informed by the management of power generation that there exists an ongoing immediate and pressing need for this replacement engine due to the existence of an extremely low power reserve capacity on Saipan. Recently, CUC has seen that the reserve capacity for Saipan has registered at less than 3 MW as a result of required scheduled maintenance of the power units;

(4) CUC feels that minimum reserve capacity for Saipan should be equal to 40%-50% of the peak demand for power. Currently, Saipan's peak power demand is approximately 41 MW. If any one of the large units at Power Plant 1 has to be taken out of service for scheduled maintenance or unscheduled repair work, Saipan's power grid would be deficient in meeting the island's power demand. This situation is the result of the rapid commercial development and economic growth Saipan has experienced over the last year; and

(5) Considering that the power plants on Saipan, and the engines housed therein, are more than twenty-five (25) years old, the purchase of an engine to replace Engine No. 8 must be pursued without further delay.

WHEREAS, THERE EXISTS A TECHNICAL WORKER CRISIS:

(1) CUC faces a manpower crisis. Skilled worker and a responsive support system are key to the success of the operation, particularly for preventative maintenance. At present, 3 CMC §§ 4531 and 4532 prohibit CUC from hiring any additional non-U.S. technical workers;

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(2) CUC bears a substantial obligation to deliver highly technical work on time to the satisfaction of the U.S. District Court and the U.S. Environmental Protection Agency ("EPA"), pursuant to two (2) sets of consent, or "Stipulated Orders." Failure to meet the requirements of the federal court orders could subject CUC and the CNMI to substantial fines and charges and, in the extreme, to a federal takeover of their finances;

(3) CUC requires employees with specialized training. There are many non-U.S. citizens whom CUC needs to retain on technical and professional contracts. Without these positions filled, CUC operations would be severely compromised;

(4) The legislature, through P.L. 17-1 (Mar. 22, 2010), has limited CUC's ability to hire technical staff, eliminating prior statutory permission to hire up to nineteen (19) foreign workers and reinstating a moratorium on the government's hiring of foreign nationals, even if needed for highly technical positions for which no local or mainland citizens are available. The Commonwealth Utilities Corporation Act of 2008, as subsequently reenacted by P.L. 16-17 (Oct. 1, 2008), provides that CUC shall hire such persons as are necessary for operations, *except as otherwise limited by other law*. 4 CMC § 8123(h);

(5) There are not enough U.S. citizen or U.S. resident technical specialists at CUC to perform the power generation work, particularly specialists with experience in the type of engines that CUC uses. U.S. citizens with the necessary skills are not readily available in the CNMI and it is costly to recruit from the United States. CUC believes that the vast majority of skill sets, considering its cash restrictions, must come from non-U.S. personnel. CUC has tried to hire diesel mechanics in the CNMI, but has been unsuccessful in finding enough qualified candidate;

(6) The impact of an inadequate workforce is substantial. First, there would be a direct deterioration of service to existing customers. There would be brownouts or area blackouts with the above-mentioned loss of service. Second, the power plants would again degrade, producing more of these outages. Third, if CUC fails to meet federal court deadlines for the Stipulated Orders, the Court could appoint a federal receiver and its consulting team with all expenses charged to CUC customers; and

(7) CUC's renewal of contracts and hiring of foreign expert workers is necessary to sustain the integrity of CUC's systems. Thus, continued relief from the legislative prohibition on hiring foreign national workers is necessary to ensure the delivery of uninterrupted power services to the people of the Commonwealth. The legislature is urged to address this matter by way of amending local law to allow CUC to continue employing the services of foreign workers for such technical positions that are difficult to fill and to provide for a reasonable transition period.

WHEREAS, BY THIS DECLARATION OF A STATE SIGNIFICANT EMERGENCY, I intend to enable CUC to continue to provide necessary services to the people of the Commonwealth. This Declaration is necessary to protect the health and safety of our children, our senior citizens, businesses, and all other CNMI residents and visitors.

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NOW, THEREFORE, I hereby invoke my authority under Article III, § 10 of the Commonwealth Constitution and PL 18-4 § 104(c), to take all necessary measures to mitigate and eliminate the immediate threats faced by the Commonwealth including, but not limited to, the authority to:

- (1) Suspend the provision of any administrative regulation prescribing procedures for conducting Commonwealth business or the other order, rules and administrative regulations of CUC if strict compliance would prevent, hinder, or delay necessary actions, including the making of emergency purchases, by the CNMI Homeland Security and Emergency Management authority to respond to the State Significant Emergency, or if strict compliance would increase the threat to the community, environment, critical infrastructures and/or key resources;
- (2) Utilize all available resources of the CNMI Government and its political subdivisions as reasonably necessary to respond to the State Significant Emergency; and
- (3) Transfer the direction, personnel, or functions of CUC to other departments and agencies to perform or facilitate a proper response to this State Significant Emergency.

It is hereby **ORDERED** that:

This Declaration of a State Significant Emergency shall immediately take effect and all memoranda, directives, and other measures taken in accordance with this Declaration shall remain in effect for thirty (30) days from the date of this Executive Order unless I, prior to the end of the thirty (30) day period, terminate this Declaration of a State Significant Emergency. PL 18-4, § 104(g).

Under the authority of this Declaration and with the goal of mitigating or ameliorating the above described crises imposed on the Commonwealth, I immediately direct the following:

DIRECTIVE 1: All of the executive power of CUC, which shall include any and all powers vested in the Board of Directors and the Executive Director, shall be exercised in accordance with the State Significant Emergency procedures expressly set forth under 1 CMC § 20144.

DIRECTIVE 2: Section 4531 of Title 3 of the Commonwealth Code is hereby suspended as to CUC as follows:

The following ~~strikeout~~ formatted language of the quoted provisions of the following statute regulating government employment and contracts with foreign nationals performed outside of the Commonwealth is, as indicated, immediately suspended:

~~**3 CMC § 4531. Restrictions on Government Employment.**
Employment by departments, agencies, and all other instrumentalities of the Commonwealth government is limited to citizens and permanent residents;~~

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~~provided that the government may enter into contracts with foreign nationals for services performed outside of the Commonwealth.~~

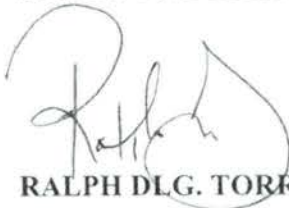
As a result of my suspension of 3 CMC § 4531, CUC shall have the full power and authority to retain staff which may include employees other than citizens and permanent residents of the United States.

DIRECTIVE 3: CUC's Executive Director shall manage CUC's operations pursuant to 4 CMC §§ 8134 and 8141 under the supervision of the Governor until a new Board of Directors is fully constituted.

DIRECTIVE 4: The Attorney General is hereby delegated legal authority to effectuate the procurement of the replacement generator for Engine No. 8.

The above described Directives are in no way meant as the limits of my actions or authority under this Declaration. Accordingly, I reserve the right under this Declaration to issue any and all directives necessary to prevent, mitigate or ameliorate the adverse effects of the emergency.

SIGNED AND PROMULGATED on this 22nd day of June 2017.



RALPH DLG. TORRES

Governor

Commonwealth of the Northern Mariana Islands



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Ralph DLG. Torres
Governor

Victor B. Hocog
Lieutenant Governor

EXECUTIVE ORDER NO. 2017-07

SUBJECT: DECLARATION OF A STATE SIGNIFICANT EMERGENCY

AUTHORITY: I, ARNOLD I. PALACIOS, pursuant to the authority vested in me as Acting Governor of the Commonwealth of the Northern Mariana Islands ("CNMI" or "Commonwealth") by Article III, § 10 of the Commonwealth Constitution and PL 18-4, § 104 of the Homeland Security and Emergency Management Act of 2013, do hereby declare a State Significant Emergency for the CNMI as a result of the resignation of the Commonwealth Utilities Corporation's ("CUC") Board of Directors and the incomplete process of replacing those board members, which prevents CUC from conducting a proper procurement in accordance with the Commonwealth Code and CUC's Administrative Regulations to purchase a replacement generator for old Engine, Alternator (No. 8) at CUC Power Plant No. 1, located at Lower Base, Saipan ("Engine No. 8"). CUC's inability to immediately purchase a replacement generator for Engine No. 8 poses an imminent threat to its day-to-day operations and its capability to provide critical power generation, water, and wastewater services to the CNMI. This imminent threat of loss and damage to life and property, could lead to disruptions to critical infrastructure and key resources. These events directly threaten the CNMI in various ways, which include but are not limited to, its overall economy, health services industry, import/export industry (e.g., food, medicine, etc.), public school system, the environment, and the Government's ability to properly protect its citizens.

WHEREAS, CUC IS THE SOLE ELECTRICITY SUPPLIER:

- (1) CUC is the sole electricity supplier to the CNMI, which encompasses the Government including all public safety activities, the school system, and the only hospital;
- (2) CUC also supplies electricity to most of the CNMI's businesses and homes; and
- (3) While some businesses and agencies own backup generators, they are not generally organized to use the backups as permanent power sources and the diesel oil purchased to run these generators is substantially more expensive than the cost of CUC power.

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WHEREAS, WITHOUT OPTIMAL CUC ELECTRICITY OUTPUT:

- (1) CNMI would lack the ability to maximize electricity output which could have the potential to harm life, information, operations, the environment, and/or property;
- (2) Most CNMI economic activity would be at risk to sustain immediate losses with the potential for long-term adverse economic impact, much refrigeration and air conditioning would end, and the airports and ports would be forced to rely on emergency generation on the limited, expensive oil supply for it;
- (3) The CNMI's health and safety would be at risk because traffic signals and street lighting could cease to function; emergency, fire, police facilities and their communications systems, and the hospital and island clinics would have to rely on limited oil supplies for emergency generation and then cease functioning; and much refrigeration of food and medicines would end, as would air conditioning for the elderly and sick;
- (4) The public schools and the Northern Marianas College would be at risk to close. Other educational institutions would be at risk to close as their backup oil supplies for emergency generators were exhausted; and
- (5) Water and sewage treatment would be adversely impacted. CUC is the sole supplier of electricity for these systems. CUC's water system relies on electricity to maintain the system pressure needed to prevent the backflow of pathogens, to chlorinate, and to pump, store, and distribute water supplies. CUC's wastewater system requires electricity to collect, pump, process, treat, and discharge sewage. The lack of electricity could result in sewage overflows, contaminating land and water.

WHEREAS, A FUNCTIONING BOARD OF DIRECTORS DOES NOT EXIST:

- (1) CUC's Board of Directors ("Board") resigned effective May 12, 2017 and appointment and confirmation process for replacing those members is incomplete at this time. Therefore the sole electrical supplier to the CNMI cannot properly carry out its procurement function to remedy the immediate need to procure a replacement for Engine No. 8 that complies with the Commonwealth Code and CUC's Administrative Regulations. CUC board members tendered their resignations leaving no quorum for the transaction of business as required under 4 CMC § 8132(c), and the Governor has had insufficient time to find qualified replacements. While CUC's enabling act (Commonwealth Utilities Corporation Act of 2008), reenacted as P.L. 16-17, as amended, authorizes a Board, there is no CUC Board as a result of these resignations, but CUC must continue to function in order to procure this vital replacement generator;
- (2) Without a Board in place, I still must provide for the continued operations of CUC in order to protect the CNMI's short-term and long-term interests and public well-being;

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(3) As Acting Governor, it is my responsibility to protect the CNMI from immediate threats to our critical infrastructure and to general losses and damages to life and property stemming from the occurrence of a State Significant Emergency. By declaring a State Significant Emergency, this will centralize our Government's disaster response and recovery efforts and authorize the deployment and use of any forces to which plans apply and the use or distribution of any supplies, equipment, materials, facilities, and personnel available under the Homeland Security and Emergency Management Act of 2013; and

(4) At this moment, the only way for CUC to be the recipient of an emergency replacement generator for Engine No. 8 is by immediately effectuating a statutorily effective procurement in accordance with CNMI law to replace Engine No. 8 and enable CUC to operate at a substantially higher capacity. This can only be achieved through a declaration of a State Significant Emergency.

WHEREAS, CUC WILL CONTINUE TO FUNCTION UNDER CUC'S EXECUTIVE DIRECTOR:

(1) The Executive Director shall continue to carry out the general operations and management of CUC pursuant to the Executive Director's duties set forth in 4 CMC § 8134;

(2) In order to provide the most efficient delivery of its services at the most reasonable cost to consumers, the Executive Director, pursuant to 4 CMC § 8141, under the supervision of the Governor, shall manage the corporation in a business-like manner until a new Board of Directors is fully constituted;

(3) I have been informed by the management of power generation that there exists an ongoing immediate and pressing need for this replacement engine due to the existence of an extremely low power reserve capacity on Saipan. Recently, CUC has seen that the reserve capacity for Saipan has registered at less than 3 MW as a result of required scheduled maintenance of the power units;

(4) CUC feels that minimum reserve capacity for Saipan should be equal to 40%-50% of the peak demand for power. Currently, Saipan's peak power demand is approximately 41 MW. If any one of the large units at Power Plant 1 has to be taken out of service for scheduled maintenance or unscheduled repair work, Saipan's power grid would be deficient in meeting the island's power demand. This situation is the result of the rapid commercial development and economic growth Saipan has experienced over the last year; and

(5) Considering that the power plants on Saipan, and the engines housed therein, are more than twenty-five (25) years old, the purchase of an engine to replace Engine No. 8 must be pursued without further delay.

WHEREAS, THERE EXISTS A TECHNICAL WORKER CRISIS:

(1) CUC faces a manpower crisis. Skilled worker and a responsive support system are key to the success of the operation, particularly for preventative maintenance.

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At present, 3 CMC §§ 4531 and 4532 prohibit CUC from hiring any additional non-U.S. technical workers;

(2) CUC bears a substantial obligation to deliver highly technical work on time to the satisfaction of the U.S. District Court and the U.S. Environmental Protection Agency (“EPA”), pursuant to two (2) sets of consent, or “Stipulated Orders.” Failure to meet the requirements of the federal court orders could subject CUC and the CNMI to substantial fines and charges and, in the extreme, to a federal takeover of their finances;

(3) CUC requires employees with specialized training. There are many non-U.S. citizens whom CUC needs to retain on technical and professional contracts. Without these positions filled, CUC operations would be severely compromised;

(4) The legislature, through P.L. 17-1 (Mar. 22, 2010), has limited CUC’s ability to hire technical staff, eliminating prior statutory permission to hire up to nineteen (19) foreign workers and reinstating a moratorium on the government’s hiring of foreign nationals, even if needed for highly technical positions for which no local or mainland citizens are available. The Commonwealth Utilities Corporation Act of 2008, as subsequently reenacted by P.L. 16-17 (Oct. 1, 2008), provides that CUC shall hire such persons as are necessary for operations, *except as otherwise limited by other law*. 4 CMC § 8123(h);

(5) There are not enough U.S. citizen or U.S. resident technical specialists at CUC to perform the power generation work, particularly specialists with experience in the type of engines that CUC uses. U.S. citizens with the necessary skills are not readily available in the CNMI and it is costly to recruit from the United States. CUC believes that the vast majority of skill sets, considering its cash restrictions, must come from non-U.S. personnel. CUC has tried to hire diesel mechanics in the CNMI, but has been unsuccessful in finding enough qualified candidate;

(6) The impact of an inadequate workforce is substantial. First, there would be a direct deterioration of service to existing customers. There would be brownouts or area blackouts with the above-mentioned loss of service. Second, the power plants would again degrade, producing more of these outages. Third, if CUC fails to meet federal court deadlines for the Stipulated Orders, the Court could appoint a federal receiver and its consulting team with all expenses charged to CUC customers; and

(7) CUC’s renewal of contracts and hiring of foreign expert workers is necessary to sustain the integrity of CUC’s systems. Thus, continued relief from the legislative prohibition on hiring foreign national workers is necessary to ensure the delivery of uninterrupted power services to the people of the Commonwealth. The legislature is urged to address this matter by way of amending local law to allow CUC to continue employing the services of foreign workers for such technical positions that are difficult to fill and to provide for a reasonable transition period.

WHEREAS, BY THIS DECLARATION OF A STATE SIGNIFICANT EMERGENCY, I intend to enable CUC to continue to provide necessary services to the people of the Commonwealth. This Declaration is necessary to protect the health and safety of our children, our senior citizens, businesses, and all other CNMI residents and visitors.

NOW, THEREFORE, I hereby invoke my authority under Article III, § 10 of the Commonwealth Constitution and PL 18-4 § 104(c), to take all necessary measures to mitigate and eliminate the immediate threats faced by the Commonwealth including, but not limited to, the authority to:

- (1) Suspend the provision of any administrative regulation prescribing procedures for conducting Commonwealth business or the other order, rules and administrative regulations of CUC if strict compliance would prevent, hinder, or delay necessary actions, including the making of emergency purchases, by the CNMI Homeland Security and Emergency Management authority to respond to the State Significant Emergency, or if strict compliance would increase the threat to the community, environment, critical infrastructures and/or key resources;
- (2) Utilize all available resources of the CNMI Government and its political subdivisions as reasonably necessary to respond to the State Significant Emergency; and
- (3) Transfer the direction, personnel, or functions of CUC to other departments and agencies to perform or facilitate a proper response to this State Significant Emergency.

It is hereby **ORDERED** that:

This Declaration of a State Significant Emergency shall immediately take effect and all memoranda, directives, and other measures taken in accordance with this Declaration shall remain in effect for thirty (30) days from the date of this Executive Order unless I, prior to the end of the thirty (30) day period, terminate this Declaration of a State Significant Emergency. PL 18-4, § 104(g).

Under the authority of this Declaration and with the goal of mitigating or ameliorating the above described crises imposed on the Commonwealth, I immediately direct the following:

DIRECTIVE 1: All of the executive power of CUC, which shall include any and all powers vested in the Board of Directors and the Executive Director, shall be exercised in accordance with the State Significant Emergency procedures expressly set forth under 1 CMC § 20144.

DIRECTIVE 2: Section 4531 of Title 3 of the Commonwealth Code is hereby suspended as to CUC as follows:

The following ~~strikeout~~ formatted language of the quoted provisions of the following statute regulating government employment and contracts with foreign nationals performed outside of the Commonwealth is, as indicated, immediately suspended:

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~~3 CMC § 4531. Restrictions on Government Employment.~~

~~Employment by departments, agencies, and all other instrumentalities of the Commonwealth government is limited to citizens and permanent residents; provided that the government may enter into contracts with foreign nationals for services performed outside of the Commonwealth.~~

As a result of my suspension of 3 CMC § 4531, CUC shall have the full power and authority to retain staff which may include employees other than citizens and permanent residents of the United States.

DIRECTIVE 3: CUC's Executive Director shall manage CUC's operations pursuant to 4 CMC §§ 8134 and 8141 under the supervision of the Governor until a new Board of Directors is fully constituted.

DIRECTIVE 4: The Attorney General is hereby delegated legal authority to effectuate the procurement of the replacement generator for Engine No. 8.

The above described Directives are in no way meant as the limits of my actions or authority under this Declaration. Accordingly, I reserve the right under this Declaration to issue any and all directives necessary to prevent, mitigate or ameliorate the adverse effects of the emergency.

SIGNED AND PROMULGATED on this 21st day of July 2017.



ARNOLD I. PALACIOS

Acting Governor

Commonwealth of the Northern Mariana Islands



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Ralph DLG. Torres
Governor

Victor B. Hocog
Lieutenant Governor

EXECUTIVE ORDER NO. 2017-08

SUBJECT: DECLARATION OF A STATE SIGNIFICANT EMERGENCY

AUTHORITY: I, VICTOR B. HOCOG, pursuant to the authority vested in me as Acting Governor of the Commonwealth of the Northern Mariana Islands ("CNMI" or "Commonwealth") by Article III, § 10 of the Commonwealth Constitution and PL 18-4, § 104 of the Homeland Security and Emergency Management Act of 2013, do hereby declare a State Significant Emergency for the CNMI as a result of the resignation of the Commonwealth Utilities Corporation's ("CUC") Board of Directors and the incomplete process of replacing those board members, which prevents CUC from conducting a proper procurement in accordance with the Commonwealth Code and CUC's Administrative Regulations to purchase a replacement generator for old Engine, Alternator (No. 8) at CUC Power Plant No. 1, located at Lower Base, Saipan ("Engine No. 8"). CUC's inability to immediately purchase a replacement generator for Engine No. 8 poses an imminent threat to its day-to-day operations and its capability to provide critical power generation, water, and wastewater services to the CNMI. This imminent threat of loss and damage to life and property, could lead to disruptions to critical infrastructure and key resources. These events directly threaten the CNMI in various ways, which include but are not limited to, its overall economy, health services industry, import/export industry (e.g., food, medicine, etc.), public school system, the environment, and the Government's ability to properly protect its citizens.

WHEREAS, CUC IS THE SOLE ELECTRICITY SUPPLIER:

- (1) CUC is the sole electricity supplier to the CNMI, which encompasses the Government including all public safety activities, the school system, and the only hospital;
- (2) CUC also supplies electricity to most of the CNMI's businesses and homes; and
- (3) While some businesses and agencies own backup generators, they are not generally organized to use the backups as permanent power sources and the diesel oil purchased to run these generators is substantially more expensive than the cost of CUC power.

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WHEREAS, WITHOUT OPTIMAL CUC ELECTRICITY OUTPUT:

- (1) CNMI would lack the ability to maximize electricity output which could have the potential to harm life, information, operations, the environment, and/or property;
- (2) Most CNMI economic activity would be at risk to sustain immediate losses with the potential for long-term adverse economic impact, much refrigeration and air conditioning would end, and the airports and ports would be forced to rely on emergency generation on the limited, expensive oil supply for it;
- (3) The CNMI's health and safety would be at risk because traffic signals and street lighting could cease to function; emergency, fire, police facilities and their communications systems, and the hospital and island clinics would have to rely on limited oil supplies for emergency generation and then cease functioning; and much refrigeration of food and medicines would end, as would air conditioning for the elderly and sick;
- (4) The public schools and the Northern Marianas College would be at risk to close. Other educational institutions would be at risk to close as their backup oil supplies for emergency generators were exhausted; and
- (5) Water and sewage treatment would be adversely impacted. CUC is the sole supplier of electricity for these systems. CUC's water system relies on electricity to maintain the system pressure needed to prevent the backflow of pathogens, to chlorinate, and to pump, store, and distribute water supplies. CUC's wastewater system requires electricity to collect, pump, process, treat, and discharge sewage. The lack of electricity could result in sewage overflows, contaminating land and water.

WHEREAS, A FUNCTIONING BOARD OF DIRECTORS DOES NOT EXIST:

- (1) CUC's Board of Directors ("Board") resigned effective May 12, 2017 and appointment and confirmation process for replacing those members is incomplete at this time. Therefore the sole electrical supplier to the CNMI cannot properly carry out its procurement function to remedy the immediate need to procure a replacement for Engine No. 8 that complies with the Commonwealth Code and CUC's Administrative Regulations. CUC board members tendered their resignations leaving no quorum for the transaction of business as required under 4 CMC § 8132(c), and the Governor has had insufficient time to find qualified replacements. While CUC's enabling act (Commonwealth Utilities Corporation Act of 2008), reenacted as P.L. 16-17, as amended, authorizes a Board, there is no CUC Board as a result of these resignations, but CUC must continue to function in order to procure this vital replacement generator;
- (2) Without a Board in place, I still must provide for the continued operations of CUC in order to protect the CNMI's short-term and long-term interests and public well-being;

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(3) As Acting Governor, it is my responsibility to protect the CNMI from immediate threats to our critical infrastructure and to general losses and damages to life and property stemming from the occurrence of a State Significant Emergency. By declaring a State Significant Emergency, this will centralize our Government's disaster response and recovery efforts and authorize the deployment and use of any forces to which plans apply and the use or distribution of any supplies, equipment, materials, facilities, and personnel available under the Homeland Security and Emergency Management Act of 2013; and

(4) At this moment, the only way for CUC to be the recipient of an emergency replacement generator for Engine No. 8 is by immediately effectuating a statutorily effective procurement in accordance with CNMI law to replace Engine No. 8 and enable CUC to operate at a substantially higher capacity. This can only be achieved through a declaration of a State Significant Emergency.

WHEREAS, CUC WILL CONTINUE TO FUNCTION UNDER CUC'S EXECUTIVE DIRECTOR:

(1) The Executive Director shall continue to carry out the general operations and management of CUC pursuant to the Executive Director's duties set forth in 4 CMC § 8134;

(2) In order to provide the most efficient delivery of its services at the most reasonable cost to consumers, the Executive Director, pursuant to 4 CMC § 8141, under the supervision of the Governor, shall manage the corporation in a business-like manner until a new Board of Directors is fully constituted;

(3) I have been informed by the management of power generation that there exists an ongoing immediate and pressing need for this replacement engine due to the existence of an extremely low power reserve capacity on Saipan. Recently, CUC has seen that the reserve capacity for Saipan has registered at less than 3 MW as a result of required scheduled maintenance of the power units;

(4) CUC feels that minimum reserve capacity for Saipan should be equal to 40%-50% of the peak demand for power. Currently, Saipan's peak power demand is approximately 41 MW. If any one of the large units at Power Plant 1 has to be taken out of service for scheduled maintenance or unscheduled repair work, Saipan's power grid would be deficient in meeting the island's power demand. This situation is the result of the rapid commercial development and economic growth Saipan has experienced over the last year; and

(5) Considering that the power plants on Saipan, and the engines housed therein, are more than twenty-five (25) years old, the purchase of an engine to replace Engine No. 8 must be pursued without further delay.

WHEREAS, THERE EXISTS A TECHNICAL WORKER CRISIS:

(1) CUC faces a manpower crisis. Skilled worker and a responsive support system are key to the success of the operation, particularly for preventative maintenance.

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At present, 3 CMC §§ 4531 and 4532 prohibit CUC from hiring any additional non-U.S. technical workers;

(2) CUC bears a substantial obligation to deliver highly technical work on time to the satisfaction of the U.S. District Court and the U.S. Environmental Protection Agency (“EPA”), pursuant to two (2) sets of consent, or “Stipulated Orders.” Failure to meet the requirements of the federal court orders could subject CUC and the CNMI to substantial fines and charges and, in the extreme, to a federal takeover of their finances;

(3) CUC requires employees with specialized training. There are many non-U.S. citizens whom CUC needs to retain on technical and professional contracts. Without these positions filled, CUC operations would be severely compromised;

(4) The legislature, through P.L. 17-1 (Mar. 22, 2010), has limited CUC’s ability to hire technical staff, eliminating prior statutory permission to hire up to nineteen (19) foreign workers and reinstating a moratorium on the government’s hiring of foreign nationals, even if needed for highly technical positions for which no local or mainland citizens are available. The Commonwealth Utilities Corporation Act of 2008, as subsequently reenacted by P.L. 16-17 (Oct. 1, 2008), provides that CUC shall hire such persons as are necessary for operations, *except as otherwise limited by other law*. 4 CMC § 8123(h);

(5) There are not enough U.S. citizen or U.S. resident technical specialists at CUC to perform the power generation work, particularly specialists with experience in the type of engines that CUC uses. U.S. citizens with the necessary skills are not readily available in the CNMI and it is costly to recruit from the United States. CUC believes that the vast majority of skill sets, considering its cash restrictions, must come from non-U.S. personnel. CUC has tried to hire diesel mechanics in the CNMI, but has been unsuccessful in finding enough qualified candidate;

(6) The impact of an inadequate workforce is substantial. First, there would be a direct deterioration of service to existing customers. There would be brownouts or area blackouts with the above-mentioned loss of service. Second, the power plants would again degrade, producing more of these outages. Third, if CUC fails to meet federal court deadlines for the Stipulated Orders, the Court could appoint a federal receiver and its consulting team with all expenses charged to CUC customers; and

(7) CUC’s renewal of contracts and hiring of foreign expert workers is necessary to sustain the integrity of CUC’s systems. Thus, continued relief from the legislative prohibition on hiring foreign national workers is necessary to ensure the delivery of uninterrupted power services to the people of the Commonwealth. The legislature is urged to address this matter by way of amending local law to allow CUC to continue employing the services of foreign workers for such technical positions that are difficult to fill and to provide for a reasonable transition period.

WHEREAS, BY THIS DECLARATION OF A STATE SIGNIFICANT EMERGENCY, I intend to enable CUC to continue to provide necessary services to the people of the Commonwealth. This Declaration is necessary to protect the health and safety of our children, our senior citizens, businesses, and all other CNMI residents and visitors.

NOW, THEREFORE, I hereby invoke my authority under Article III, § 10 of the Commonwealth Constitution and PL 18-4 § 104(c), to take all necessary measures to mitigate and eliminate the immediate threats faced by the Commonwealth including, but not limited to, the authority to:

(1) Suspend the provision of any administrative regulation prescribing procedures for conducting Commonwealth business or the other order, rules and administrative regulations of CUC if strict compliance would prevent, hinder, or delay necessary actions, including the making of emergency purchases, by the CNMI Homeland Security and Emergency Management authority to respond to the State Significant Emergency, or if strict compliance would increase the threat to the community, environment, critical infrastructures and/or key resources;

(2) Utilize all available resources of the CNMI Government and its political subdivisions as reasonably necessary to respond to the State Significant Emergency; and

(3) Transfer the direction, personnel, or functions of CUC to other departments and agencies to perform or facilitate a proper response to this State Significant Emergency.

It is hereby **ORDERED** that:

This Declaration of a State Significant Emergency shall immediately take effect and all memoranda, directives, and other measures taken in accordance with this Declaration shall remain in effect for thirty (30) days from the date of this Executive Order unless I, prior to the end of the thirty (30) day period, terminate this Declaration of a State Significant Emergency. PL 18-4, § 104(g).

Under the authority of this Declaration and with the goal of mitigating or ameliorating the above described crises imposed on the Commonwealth, I immediately direct the following:

DIRECTIVE 1: All of the executive power of CUC, which shall include any and all powers vested in the Board of Directors and the Executive Director, shall be exercised in accordance with the State Significant Emergency procedures expressly set forth under 1 CMC § 20144.

DIRECTIVE 2: Section 4531 of Title 3 of the Commonwealth Code is hereby suspended as to CUC as follows:

The following ~~strikeout~~ formatted language of the quoted provisions of the following statute regulating government employment and contracts with foreign nationals performed outside of the Commonwealth is, as indicated, immediately suspended:

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~~3 CMC § 4531. Restrictions on Government Employment.~~

~~Employment by departments, agencies, and all other instrumentalities of the Commonwealth government is limited to citizens and permanent residents; provided that the government may enter into contracts with foreign nationals for services performed outside of the Commonwealth.~~

As a result of my suspension of 3 CMC § 4531, CUC shall have the full power and authority to retain staff which may include employees other than citizens and permanent residents of the United States.

DIRECTIVE 3: CUC's Executive Director shall manage CUC's operations pursuant to 4 CMC §§ 8134 and 8141 under the supervision of the Governor until a new Board of Directors is fully constituted.

DIRECTIVE 4: The Attorney General is hereby delegated legal authority to effectuate the procurement of the replacement generator for Engine No. 8.

The above described Directives are in no way meant as the limits of my actions or authority under this Declaration. Accordingly, I reserve the right under this Declaration to issue any and all directives necessary to prevent, mitigate or ameliorate the adverse effects of the emergency.

SIGNED AND PROMULGATED on this 21st day of August 2017.



VICTOR B. HOCO
Acting Governor
Commonwealth of the Northern Mariana Islands



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Ralph DLG. Torres
Governor

Victor B. Hocog
Lieutenant Governor

EXECUTIVE ORDER NO. 2017-09

SUBJECT: DECLARATION OF A STATE SIGNIFICANT EMERGENCY

AUTHORITY: I, RALPH DLG. TORRES, pursuant to the authority vested in me as Governor of the Commonwealth of the Northern Mariana Islands ("CNMI" or "Commonwealth") by Article III, § 10 of the Commonwealth Constitution and PL 18-4, § 104 of the Homeland Security and Emergency Management Act of 2013, do hereby declare a State Significant Emergency for the CNMI as a result of the resignation of the Commonwealth Utilities Corporation's ("CUC") Board of Directors and the incomplete process of replacing those board members, which prevents CUC from conducting a proper procurement in accordance with the Commonwealth Code and CUC's Administrative Regulations to purchase a replacement generator for old Engine, Alternator (No. 8) at CUC Power Plant No. 1, located at Lower Base, Saipan ("Engine No. 8"). CUC's inability to immediately purchase a replacement generator for Engine No. 8 poses an imminent threat to its day-to-day operations and its capability to provide critical power generation, water, and wastewater services to the CNMI. This imminent threat of loss and damage to life and property, could lead to disruptions to critical infrastructure and key resources. These events directly threaten the CNMI in various ways, which include but are not limited to, its overall economy, health services industry, import/export industry (e.g., food, medicine, etc.), public school system, the environment, and the Government's ability to properly protect its citizens.

WHEREAS, CUC IS THE SOLE ELECTRICITY SUPPLIER:

- (1) CUC is the sole electricity supplier to the CNMI, which encompasses the Government including all public safety activities, the school system, and the only hospital;
- (2) CUC also supplies electricity to most of the CNMI's businesses and homes; and
- (3) While some businesses and agencies own backup generators, they are not generally organized to use the backups as permanent power sources and the diesel oil purchased to run these generators is substantially more expensive than the cost of CUC power.

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WHEREAS, WITHOUT OPTIMAL CUC ELECTRICITY OUTPUT:

- (1) CNMI would lack the ability to maximize electricity output which could have the potential to harm life, information, operations, the environment, and/or property;
- (2) Most CNMI economic activity would be at risk to sustain immediate losses with the potential for long-term adverse economic impact, much refrigeration and air conditioning would end, and the airports and ports would be forced to rely on emergency generation on the limited, expensive oil supply for it;
- (3) The CNMI's health and safety would be at risk because traffic signals and street lighting could cease to function; emergency, fire, police facilities and their communications systems, and the hospital and island clinics would have to rely on limited oil supplies for emergency generation and then cease functioning; and much refrigeration of food and medicines would end, as would air conditioning for the elderly and sick;
- (4) The public schools and the Northern Marianas College would be at risk to close. Other educational institutions would be at risk to close as their backup oil supplies for emergency generators were exhausted; and
- (5) Water and sewage treatment would be adversely impacted. CUC is the sole supplier of electricity for these systems. CUC's water system relies on electricity to maintain the system pressure needed to prevent the backflow of pathogens, to chlorinate, and to pump, store, and distribute water supplies. CUC's wastewater system requires electricity to collect, pump, process, treat, and discharge sewage. The lack of electricity could result in sewage overflows, contaminating land and water.

WHEREAS, A FUNCTIONING BOARD OF DIRECTORS DOES NOT EXIST:

- (1) CUC's Board of Directors ("Board") resigned effective May 12, 2017 and appointment and confirmation process for replacing those members is incomplete at this time. Therefore the sole electrical supplier to the CNMI cannot properly carry out its procurement function to remedy the immediate need to procure a replacement for Engine No. 8 that complies with the Commonwealth Code and CUC's Administrative Regulations. CUC board members tendered their resignations leaving no quorum for the transaction of business as required under 4 CMC § 8132(e), and the Governor has had insufficient time to find qualified replacements. While CUC's enabling act (Commonwealth Utilities Corporation Act of 2008), reenacted as P.L. 16-17, as amended, authorizes a Board, there is no CUC Board as a result of these resignations, but CUC must continue to function in order to procure this vital replacement generator;
- (2) Without a Board in place, I still must provide for the continued operations of CUC in order to protect the CNMI's short-term and long-term interests and public well-being;

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(3) As Governor, it is my responsibility to protect the CNMI from immediate threats to our critical infrastructure and to general losses and damages to life and property stemming from the occurrence of a State Significant Emergency. By declaring a State Significant Emergency, this will centralize our Government's disaster response and recovery efforts and authorize the deployment and use of any forces to which plans apply and the use or distribution of any supplies, equipment, materials, facilities, and personnel available under the Homeland Security and Emergency Management Act of 2013; and

(4) At this moment, the only way for CUC to be the recipient of an emergency replacement generator for Engine No. 8 is by immediately effectuating a statutorily effective procurement in accordance with CNMI law to replace Engine No. 8 and enable CUC to operate at a substantially higher capacity. This can only be achieved through a declaration of a State Significant Emergency.

WHEREAS, CUC WILL CONTINUE TO FUNCTION UNDER CUC'S EXECUTIVE DIRECTOR:

(1) The Executive Director shall continue to carry out the general operations and management of CUC pursuant to the Executive Director's duties set forth in 4 CMC § 8134;

(2) In order to provide the most efficient delivery of its services at the most reasonable cost to consumers, the Executive Director, pursuant to 4 CMC § 8141, under the supervision of the Governor, shall manage the corporation in a business-like manner until a new Board of Directors is fully constituted;

(3) I have been informed by the management of power generation that there exists an ongoing immediate and pressing need for this replacement engine due to the existence of an extremely low power reserve capacity on Saipan. Recently, CUC has seen that the reserve capacity for Saipan has registered at less than 3 MW as a result of required scheduled maintenance of the power units;

(4) CUC feels that minimum reserve capacity for Saipan should be equal to 40%-50% of the peak demand for power. Currently, Saipan's peak power demand is approximately 41 MW. If any one of the large units at Power Plant 1 has to be taken out of service for scheduled maintenance or unscheduled repair work, Saipan's power grid would be deficient in meeting the island's power demand. This situation is the result of the rapid commercial development and economic growth Saipan has experienced over the last year; and

(5) Considering that the power plants on Saipan, and the engines housed therein, are more than twenty-five (25) years old, the purchase of an engine to replace Engine No. 8 must be pursued without further delay.

WHEREAS, THERE EXISTS A TECHNICAL WORKER CRISIS:

(1) CUC faces a manpower crisis. Skilled worker and a responsive support system are key to the success of the operation, particularly for preventative maintenance.

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At present, 3 CMC §§ 4531 and 4532 prohibit CUC from hiring any additional non-U.S. technical workers:

(2) CUC bears a substantial obligation to deliver highly technical work on time to the satisfaction of the U.S. District Court and the U.S. Environmental Protection Agency ("EPA"), pursuant to two (2) sets of consent, or "Stipulated Orders." Failure to meet the requirements of the federal court orders could subject CUC and the CNMI to substantial fines and charges and, in the extreme, to a federal takeover of their finances:

(3) CUC requires employees with specialized training. There are many non-U.S. citizens whom CUC needs to retain on technical and professional contracts. Without these positions filled, CUC operations would be severely compromised:

(4) The legislature, through P.L. 17-1 (Mar. 22, 2010), has limited CUC's ability to hire technical staff, eliminating prior statutory permission to hire up to nineteen (19) foreign workers and reinstating a moratorium on the government's hiring of foreign nationals, even if needed for highly technical positions for which no local or mainland citizens are available. The Commonwealth Utilities Corporation Act of 2008, as subsequently reenacted by P.L. 16-17 (Oct. 1, 2008), provides that CUC shall hire such persons as are necessary for operations, *except as otherwise limited by other law*. 4 CMC § 8123(h):

(5) There are not enough U.S. citizen or U.S. resident technical specialists at CUC to perform the power generation work, particularly specialists with experience in the type of engines that CUC uses. U.S. citizens with the necessary skills are not readily available in the CNMI and it is costly to recruit from the United States. CUC believes that the vast majority of skill sets, considering its cash restrictions, must come from non-U.S. personnel. CUC has tried to hire diesel mechanics in the CNMI, but has been unsuccessful in finding enough qualified candidate;

(6) The impact of an inadequate workforce is substantial. First, there would be a direct deterioration of service to existing customers. There would be brownouts or area blackouts with the above-mentioned loss of service. Second, the power plants would again degrade, producing more of these outages. Third, if CUC fails to meet federal court deadlines for the Stipulated Orders, the Court could appoint a federal receiver and its consulting team with all expenses charged to CUC customers; and

(7) CUC's renewal of contracts and hiring of foreign expert workers is necessary to sustain the integrity of CUC's systems. Thus, continued relief from the legislative prohibition on hiring foreign national workers is necessary to ensure the delivery of uninterrupted power services to the people of the Commonwealth. The legislature is urged to address this matter by way of amending local law to allow CUC to continue employing the services of foreign workers for such technical positions that are difficult to fill and to provide for a reasonable transition period.

WHEREAS, BY THIS DECLARATION OF A STATE SIGNIFICANT EMERGENCY, I intend to enable CUC to continue to provide necessary services to the people of the Commonwealth. This Declaration is necessary to protect the health and safety of our children, our senior citizens, businesses, and all other CNMI residents and visitors.

NOW, THEREFORE, I hereby invoke my authority under Article III, § 10 of the Commonwealth Constitution and PL 18-4 § 104(c), to take all necessary measures to mitigate and eliminate the immediate threats faced by the Commonwealth including, but not limited to, the authority to:

- (1) Suspend the provision of any administrative regulation prescribing procedures for conducting Commonwealth business or the other order, rules and administrative regulations of CUC if strict compliance would prevent, hinder, or delay necessary actions, including the making of emergency purchases, by the CNMI Homeland Security and Emergency Management authority to respond to the State Significant Emergency, or if strict compliance would increase the threat to the community, environment, critical infrastructures and/or key resources;
- (2) Utilize all available resources of the CNMI Government and its political subdivisions as reasonably necessary to respond to the State Significant Emergency; and
- (3) Transfer the direction, personnel, or functions of CUC to other departments and agencies to perform or facilitate a proper response to this State Significant Emergency.

It is hereby **ORDERED** that:

This Declaration of a State Significant Emergency shall immediately take effect and all memoranda, directives, and other measures taken in accordance with this Declaration shall remain in effect for thirty (30) days from the date of this Executive Order unless I, prior to the end of the thirty (30) day period, terminate this Declaration of a State Significant Emergency. PL 18-4, § 104(g).

Under the authority of this Declaration and with the goal of mitigating or ameliorating the above described crises imposed on the Commonwealth, I immediately direct the following:

DIRECTIVE 1: All of the executive power of CUC, which shall include any and all powers vested in the Board of Directors and the Executive Director, shall be exercised in accordance with the State Significant Emergency procedures expressly set forth under 1 CMC § 20144.

DIRECTIVE 2: Section 4531 of Title 3 of the Commonwealth Code is hereby suspended as to CUC as follows:

The following ~~strikeout~~ formatted language of the quoted provisions of the following statute regulating government employment and contracts with foreign nationals performed outside of the Commonwealth is, as indicated, immediately suspended:

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~~3 CMC § 4531. Restrictions on Government Employment.~~

~~Employment by departments, agencies, and all other instrumentalities of the Commonwealth government is limited to citizens and permanent residents; provided that the government may enter into contracts with foreign nationals for services performed outside of the Commonwealth.~~

As a result of my suspension of 3 CMC § 4531, CUC shall have the full power and authority to retain staff which may include employees other than citizens and permanent residents of the United States.

DIRECTIVE 3: CUC's Executive Director shall manage CUC's operations pursuant to 4 CMC §§ 8134 and 8141 under the supervision of the Governor until a new Board of Directors is fully constituted.

DIRECTIVE 4: The Attorney General is hereby delegated legal authority to effectuate the procurement of the replacement generator for Engine No. 8.

The above described Directives are in no way meant as the limits of my actions or authority under this Declaration. Accordingly, I reserve the right under this Declaration to issue any and all directives necessary to prevent, mitigate or ameliorate the adverse effects of the emergency.

SIGNED AND PROMULGATED on this 21st day of September 2017.



RALPH D. G. TORRES
Governor

Commonwealth of the Northern Mariana Islands



COMMONWEALTH CASINO COMMISSION

Commonwealth of the Northern Mariana Islands

P.O. Box 500237

Saipan, MP 96950

Tel: 1 (670) 233-1857/58

Fax: 1 (670) 233-1856

Email: info@cnmicasinocommission.com



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BEFORE THE COMMONWEALTH CASINO COMMISSION

**EDWARD DELEON GUERRERO, in his
official capacity as Executive Director
of the Commonwealth Casino
Commission,**

Plaintiff-Petitioner,

v.

**IMPERIAL PACIFIC INTERNATIONAL
(CNMI) LLC and IENG KUN HO a.k.a.
JACK HO #CCC-2017-0767-CKE**

Defendants/Respondents.

DEI # 17-0009-i

COMPLAINT NO. 17-002

**ORDER CONFIRMING STIPULATED
AGREEMENT**

GOOD CAUSE SHOWN, and after consideration at the October 26, 2017 public meeting of the Commission, the parties' stipulated resolution is hereby CONFIRMED in its entirety. Nothing in the resolution shall be considered to be an admission by Respondent IPI of a violation of any laws or regulations.

Respondent IPI shall ensure that all Casino Key Employees in its Table Games department are retrained on the Internal Controls for all card games offered in the Casino. IPI shall pay One Hundred Fifteen Thousand Dollars (US\$115,000.00) in settlement and resolution of all claims alleged in Complaint 17-002. IPI shall take no adverse employment action or retaliate in any way against any employee who is reasonably believed to have aided in the investigation or prosecution of this action. IPI waives, permanently and entirely, any right to appeal in this action and shall not seek, apply for, or accept any suspension, reduction, modification, or rescission, of any term, condition or obligation of the resolution per §§175-10.1-675 or 175-10.1-2505 or any other regulation, statute, legal authority or precedent whatsoever.

The Executive Director shall cause the check tendered by Respondent in this matter to be deposited in the CNMI Treasury. The Executive Director shall waive any further claims against IPI arising from the Claims alleged within the Complaint. The

1 Executive Director shall move to dismiss the action against Respondents with prejudice.
2 Notwithstanding the foregoing, the Executive Director reserves the right to consider the
3 Complaint allegations and any other alleged violation, whether presently known or
4 unknown, when making the next renewal licensure decision, and subsequent decisions,
5 concerning the casino key employee whom the Executive Director regarded as being
6 responsible for the omission which caused the initiation of this action.

7 Complaint No. 17-002 being hereby completely resolved, is hereby dismissed in its
8 entirety with prejudice; the Commission retains jurisdiction to ensure compliance with the
9 Agreement and this Order.

10 SO ORDERED this 26th day of October 2017.

11 For the Commonwealth Casino Commission,



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14 Juan M. Sablan
15 Chairman

BEFORE THE COMMONWEALTH CASINO COMMISSION

**EDWARD DELEON GUERRERO, in his
official capacity as Executive Director
of the Commonwealth Casino
Commission,
Plaintiff-Petitioner,**

v.

**IMPERIAL PACIFIC INTERNATIONAL
(CNMI) LLC and IENG KUN HO a.k.a.
JACK HO #CCC-2017-0767-CKE**

Defendants/Respondents.

DEI # 17-0009-i

COMPLAINT NO. 17-002

STIPULATED RESOLUTION

COMES NOW, Edward Deleon Guerrero, in his official capacity as Executive Director of the Commonwealth Casino Commission (the "Executive Director"), by and through undersigned counsel, and Imperial Pacific International (CNMI), LLC ("IPI" or "Respondent") who agree and stipulate to the following resolution of the allegations contained within the Complaint in the above-captioned matter. Without admitting liability, and reserving all defenses, Imperial Pacific International (CNMI) LLC agrees to a payment as consideration for the resolution and agrees to perform other conditions as set forth below:

I. IPI's Consideration for the Resolution.

As consideration for this Stipulated Resolution (the "Resolution or Agreement"), the Executive Director and IPI hereby agree to the following terms and conditions:

1. Respondent IPI shall ensure that all Casino Key Employees in its Table Games department are retrained on the Internal Controls for all card games offered in the Casino.

2. Respondent IPI shall pay One Hundred Fifteen Thousand Dollars

(US\$115,000.00) in settlement and resolution of all claims alleged in Complaint 17-002.

3. Respondent IPI warrants it shall take no adverse employment action or retaliate in any way against any employee who is reasonably believed to have aided in the investigation or prosecution of this action.

4. Respondent IPI waives, permanently and entirely, any right to appeal in this action and further irrevocably covenants it shall not seek, apply for, or accept any suspension, reduction, modification, or rescission, of any term, condition or obligation of this Agreement per §§175-10.1-675 or 175-10.1-2505 or any other regulation, statute, legal authority or precedent whatsoever.

II. Further Consideration and Waiver of Further Action.

The Executive Director hereby acknowledges the receipt of check made out to the Commonwealth Treasury in the aforementioned US\$115,000.00 and accepts such payment, along with the above-described additional commitments from IPI, as adequate and sufficient consideration for the full and final resolution of the Complaint.

Once this Agreement is confirmed in its entirety by the Commission, the Executive Director shall cause the aforementioned check to be delivered to the Commonwealth Treasury. As consideration for this Agreement, the Executive Director hereby agrees to the following:

1. The Executive Director waives any further claims against Respondent IPI arising from the Claims alleged within the Complaint; and

2. The Executive Director shall dismiss the action against Respondents with prejudice; but

3. Notwithstanding the foregoing, the Executive Director reserves the right to consider the Complaint allegations and any other alleged violation, whether presently known or unknown, when making the next renewal licensure decision, and subsequent decisions, concerning the casino key employee whom the Executive Director regarded as being responsible for the omission which caused the initiation of this action.

4. Once fully executed, this Resolution will result in Complaint No. 17-002 being hereby completely resolved and or dismissed in its entirety with prejudice. Nothing in this Resolution shall be considered to be an admission by Respondent IPI of a violation of any laws or regulations.

5. The Commission will retain jurisdiction to ensure compliance with the Agreement.

6. The Parties covenant and agree that this Agreement only disposes of the allegations of this Complaint; nothing in this Agreement affects in any way the Executive Director's ability or authority to bring other actions before the Commission for alleged violations, whether presently known or unknown, which do not arise from the claims contained within the Complaint concerning the use of cards which violated approved Internal Controls and the failure to timely report such use.

7. The Parties further covenant and agree that nothing in this Agreement in any way affects the rights, authority or jurisdiction of any other law enforcement or regulatory agency.

III. General Provisions.

Acknowledgment. Both the Executive Director and Respondent acknowledge and

agree that they are entering into this Agreement based solely upon their own investigation with the assistance of their own counsel.

No Admission. By entering into this Agreement, Respondent does not admit that it violated any law, regulation, contract, permit condition or other requirement. The Parties agree that this Agreement is being entered into purely as a compromise; and that this Agreement shall not be used as evidence of liability in any suit or suits, claims, charges, administrative proceedings, or other actions whatsoever. This Agreement shall not be offered or received into evidence or otherwise filed or lodged in any proceeding against any Party except as may be necessary to prove and enforce its terms. It is expressly understood and agreed that the consideration referenced herein is in full accord and satisfaction only of the disputed asserted claims set forth in the above referenced Complaint.

Governing Law. This Agreement and all performance hereunder shall be governed by the applicable federal laws and the laws of the Commonwealth of the Northern Mariana Islands.

Costs and Expenses. Each Party shall bear its own costs, fees and expenses (including without limitation its attorney's fees) associated with this Agreement.

Integration. This Agreement constitutes the entire agreement of the Parties and all prior representations and discussions are merged and incorporated herein. This Agreement may not be amended absent a writing evidencing such an amendment executed by the Parties.

Notice. Any notice required by this Agreement shall be made in writing to the

Commonwealth Casino Commission through its counsel, the Office of the Attorney General, Assistant Attorney General Michael Ernest; to Respondent through its counsel Phillip J. Tydingco, Esq.

Breach or Failure of Performance. If Respondent at any time fails to perform any obligation required of it under this Agreement and the Executive Director seeks to or obtains judicial assistance in enforcing such obligation, IPI, in addition to any damages or equitable relief, shall pay the reasonable attorneys' fees and related costs of enforcement of the Executive Director seeking enforcement if the Executive Director is successful in obtaining the relief which he seeks in such action. The Commonwealth Casino Commission and Superior Court of the Commonwealth of the Northern Mariana Islands shall have continuing jurisdiction over this Agreement for enforcement purposes only.

Representation. Both Parties acknowledge and represent that in negotiating this Agreement and the terms of this Agreement, they have been represented by and have conferred with legal counsel, with whom they are satisfied. Each Party represents and warrants that they have carefully read this Agreement, they understand its contents and that each has executed it as their own free and voluntary act. The Parties agree and affirm that the terms of this Agreement have been negotiated at arms' length between the Parties. Any rule of law or construction or case precedent against liability releases and the rule of interpretation against the draftsman shall not apply in any dispute over interpretation or enforcement of this Agreement.

Authorization. The Parties each represent and warrant that they are legally authorized and competent to execute this Agreement and assumes full responsibility for

and assumes the risk of all mistakes in fact or law regarding any damages, losses or injuries, whether disclosed or undisclosed.

Severability. If any provision of this Agreement shall be or become legally void or unenforceable for any reason whatsoever, such invalidity and unenforceability shall not impair the validity or enforceability of the provisions of this Agreement. In this event and to this extent only, the objectionable provision shall be severed and the remaining provisions shall be enforced.

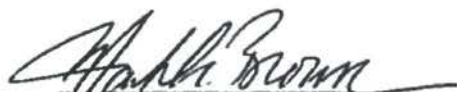
Execution in Counterparts. This Agreement may be executed in counterparts and this Agreement shall become binding when executed by all Parties hereto without regard to whether such signatures are appended to the original Agreement or to a counterpart thereof.

Signatures. By signing this document the Executive Director and Respondent attest further that:

1. Each of the parties have read and understood this Stipulated Resolution;
2. Each of the parties agreed to the terms of this Stipulation of their own free will;
3. The parties enter this Stipulated Resolution for good cause and as a good faith and complete settlement of the Complaint.

IN WITNESS WHEREOF, the parties hereby affix their signatures on the dates indicated.

FOR IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC:



MARK A. BROWN
Chairman
Date: September 25, 2017.

PHILLIP J. TYDINGCO, ESQ.
Counsel for Respondent
Date: September ____, 2017.

FOR THE COMMONWEALTH CASINO COMMISSION:

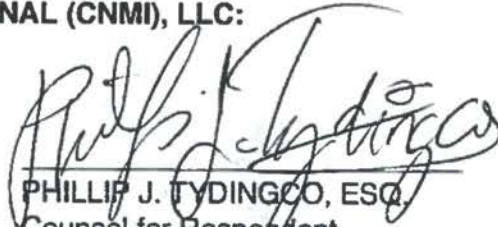
EDWARD DELEON GUERRERO
Executive Director
Date: September ____, 2017

Michael L. Ernest, F0317
Assistant Attorney General
Date: September ____, 2017

IN WITNESS WHEREOF, the parties hereby affix their signatures on the dates indicated.


FOR IMPERIAL PACIFIC INTERNATIONAL (CNMI), LLC:

MARK A. BROWN
Chairman
Date: September ____, 2017.




PHILLIP J. TYDINGCO, ESQ.
Counsel for Respondent
Date: September 25th, 2017.

FOR THE COMMONWEALTH CASINO COMMISSION:



EDWARD DELEON GUERRERO
Executive Director
Date: September 27, 2017



Michael L. Ernest, F0317
Assistant Attorney General
Date: September 27, 2017



COMMONWEALTH CASINO COMMISSION
Commonwealth of the Northern Mariana Islands
Unit 13 & 14, Springs Plaza, Chalan Pale Arnold, Gualo Rai
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E-mail: info@cnmicasinocommission.com



Juan M. Sablan, Chairman
Joseph C. Reyes, Vice Chairman
Justin S. Manglona, Secretary
Alvaro A. Santos, Treasurer
Martin DLG San Nicolas, Public Affairs

COMMISSION ORDER NO: 2017-004

Order to Provide Publicly Accessible Information

For good cause determined at the October 26, 2017 public meeting of the Commonwealth Casino Commission, which was duly publicly noticed, and based on the authority granted by the laws of the Commonwealth (including but not limited to Public Laws 18-56 and 19-24) and the Regulations of the Commonwealth Casino Commission, NMIAC Chapter 175-10.1, the Commonwealth Casino Commission hereby finds and ORDERS AS FOLLOWS:

1. WHEREAS, Public Law 19-24 declares that the Commonwealth Casino Commission shall require that some information from the casino licensee is not confidential and must be made available for public inspection; and
2. WHEREAS, The following information is required to be reported periodically to the commission by a casino for public inspection:
 - (A) A licensee's gross revenue from all authorized casino gaming activities as defined in this chapter, and the licensee's gross revenue from simulcast wagering;
 - (B) (i) The dollar amount of patron checks initially accepted by a licensee, (ii) the dollar amount of patron checks deposited to the licensee's bank account, (iii) the dollar amount of such checks initially dishonored by the bank and returned to the licensee as uncollected, and (iv) the dollar amount ultimately uncollected after all reasonable efforts;
 - (C) The amount of gross revenue tax or investment alternative tax actually paid and the amount of investment, if any, required and allowed, pursuant to Commonwealth law;
 - (D) A list of the premises and the nature of improvements, costs thereof and the payees for all such improvements, which were the subject of an investment required and allowed pursuant to Commonwealth law;
 - (E) A list of the premises, nature of improvements and costs thereof which constitute the cumulative investments by which a licensee has recaptured profits pursuant to Commonwealth law;
 - (F) All quarterly and annual financial statements presenting historical data which are submitted to the commission, including all annual financial statements which have been audited by an independent certified public accountant licensed to practice in the CNMI; and
 - (G) The identity and nature of services provided by any person or firm receiving payment in any form whatsoever for professional services in connection

with the authorization or conduct of games conducted at a casino establishment; accordingly

3. IT IS HEREBY ORDERED that the casino licensee shall, on or before the tenth of each month, provide the information listed in 2(a)-(g) (inclusive) for the preceding month; and
4. IT IS HEREBY FURTHER ORDERED that this reporting of information shall be in addition to, and separate from, any other information the Commission requires the casino licensee to provide; and
5. IT IS HEREBY FURTHER ORDERED that the casino licensee shall provide the information listed in 2(a)-(g) for October, 2017 on or before November 10, 2017, and monthly thereafter; and
6. IT IS HEREBY FURTHER ORDERED that the casino licensee shall provide a cumulative schedule containing the monthly information for each month between January, 2015 and September, 2017 (inclusive) on or before March 26, 2018;
7. IT IS HEREBY FURTHER ORDERED that the information provided pursuant to this Order may be checked for accuracy by Commission staff, and the failure to accurately provide all required information in a timely basis shall be grounds for enforcement actions; and
8. IT IS HEREBY FURTHER ORDERED that the information provided pursuant to this Order shall be provided by the licensee in a hard copy as well as an electronic form acceptable to the Executive Director. Such information shall be kept in a location acceptable to the Executive Director; and
9. IT IS HEREBY FURTHER ORDERED that the information provided pursuant to this Order shall be, and is, the information accessible to the public; and
10. IT IS HEREBY FURTHER ORDERED that this Order is to take effect immediately and shall remain in effect until it is repealed or replaced by subsequent Order of the Commission.

SO ORDERED this 26th day of October 2017.

Signature: _____



JUAN M. SABLAN
CHAIRMAN