

Political Reviews

*Micronesia in Review: Issues and Events, 1 July 2012
to 30 June 2013*

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Polynesia in Review: Issues and Events, 1 July 2012 to 30 June 2013

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was promoted by various women's groups and was gaining traction among the general public by the end of the period under review was the reservation of five seats in the Nitijela to be held by women (*MIJ*, 10 May 2013).

While there is some hope that positive change may come from a potential Con-Con, there is also concern that the results from a popular referendum may yield little more than pro-forma amendments, as happened during the previous two Con-Cons. As the Marshall Islands, and Majuro in particular, narrows its focus on the politics and logistics of hosting the Pacific Islands Forum in September 2013, there has yet to emerge any sort of direction as to where the country is heading as it moves into the second half of the current (and possibly final) round of compact funding. Climate change is indeed a threat to the islands, but its effects might not be felt as dramatically or as immediately as the socio-economic impacts that may result if certain decisions regarding a post-2023 Marshall Islands are continually put off until tomorrow.

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COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

Throughout 2012, signs became quite clear that something was very wrong in the Northern Marianas. Investors were coming in quickly and leaving just as fast. Crime was up and tourism was way down. During the course of the year, more and more people were becoming fed up with the way things were going. The governor was issuing

special edicts to take over almost every function of the government, from the utilities to the hospital. Involuntary workforce reductions were becoming quite common. No one knew in advance the depth and breadth of the changes at work in the Marianas.

One of the early signs of the coming storm was the Republican victory in the US House of Representatives in 2010. The substantial Republican victory over President Barack Obama's previous majority meant that Governor Benigno R Fitial, who enjoyed being a member of the National Republican Committee, abandoned his own Covenant Party. The Covenant Party, which he had formed when he lost the Republican nomination for governor years before, became a launching point for his new campaign to form a new CNMI Republican Party and thus cash in on the victories in Washington DC. However, he did not count on losing the balance of his Covenant Party stalwarts who refused to follow him to the Republican Party. Essentially, he found himself excluded from most of the decision making, except for his own. In retaliation, he began to dismiss members of the Covenant Party who did not join his move to the national Republican Party and ended up creating a new opposition called the New Republican Party. This party was made up of previous CNMI Republicans who became part of the opposition that would later bring him down in the most unexpected manner.

Governor Fitial began taking over various public offices by issuing emergency orders and dismissing executives who were disloyal and no longer representative of his policies. This included the hospital, the Com-

monwealth Utilities Corporation, and just about every other major government function. Summary terminations were made with the excuse that "I have a right to have people who are on my side working for me." Attorney General Edward Buckingham loyally followed the governor and continued to implement his policies and provide legal backing for his decisions. The result was the beginning of an upsurge of opposition, which led to the revelation that all was not well in the administration.

The dissatisfaction reached a breaking point when it was revealed that the governor and the attorney general had jointly signed a \$190 million power purchase agreement with a little-known company, Saipan Development LLC (a private company organized in Delaware) to construct a power plant at Lower Base on Saipan. Eventually it was revealed that the government would not be paying for the purchase of the power plant itself but would have to pay for operations and fuel. These costs are calculated to be millions of dollars more than what was being expended at the time. It was revealed that the contract had been signed by the attorney general and the governor without the involvement of the Office of Procurement, the Department of Finance, or the management of the Commonwealth Utilities Corporation, and that it included, among other things, a shipyard facility for which no approvals had been given by the federal government and no Environmental Protection Agency study had been made.

The combination of reduced government employment, apparently illegal activities by the administration,

and very heavy-handed treatment of anyone who did not agree with the governor's policies led to the first visible sign of opposition: a local lady stood at an intersection of the road to the governor's offices with a handwritten sign that said "Impeach Fitial." That simple move gave impetus to a groundswell unknown in the history of the Marianas. The move to impeach the governor was launched.

The public came out in very large numbers to what became known as the "Wave In" with signs and banners urging people to support the impeachment movement. On one occasion there were opposing movements (pro- and anti-Fitial) on the same street, separated by about one hundred yards. The governor and his people were seen driving by on several occasions, presumably noting who were the "pros" and who were the "antis." People who showed up at their government jobs with an "Impeach Fitial" bumper sticker visible on their car found themselves instantly out of work. It was recorded by some people that public demonstrations held by the pro-Fitial faction were monitored by the governor's people and that any employee who did not show up suffered the consequence. In these days of austerity, any government employees with dependents and other needs became very worried about losing their employment and, understandably, found themselves providing support for the governor.

In the legislature, the minority leadership under Representative Joseph Deleon Guerrero formed an impeachment committee made up of equal members of supporters and opponents of the governor to study whether or

not there could be sufficient evidence to go to the Senate with an impeachment resolution. Since half of the members of the committee were for and half against the governor, progress was very slow, and an impeachment resolution did not pass the House of Representatives; it was defeated in a vote that followed party lines.

Unlike a previous impeachment attempt in 1992 (when it had been alleged that police officers loyal to then Governor Lorenzo I Guerrero used small arms to shoot at the homes and businesses of supporters of impeachment), the only violence that took place other than harassing and threatening phone calls was when one of the leaders of the public anti-Fitial movement had his tires slashed outside the public hearing at the House of Representatives. One of the more remarkable moments of that public hearing was when the Fitial supporters—all wearing red T-shirts and dominating the chamber—spent two hours praising the governor before the opposition was allowed to speak. Alternately, one of the more memorable comments came from a local lady who chimed in to say, "We have two gods in the Commonwealth: one of them is God in heaven, and the other is Benigno Fitial."

Things changed after the election in November 2012 when almost all of the pro-Fitial delegation in the House of Representatives were voted out and replaced by pro-impeachment members. They were joined by the new Republicans and a few renegade Democrats, hard-core Covenant Party members, and Independents, who pulled together and worked to get the resolution passed. Since only four of

the twenty members of the House of Representatives remained pro-Fitial after the election, this allowed the impeachment committee to pass the resolution with seventeen articles of impeachment. The resolution then was passed on to the Senate.

As soon as the impeachment resolution was turned over to the Senate leadership, which quickly moved to organize a hearing, the governor tendered his resignation, effective immediately. This meant that he completely avoided another confrontation with his opponents. Lieutenant Governor Eloy Inos was immediately sworn in as governor, and Senate President Jude Hofschneider was sworn in as lieutenant governor. The governor left the Northern Marianas and traveled to the Philippines. An extradition warrant was considered, but, because of the governor's well-known health problems (for which he is believed to be seeking treatment in the Philippines), it was never served. A penal summons was served instead, ordering him to be present in court on the first Monday of his return to Saipan. As of this writing, he has not returned to the commonwealth.

Shortly after the governor's resignation, Attorney General Edward Buckingham also tendered his resignation effective immediately and organized a trip to the airport with his wife to leave the commonwealth. However, the Office of Public Auditor, which was acting as a prosecutor for the impeachment movement, had a penal summons prepared to force Buckingham to testify in court on several issues the following week. Nevertheless, in his last official move, Governor Fitial was able to orchestrate a "flying

wedge" guard for Buckingham and his wife at the airport to avoid the servicing of the summons. Members of the top levels of the Department of Public Safety, port security, and the governor's bodyguard personally escorted Buckingham through the airport and treated the press representatives somewhat rudely in order to get Buckingham into a secure area of the airport. As it turned out, though, the representative of the auditor's office was able to secure the assistance of two FBI agents who outranked the local police to follow the couple into the departure lounge and serve the summons there. Although the summons required that he show up the following Monday in court, Buckingham went ahead with his travel plans and became a fugitive. He wound up in Colorado, and, after a request for extradition was sent to the governor of Colorado, he was arrested and released on \$25,000 bail pending a hearing on the extradition request. Subsequently, Buckingham appeared on Saipan unannounced and caused a "mini typhoon" on the island since he was purportedly able to pass through customs and immigration at the Saipan airport without being arrested. An investigation is underway as to how this could have happened, since an arrest warrant had been widely distributed. Despite eluding arrest at the airport, he was taken into custody; the former attorney general in handcuffs, guarded by corrections personnel in the courtroom for a hearing with the judge, was quite a sight. After posting \$50,000 bail, the judge allowed Buckingham to travel back to Colorado for medical care but required that he surrender all inter-

national travel documents. His trial is scheduled for January 2014.

One of the first things Governor Inos did was remove most of the former administration's appointees. The Fitial appointments of former Governor Juan Babauta as executive director of the Commonwealth Health Corporation was overturned by the board of directors once there was a new governor. The search is on for a new executive director for the Commonwealth Utility Corporation. And, most welcome of all, I believe, was the appointment of a new Department of Public Safety commissioner. Career policeman James C Deleon Guerrero replaced the Ogumoro brothers (Ambrosio T Ogumoro and Aniceto Ogumoro), who had been alternating in the role of acting commissioner for a couple of years. The two brothers have been indicted for their role in protecting Buckingham at the airport.

Immediately on taking office, Commissioner Guerrero formed a special operations unit to protect tourists in the Garapan area. This meant the reestablishment of the bicycle squad working 24/7 throughout the area and brought to a screeching halt many of the purse snatchings that were so common there and so damaging to the Marianas reputation. Another special squad was formed to go through cold cases in an attempt to revive them and resolve them. Since the new operations were put into place, attitudes toward the police have become increasingly positive.

Governor Inos ran into his own problems with appointments when Lieutenant Governor Jude U Hofschneider nominated attorney Ramon "Ray" King Quichocho

to serve as associate judge in the Superior Court while Inos was off island. Inos later backed Quichocho's nomination, claiming that he and Hofschneider had discussed putting his name forward. Normally, submitting the name of a prospective judicial appointee to the CNMI Bar Association is just a formality, but in Quichocho's case instant opposition arose from many of his colleagues. Questions were raised about malfeasance in office, sexual harassment of a client, and a variety of other unspecified charges. Despite some support for the appointment by members of the legislature, after about a month of controversy Inos withdrew Quichocho's nomination, saying that they cannot have a judge with a cloud hanging over him, as it raised questions of the integrity of the bench.

The second major issue in the year under review was the fate of the CNMI government retirement fund (NMIRF). Though it is much too complex to go into any detail, suffice it to say that over many years the retirement fund has been the cash cow for politicians with personal agendas, and the balance in the fund has been severely depleted. It has been estimated that the government owes the fund hundreds of millions of dollars in unpaid employer contributions. Actuaries now estimate that the corpus of the fund will be used up in March 2014 and that retirement checks and, probably more important, health insurance will no longer be available to thousands of people who are dependent on them. The government has made no serious effort to stem the flow of dollars and passed a bill allowing employed

government personnel to terminate their membership in the fund and withdraw contributions they made while continuing to work. In addition to potentially being able to withdraw their contributions to the fund, in late 2012, government workers were transitioned into the US Social Security system, from which they were previously exempt.

The mass withdrawals from the retirement fund created major problems for the fund because they further depleted the amount available to the people receiving promised benefits; a lawsuit, commonly called the Betty Johnson case, was thus brought on behalf of retirees. As of this writing, the fate of the fund is in the hands of US Judge Robert J Faris and a committee of beneficiaries and other personnel who are trying to negotiate a settlement to the Betty Johnson case in addition to enacting measures that will keep the fund operational. During the first half of 2013, promising negotiations toward a global settlement proceeded while refunds to those members who elected to terminate their membership in the fund were halted pending settlement. In late June, a tentative agreement was reached that involved setting aside \$52 million to reimburse employees who withdrew from the fund and making retirees eligible to receive 75 percent of their benefits.

Because of the potentially huge obligations to the retirement fund, the legislature has been considering the possibility of allowing more casino gambling, leasing of public land, and a variety of other means to raise the money. Proposals to float bonds to cover the obligation have been made

for several years but have not gotten very far in the legislature.

With renewed US military interests in the Asia-Pacific region, there are prospects that the Marianas could become a site for expanded military training operations by all three services. The US Navy and Marines are currently looking at major expansion on Tinian, where they already have a one-hundred-year lease for two-thirds of the island. Now they are talking about conducting live-fire exercises on the island. Additionally, they want to take over the island of Pagan, located in the Northern Islands Municipality, for these exercises. However, the Constitution protects these islands to the north of Saipan as special reserves that cannot be alienated except by eminent domain for national security reasons. As of June 2013, a majority of the population has expressed opposition to the military taking over Pagan. One of the assets that would be lost to the people of the Marianas if the military were to take over would be the alleged millions of tons of pozzolan (natural volcanic residue used to strengthen cement) left over from a 1981 volcanic eruption. There is some doubt whether the pozzolan has any construction value because it has been in the open for thirty years and the rain has possibly leached out many of the useful chemicals. To date, no feasibility study has been made. There are also plans for resettling residents to the island by initiating a homestead program, which could be possible due to the Japanese-built airstrip on the island. The island's population had been as high as three hundred during the prewar Japanese era and still retained well over one

hundred prior to evacuation because of the eruption.

The military is doing all it can to assuage the civilian opposition by promising benefits including allowing people to settle on the island and only moving them off temporarily each time live-fire exercises are planned. The military has already provided Guam-based helicopter medical evacuation services for a patient on Rota needing to get to the hospital on Saipan as an example of the purported benefits of their increased presence in the commonwealth. One does have to wonder how an increased military presence on the island of Tinian will mesh with the casino movement and increased civilian populations on the island, with tourists wandering around historic sites. The Tinian Dynasty Hotel and Casino already is in serious trouble on a variety of fronts (including money laundering by several high-level officials of the casino) and may be closed down by the courts, sold, or rehabilitated under new management.

A very bright note is the increase in tourism interest in the Marianas. Tourist arrivals began to increase substantially over the past year. Hotels are running from 70 to 90 percent full, and new ones are being considered while old ones are looking at renovations and upgrades. Very quiet

moves are taking place to establish better transportation between Saipan, Tinian, Rota, and Guam, both for tourists and merchants. Increased travel to the Northern Islands is being contemplated for ecotourism, and several specially designed vessels are being either constructed or seriously planned. Again, this could come up against the military plans on several levels. The newly introduced visa-free travel for Russian and Chinese visitors has become quite popular. New airlines coming in currently have charters primarily from China and Russia, which have quickly become the most lucrative markets. Of course, these visitors also bring with them the most potential for security problems.

The new administration under Governor Eloy Inos has taken notice of the tourist boom and drastically increased budget projections for fiscal year 2014 by raising estimated revenues from \$105 million to \$220 million.

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