

## Political Reviews

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*Micronesia in Review: Issues and Events, 1 July 2013  
to 30 June 2014*

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#### FEDERATED STATES OF MICRONESIA

During the period covered by this review, the Federated States of Micronesia (FSM) grappled with several significant challenges to its integrity as a functional government and a legal state—some long-standing, some newly borne, all symptoms of international, regional, and domestic discord. The responses of the state governments and the FSM national government revealed a persistent truth in the politics of the federation: solidarity outside, dissension within.

Leading the litany of challenges was the perennial—and existential—threat of climate change. In May 2013, climatologists measured atmospheric concentrations of carbon dioxide near the summit of Mauna Loa in Hawai‘i as exceeding 400 parts per million, the highest ever recorded (Carrington 2013). In September 2013, Working Group I of the 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) released a major report on the physical science basis of climate change, wherein the group asserted that it is “extremely likely” that most of the observed increase in global average surface temperature over the last sixty years was due to “anthropogenic forcings” and predicted that the global sea level will rise at a rate very likely exceeding

the already-alarming rate observed in the last forty years (IPCC 2013). The sea level in the FSM was measured to be rising by ten millimeters per year, more than three times the global average, with predictions that it will rise up to six inches from the current level by 2030 (ICCAI 2013). King tides, storm surges, and coastal flooding have afflicted the FSM, contaminating farmland, ruining freshwater supplies, and disrupting island communities throughout the federation.

In this context, on 5 September 2013, FSM representatives joined those from the fifteen other members of the Pacific Islands Forum in endorsing the Majuro Declaration for Climate Leadership during the Forum meeting held in the Marshall Islands (PIF 2013). The declaration announces the intent of Forum members to assume climate leadership, a mantle marked by ambitious greenhouse-gas-emission reductions and a regional transition to renewable and clean energy sources. Via its representatives, the FSM government committed to, among other things, halving the federation’s import and use of imported petroleum fuels by 2020, generating half the electricity needed for use in rural areas from renewable energy sources by the same year, and realizing a “net gain of area and health status of coral reefs” between 2013 and 2020 (PIF 2013).

The Pacific Islands Forum also featured a Declaration on Establishing a Pacific Regional Data Repository for

Sustainable Energy for All (SE4ALL), which was introduced by Tonga and endorsed by all the Forum representatives including those of the FSM. The SE4ALL initiative is a global effort launched in 2010 by United Nations (UN) Secretary-General Ban Ki-moon that aims to achieve three goals by 2030: provide universal access to modern energy, double global energy efficiency, and double the share of global renewable energy. The declaration endorsed by the Forum calls for the establishment of a central clearinghouse in the Pacific for information about sustainable energy best practices, in the hope of assisting Pacific states to reduce fuel imports, make energy services more affordable and efficient, and adopt broader sustainable energy portfolios, per the objectives of the SE4ALL initiative. Several weeks after the Forum concluded, FSM President Emanuel Mori held a bilateral meeting with Prime Minister Sialeʻataongo Tuʻivakanō of Tonga in New York City in the margins of the opening of the 68th Session of the UN General Assembly, during which he signed the declaration on behalf of the FSM (FSMIS, 24 Sept 2013).

In addition to adopting clear and ambitious national commitments to tackle climate change and its drivers under the Majuro Declaration and the SE4ALL initiative, the FSM government continued its groundbreaking work in tackling climate change through a somewhat unorthodox approach: reducing powerful greenhouse gases called hydrofluorocarbons (HFCs), pursuant to the Montreal Protocol on Substances that Deplete the Ozone Layer. HFCs are potent, manmade greenhouse gases used

primarily in refrigeration and air conditioning. They are up to thousands of times more harmful than carbon dioxide, though they are relatively short-lived. In the past, the FSM (which is a state party to the Montreal Protocol) had proposed phasing out the use of hydrochlorofluorocarbons (or HCFCs, which are distinct from HFCs) under the protocol—a proposal that met with favorable responses from the international community and ultimately succeeded in reducing the targeted substances (FSMPIO, 18 Sept 2013). The FSM then turned its attention to HFCs, which are not currently covered by the protocol. In 2009, the FSM was the first country to propose phasing down HFCs by amending the Montreal Protocol to include provisions targeting the manufacturing of HFCs. In the past year, the proposal enjoyed broad support, including from the United States, China, and the rest of the Group of Twenty (G20), whose leaders publicly and jointly agreed on 6 September 2013 to use the Montreal Protocol to phase out HFCs in their respective countries (Eilperin 2013).

The FSM also took advantage of the November 2013 Conference of Parties to the UN Framework Convention on Climate Change (UNFCCC) in Warsaw, Poland, to further advocate for its proposal to amend the Montreal Protocol. Noting growing international support for amending the protocol, Ambassador Jane J Chigiyal, the permanent FSM representative to the United Nations and a member of the Bureau of the UNFCCC Conference of Parties, stated that countries “have the same mutual goal to close the emissions gap and we think that doing

so through the Montreal Protocol to reduce HFCs would make a difference” (FSMIS, 20 Nov 2013).

As groundbreaking and ripe for success as its work on the Montreal Protocol has been, the FSM continued to struggle to make any significant headway in UNFCCC negotiations. At the Conference of Parties in Warsaw, the FSM negotiators followed the lead of the Republic of Nauru, which chaired the negotiating bloc of the Alliance of Small Island States (AOSIS). AOSIS advocated for, among other things, increased climate finance for mitigation and adaptation efforts in developing countries, as well as a “new international mechanism for loss and damage associated with climate change impacts.” Unfortunately, developed countries refused to commit to interim deadlines for contributing the \$100 billion they had promised in a previous Conference of Parties to give to the Green Climate Fund by 2020. (The fund has not received any contributions to date.) Developed countries also blocked the establishment of a new “loss and damage” mechanism, citing concerns about assuming legal liability for harms inflicted by their greenhouse-gas emissions on developing countries. In the end, the Conference of Parties in Warsaw was largely inconsequential, at least from the FSM perspective (C2ES 2013). That bodes ill for the UNFCCC process, which is supposed to produce a new international legal instrument or “an agreed outcome with legal force” by December 2015 (with entry into force no earlier than 2020) to update or replace the battered Kyoto Protocol. It is doubtful whether such a monumental task can

be achieved, at least to the satisfaction of the FSM and its AOSIS allies.

While struggling with a mixed bag of results in multilateral efforts to tackle climate change, the FSM government had success with domestic approaches. On 24 September 2013, the FSM Congress ratified the Doha Amendment to the Kyoto Protocol (FSMIS, 24 Sept 2013). The amendment extends the emissions reductions commitment period of the Kyoto Protocol to 2020. The FSM government formally submitted its ratification to the depositary of the amendment on 21 January 2014, becoming one of only seven states to do so.

Additionally, on 3 January 2014, the FSM government enacted the Climate Change Act. The act essentially obligates all sectors in the federation’s four states that are responsible for environment, disaster management, infrastructure, health, transportation, finance, and education to “mainstream” climate-adaptation issues and approaches in their policies and action plans. Andrew Yatilman, the director of the FSM Office of Environment and Emergency Management, noted that “activities [related to disaster risk and climate change] tend to be carried out by staff separately, with climate change generally viewed more as an environmental issue. We are now in the process of realigning our programme to make the two more complementary” (Wilson 2014). President Mori, when signing the act into law, stressed that “establishing a national policy in the area of climate change is essential in protecting our nation and furthering the interests and well-being of our people” (FSMIS, 9 Jan 2014). The act is the first of its kind for a

Pacific small island state, falling neatly into the call of the Majuro Declaration for Pacific states to become “climate leaders.”

In tandem with its crusade against climate change, the FSM government took steps to address the special stresses placed on the world’s oceans by irresponsible human activity. Of particular concern for the FSM was the effect of ocean acidification and illegal, unreported, and unregulated (IUU) fishing on the federation’s maritime food security and the health of the marine life in FSM waters. Throughout the year at the United Nations, where UN members and civil society continued negotiating Sustainable Development Goals to replace the current Millennium Development Goals in 2015, the FSM delegation championed the inclusion of a stand-alone Sustainable Development Goal on the Ocean, which would establish benchmarks by which states can take concrete actions to ensure a healthy, productive, and resilient ocean for the global community (UNESCO 2014).

From 22 to 25 April 2014, underscoring its commitment to the ocean, the FSM, represented by Secretary of Foreign Affairs Lorin S Robert, participated in the Global Oceans Action Summit for Food Security and Blue Growth in The Hague, Netherlands. The summit gathered representatives from governments, civil society, the scientific community, coastal communities, and the fishing industry to discuss several major threats to maritime health and food security: IUU fishing, pollution, and marine ecosystem destruction. Secretary Robert joined other participants in advocating for a so-called “blue economy,” which

would generate food, jobs, and other opportunities through the conservation, sustainable management, and equitable utilization of the world’s oceans (Summit 2014).

Following on the heels of that summit, FSM representatives attended an international conference—“Our Ocean”—convened by the US Department of State in Washington, DC, 23–24 June 2014. Participants at the conference, including the United States, committed to preventing IUU fishing through improved tracking of fishing vessels and consumer education about seafood choices; halting ocean acidification by curbing carbon dioxide emissions; and creating more marine protected areas by 2020 (Our Ocean 2014).

The conference marked the increasing attention being paid by the highest echelons of the US government to the health of the ocean, as well as a keen sensitivity to the issues and concerns of the Pacific region at a time when the Barack Obama administration has found its pivot to Asia to be challenging. Indeed, a day after the conference concluded, US Secretary of State John Kerry attended Pacific Day celebrations in Washington, DC, where he mingled with ambassadors, ministers, and other luminaries from the Pacific. During Pacific Day, Secretary Robert—who, along with Director Patrick Mackenzie of the FSM National Oceanic Resources and Management Authority and FSM Ambassador to the United States Asterio Takesy, represented the FSM at the “Our Ocean” conference—remarked that it was “a cruel twist of fate” that the ocean has become a threat rather than succor for the people of Oceania due to rising

seas, erratic storm surges, and warming temperatures ruining coral reefs and diverting pelagic fish stocks from FSM waters (FSMPIO, 27 June 2014).

The ocean as a whole presented a roster of tribulations for the FSM, but a particularly vexing one was sustainable fisheries. On the one hand, the FSM continued to reap the economic benefits of issuing fishing licenses to foreign fishing operators hunting the tuna stocks in FSM waters, particularly bigeye and skipjack. Indeed, according to the scientific committee of the Western and Central Pacific Fisheries Commission (an intergovernmental organization that regulates the world's largest tuna fishery in the western and central Pacific Ocean), the value of the tuna fishery in the western Pacific exceeded \$4 billion in 2012, with Parties to the Nauru Agreement (including the FSM) realizing nearly \$250 million in fishing revenue in 2013, a 400 percent increase from only three years earlier (MV, 22 Aug 2013). National fisheries, after being the butt of jokes in the federation for nearly the entirety of the country's existence, have become a lucrative industry, arguably the most successful sector of the FSM economy. On the other hand, the FSM government continued to grapple with IUU fishing in its waters. Foreign fishing vessels regularly snared unwanted maritime life as bycatch in their nets and discarded them rather than bring them to shore. Vessels also routinely fished in FSM waters without prior licensing or beyond prescribed quotas imposed by the FSM government. A recent study estimated that IUU fishing in the western and central Pacific produces economic losses of up to \$1.5

billion a year (Pew 2013). Just as the FSM national economy—long beleaguered and hamstrung by dependency on financial infusions from the United States—was finally enjoying a measure of self-sufficiency, external forces threatened to derail it.

In an effort to highlight its struggles with IUU fishing, on 27 November 2013, the FSM government submitted a written statement to the International Tribunal for the Law of the Sea in Case 21 (ITLOS 2013). The case involves a request for an advisory opinion submitted to the tribunal by the Sub-Regional Fisheries Commission, whose membership comprises a number of West African states. The requested advisory opinion will address the rights and obligations of coastal states and flag states with regard to IUU fishing and the sustainable management of certain fish stocks, particularly small pelagic species and tuna. In its written statement, the FSM government asserted, among other things, that flag states have a due-diligence obligation under international law to ensure that its flagged vessels do not engage in IUU fishing activities in the high seas and in the national waters of third-party coastal states. The statement also places the same obligation on international agencies like the European Commission, which concludes and administers fishing arrangements for its members with the FSM and other Pacific states. Although the advisory opinion, when issued, will not constitute a binding legal judgment, it will hopefully identify and present existing international law principles regarding the steps that states must take to eliminate IUU fishing—particularly when committed by

vessels flagged by those states—and properly manage the world’s dwindling fish stocks.

In contrast to its difficulties addressing IUU fishing, the FSM took historic steps in another arena of ocean health: the establishment of a national sanctuary for sharks. Spear-headed by several local environmental nongovernmental organizations—notably the Conservation Society of Pohnpei—and the Pew Charitable Trusts, the sanctuary effort aimed to prohibit the commercial fishing of sharks anywhere in the FSM’s 200-nautical-mile Exclusive Economic Zone, a swath stretching across 2.5 million square miles. According to the Pew Foundation, each live shark is worth millions of dollars in revenue for the FSM, primarily through shark tourism. Environmental groups were also concerned about practices by fishing vessels, particularly Asian operators, catching sharks in the western Pacific, removing their fins, and discarding them to their certain deaths.

Before the FSM national government could establish a national shark sanctuary, however, each of the FSM’s four states had to adopt legislation establishing similar sanctuaries in their twelve-mile territorial seas (within which the FSM national government has limited constitutional authority with regard to regulating marine life). Kosrae established its shark sanctuary in September 2012, while Pohnpei and Yap established their own sanctuaries in June 2013. On 1 May 2014, Chuuk became the fourth and final FSM state to do so (Pew 2014). The FSM Congress will now consider legislation for a national shark sanctuary, the final leg in a long process.

The coordination between the FSM national government and the four states of the federation in the shark sanctuary project was notable for its novelty. Indeed, in the period covered by this review, relations between the FSM national government and the states were frequently tense. While the FSM national government joined its like-minded allies in solidarity on the international stage to combat climate change, restore ocean health, and conserve and manage the ocean’s life and resources, it struggled at times to maintain equally cordial relations with its constituent states. The long-running debate on tax reform and a time-sensitive push to liberalize telecommunications in the federation exemplified that struggle. The Mori administration identified both issues as crucial for the FSM’s economic fortunes and lobbied hard to implement them, but the administration ran into pronounced resistance from the states as well as from the FSM Congress—a persistent theme of domestic politics during the year in review.

Beginning in 2005, the Mori administration attempted to implement a national value added tax (VAT) regime in the FSM, citing favorable tax-revenue projections compared to the current national gross receipts tax regime. On 19 April 2011 and 1 May 2012, President Mori signed into law the Unified Revenue Authority Act and the Revenue Administration Act, respectively. The two acts established a Unified Revenue Authority and prescribed the means by which the authority would collect value added taxes in each state under the new regime. At the insistence of several members of the FSM Congress, the

Revenue Administration Act contained a so-called “sunset clause,” which stipulated that the act—and, thus, the entire VAT regime—would become null and void if any of the four states of the federation had not passed complementary VAT legislation at the state level by 19 April 2013. Chuuk and Kosrae signaled their support of the new regime from the beginning, but Pohnpei and Yap withheld their approval. The Yap State Legislature in particular insisted that its state constitution prohibited any entity other than the Yap State Government and local municipal governments from collecting any taxes in Yap, even national taxes. The collection of value added taxes by the Unified Revenue Authority in Yap would thus conflict with Yap’s constitutional imperative (FSMP10, 8 July 2013).

Because of resistance from Yap and Pohnpei, the FSM Congress amended the Revenue Administration Act three times between April 2013 and March 2014 in order to give both states enough time to reconsider their positions and adopt complementary VAT legislation. A Tax Reform Task Force established by the Mori administration aggressively lobbied Yap and Pohnpei (FSMIS, 29 March 2014). President Mori wrote to the leadership of Yap, beseeching the state to see “if there is any way Yap State can reconsider its position on the tax reform and figure out a way to join in the FSM tax reform efforts” (FSMIS, 23 Oct 2013). As the Yap State Legislature dug in its heels and continued insisting on its interpretation of the Yap State Constitution, tensions flared with the task force, which argued that the legislature’s interpretation of the state

constitution was deeply flawed. At a certain point, the Yap State Legislature proposed that the new tax regime allow the Yap State Government to collect the new taxes on behalf of, and forward the taxes to, the national government, so as to avoid violating the Yap State Constitution. The Mori administration balked, insisting that the Unified Revenue Authority conduct all tax collection. Whether the Mori administration distrusted Yap with the tax collection was never publicly acknowledged, but that was certainly the impression that was created.

The last extension of the sunset clause was set to end on 31 May 2014. Given the opportunity at the end of its Fourth Regular Session to extend the sunset clause again and allow Yap and Pohnpei more time to reconsider their stances, the FSM Congress chose not to do so (KP, 11 June 2014). Congress could have amended the Revenue Administration Act to eliminate the sunset clause altogether, but members of Congress insisted that all the states had to participate in the new tax regime or else it would not proceed. After years of bruising battles between the Mori administration and two states in the federation, the tax-reform effort came to an ignominious end.

While the national government grappled with states in the tax reform debate, tensions also erupted between the Mori administration and the FSM Congress on the issue of telecommunications liberalization. By law, the FSM Telecommunications Corporation (FSMTC) was the sole provider of telecommunications services in the federation, as a public corporation exercising a virtual monopoly. For



years, elements in the FSM, particularly the private sector, clamored for a liberalization of the federation's telecommunications services by way of repealing or amending the enabling legislation for FSMTC, but they ran into resistance from the FSM Congress. However, during the Micronesian Presidential Summit in July 2013, the World Bank entered the fray with an enticing proposal: in return for liberalizing its telecommunications sector, the FSM government would receive a \$40 million grant from the World Bank to implement a submarine fiber-optic-cable system for the federation, including \$27 million to connect Yap via a spur to a planned submarine fiber-optic cable between Palau and Guam. The World Bank placed a strict deadline on its proposal: if the FSM government did not liberalize telecommunications and create an independent regulatory entity for the newly liberalized telecommunications industry by February 2014, the World Bank would withdraw its grant offer (FSMIS, 1 Oct 2013). As Pohnpei is the only state in the federation that has fiber-optic connectivity, interest in the World Bank offer was quite high.

In response to the World Bank proposal, the Mori administration submitted a lengthy bill to Congress in September 2013 that called for removing FSMTC's monopoly over telecommunications in the federation and establishing a new independent entity called the Office of the Telecommunication Regulation Authority (FSMC, CB 18-77). The Mori administration had pursued fiber-optic connectivity for all four states of the federation since its first term, but the effort had faltered because of a lack of fund-

ing. The administration seized on the World Bank offer to realize its long-standing policy goal. The ball was in Congress's court.

While Congress reviewed the voluminous bill, the Yap State leadership met with Yap's senators, Isaac Figir and Joseph Urusemal, on 19 August 2013 and unanimously endorsed the telecommunications liberalization bill pending before Congress. Yap State Legislature Speaker Henry Falan called the World Bank offer a "golden opportunity of a lifetime that may never come again" and joined the rest of the Yap State leadership in endorsing the World Bank offer (YNB, 22 Aug 2013).

Despite the strong push from the Mori administration, the unanimous endorsement from the Yap State leadership, growing public support from the general public (particularly in Yap), and the February 2014 deadline imposed by the World Bank, the FSM Congress took its time reviewing the liberalization bill. Senator Isaac Figir, chairman of the Ways and Means Committee, echoed the sentiments of some members of Congress when he warned in October 2013 that "there's no such thing as a free lunch. Everything comes at a price" (KP, 3 Oct 2013). Pohnpei Senator Peter Christian, chairman of the Transportation and Communications Committee, noted that "we will do it but we'll do it our own way" (KP, 16 Oct 2013). The FSMTC opposed the bill in part because it called for restructuring the FSMTC's governance structure.

After seven months of extensive review, the FSM Congress passed a modified version of the telecommunications liberalization bill submitted by

the Mori administration. The modified version refrained from interfering with the FSMTC's governance structure, a move that secured the FSMTC's support for the bill. President Mori signed the bill into law as the FSM Telecommunications Act of 2014 on 3 April 2014 (FSMC, PL 18-52). The Mori administration called the signing a "big moment" in the country's history (FSMIS, 4 April 2014).

However, the FSM Congress was less-than-enthused about the process. The Committee on Transportation and Communications, although it ultimately recommended passage of the liberalization bill, groused that the Mori administration had been discussing the liberalization process and the attendant grant offer with the World Bank for three years but did not bring the matter to the attention of the FSM Congress until September 2013 (KP, 3 April 2014).

The sour reaction of the FSM Congress soon bloomed into acrimony. During its Fourth Regular Session in May 2014, Congress was informed that the World Bank would no longer provide the \$40 million grant for fiber-optic connectivity but would instead direct the grant funding to renewable energy projects in the federation. The reason for the change was that the FSM government had enacted its telecommunications liberalization law after the World Bank's deadline of February 2014. To add insult to injury, the Mori administration revealed to Congress that the plan to use the grant funding for renewable energy projects had been known to the Mori administration ahead of time as a "Plan B" in case the liberalization bill was not enacted in time. Speaker and Pohnpei

Senator Dohsis Halbert, in a statement on the floor of Congress, essentially accused the Mori administration of hoodwinking Congress by insisting that "it was fiber optic or bust," without mentioning to Congress the renewable energy alternative. Halbert questioned the administration's credibility, wondering whether its line was "a lie, a deliberate deception, or a farcical show of incompetence" (CIS, 17 May 2014).

In what appeared to be a measure of retaliation, the FSM Congress passed legislation on 28 May 2014 that amended the FSM Telecommunications Act in order to delay until 12 May 2015 the implementation of the chapter in the act that establishes the Office of the Telecommunications Regulation Authority (FSMC, CB 18-164). President Mori subsequently vetoed the legislation. In his veto transmittal letter to Congress, President Mori criticized the lack of any public hearings or committee reports on the legislation before its passage by Congress and noted that the legislation, if it became law, would hinder the FSM's ability to seek grant funding from the World Bank for fiber-optic connectivity during the bank's next round of financing (FSMIS, 26 June 2014). In other words, although the FSM missed out on qualifying for the World Bank's original grant offer because the FSM Congress had failed to pass the Telecommunications Act before the bank's February 2014 deadline, the government could still qualify for a new grant offer in the near future, especially after implementing its Telecommunications Act. As of press time, the FSM Congress had not acted on President Mori's veto.

The tussle between the Mori administration and Congress on the telecommunications liberalization issue was emblematic of deeper tensions between the two branches. During the year in review, President Mori vetoed eight bills passed by Congress. A majority of those bills involved appropriations of government funds. In response, Congress overrode five of President Mori's vetoes, including a line-item veto on a bill appropriating nearly \$5 million for "public projects and social programs" in the states of the federation—in other words, pork-barrel projects—that President Mori criticized as having been approved by Congress without transparency, sufficient specificity about implementation, and proper consideration for the federation's fundamental fiscal needs (FSMIS, 14 Jan 2014).

In an attempt to clear the air about the appropriations process, the Mori administration and members of Congress met twice in late January 2014 in closed-door sessions. During the meetings, President Mori asked Congress to consult more often with constituents about public projects before appropriating funds for them; provide enough details about those projects in order for the president, as allottee, to disburse the appropriated funds in a transparent manner; and refrain from getting involved with how the funds should be spent after they are appropriated (which the president argued would be a violation of the constitutional separation of powers between Congress and the executive branch) (KP, 19 Feb 2014). President Mori subsequently submitted a memorandum of understanding to Speaker Halbert containing his requests and asked the

Speaker to encourage Congress to sign and abide by the memorandum. Speaker Halbert tersely responded that he had no authority to compel the other members of Congress to sign the memorandum and that Congress would discuss the memorandum at a later date (KP, 6 Feb 2014).

The bitterness between Congress and the Mori administration over fiscal matters played out against the backdrop of growing domestic concerns about the end of financial assistance under the Compact of Free Association in 2023. Indeed, part of the Mori administration's frustration with Congress was the latter's insistence on appropriating government funds for public projects in lieu of contributing to a Set Aside Fund that President Mori called for establishing in a bill he transmitted to Congress on 14 August 2013 (FMSIS, 19 Aug 2013). The Set Aside Fund, if implemented, would require the appropriation of at least \$5 million annually into a restricted fund that would swell to at least \$50 million by 2023, and that would not be tapped beforehand except for limited projects selected after a very diligent review by the executive branch and approval from Congress. The fund would "finance viable investment projects that will accelerate economic growth" and "prepare for and mitigate the budgetary shortfall expected in 2023 arising from the termination of Compact financial assistance." Congress, at press time, had not passed the president's bill. However, Congress did pass a bill—which subsequently became law on 6 May 2014—that reduced the national government's share of compact funds from 5 percent

to 0 percent and redistributed the entirety of the reduction to the four states in the federation (FSMC, PL 18-57).

Augmenting compact-related stress, the Joint Economic Management Committee (JEMCO) responsible for approving compact sector grants for the Federated States of Micronesia rejected the FSM's requests to use approximately \$8 million of compact grants for various sectoral projects in fiscal year 2013 (except for about \$2.5 million for the College of Micronesia), leaving a nearly \$6 million shortfall in the FSM budget (*KP*, 4 Sept 2013). JEMCO's decision on 22 August 2013 prompted President Mori to tell US Interior Secretary Sally Jewell in a 6 September 2013 meeting that the FSM resented the committee's "micro-management attitude" (FSMIS, 30 Sept 2013).

Realizing the growing difficulty of relying on the United States to be sensitive to the FSM's fiscal needs, the Mori administration pressed ahead with the work of the 2023 Planning Committee, which was established by the administration to consult widely in the federation about strategies for securing the FSM's long-term fiscal stability and economic growth beyond the termination of compact financial assistance in 2023. The committee, led by President Mori and including the governors of the four states, met 7–8 December 2013 and again in May 2014, with several rounds of consultations in the interim with government officials and private sector representatives in all four states of the federation. The committee is expected to produce an action plan by October 2014 recommending strategies for the

post-2023 period (FSMPIO, 1 May 2014). Quite tellingly, the committee does not include members of Congress, even though there is no legal prohibition against such inclusion.

Fiscal responsibility and economic planning dominated President Mori's final State of the Nation address, which he delivered before the FSM Congress on 29 May 2014. Noting his administration's economic, fiscal, and policy achievements, President Mori nevertheless warned that "the winds of change are blowing our way" in a world grappling with climate change, threats to the Ocean and its resources, and geopolitical crises. President Mori devoted his "parting words" to a typically business-minded exhortation, as befitting the former banker: that "we renew our efforts and work together to allocate our limited financial resources to the priority needs of this nation" (FSMIS, 28 May 2014).

Possibly lost amid the sections on long-term financial planning in the address was a rather telling proposal: a call for a new constitutional convention that would, among other things, propose a constitutional amendment to allow for the direct elections of the FSM president and vice president, as opposed to the current system whereby the members of the FSM Congress select the federation's president and vice president from among the members holding four-year seats (FSMIS, 29 May 2014). Couched in language expressing concern over how "bloated bureaucracy at all levels of government" had hampered the nation's economic growth and calling for "more constructive engagement between all branches of government," the proposal for direct elections of

the highest offices of the land was, at the very least, a parting shot from President Mori to Congress, a body that had frequently bedeviled his administration. Even as President Mori announced to the international community the nation's commitment to tackling the pressing crises of the day, he signaled his administration's keen awareness of the difficulty of achieving—let alone maintaining—governmental unity domestically. To the very end, it seemed, the leitmotif would hold true: solidarity outside, dissension within.

CLEMENT YOW MULALAP

THE OPINIONS EXPRESSED *in this review are those of the author and do not necessarily reflect the official views of the government of the Federated States of Micronesia.*

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## GUAM

Three out of the seventeen remaining entities (20%) recognized by the United Nations as non-self-governing are unincorporated territories within the US political system (UN 2014). Two of these are in the Pacific: American Sāmoa and Guåhan (Guam). Even mainstream media recognized Guam's colonial condition in 2014 in a tourist-focused CNN story dubbing the island a “colonial holdout” (Crossan 2014), despite 115 years under the rule of a nation often called “the Greatest Democracy on Earth.”

Guam decolonization efforts can be viewed as occurring in three overlapping sets of activities to decolonize both the mindset and the political status of its peoples. Each had a sizable presence this last year—local empowerment through cultural strengthening and reconnecting the community to traditional practices and worldviews, advocacy, and local government actions.

Numerous efforts across virtually all sectors of Guam's community continued to strengthen indigenous Chamorro culture and local identity, including e-books documenting Chamorro family clan names; the revival of the ancestral procession to the Chamorro “creation point”; the development of a television show called *Nihi!* for Guam's *nenes* (children); the first-ever offering of Chamorro dance classes at the University of Guam (UOG); numerous locally produced films about island issues; and digital interactive applications bringing Guam's traditional oral narratives to life. The horizons of cultural programs were also broadened by strengthen-

ing ties to Chamorros living in other US areas and showcasing Chamorro culture internationally, the latter evidenced by Inetnon Gefpaa'go's cultural arts program tour of Europe in 2014. The new UOG Chamorro Studies program was highlighted in October 2013 when the governor of Guam signed a proclamation declaring it "I Sakkan I Inestudian Chamorro" (The Year of Chamorro Studies) (PNC, 15 Oct 2013). The program's first year was extremely active with its coordinator, Dr Michael Bevacqua, traveling off-island in early 2014 to visit Chamorros located elsewhere. One of the trip's successes was to sign up hundreds of people in support of an online Chamorro Studies certificate program. Also ongoing was construction of the new Guam Museum, with a projected completion date of December 2014.

Other cultural endeavors reached noteworthy milestones, demonstrating community interest and viability. Examples of this were the 6th Annual Gupot Fanha'aniyan Pulan CHamoru: Chamorro Lunar Calendar Festival; the 10th annual Chamorro dance competition, Dinanna Pa'a Taotao Tano'; the 2nd Marianas History Conference; and the conferring of another Honorary Master of Micronesian Traditional Knowledge degree on indigenous musician Candido Babauta Taman.

Guampedia, Guam's online resource since 2008, completed its website restructuring with a new comprehensive section, "Chamorro Quest for Self-Determination," that details the self-determination efforts of the people of Guam. Guampedia also embarked on new initiatives to capture and share voices of island

elders as well as involve island youth in documenting Guam's history and issues, the latter to be launched in August 2014 with a student film on self-determination (Rita Nauta, Managing Director, Guampedia, pers comm, 11 July 2014).

On the research front, Guam benefitted from the efforts of cultural groups and academics working together, such as I Fanlalai'an (Chamorro chant group) and Dr Carlos Madrid. They examined an item from 1798, believed to be the first official government document written in Chamorro and featuring archaic Chamorro words (PNC, 27 March 2014). New understandings about Chamorro settlement and subsequent migrations came to light from a National Geographic Geographic Project and an effort by local researcher Jillette Leon-Guerrero. The former validated and fine-tuned earlier theories about Chamorro origins, while the latter traced the ancestry of a family from Hawai'i to Guam (PDN, 14 Oct 2013; *Across the Water in Time* 2013).

Preparations for hosting the Festival of Pacific Arts in 2016 continued during the year under review. During workshops and meetings, Guam community members noted the growth in island cultural revitalization since Guam's first participation in the Festival in 1972 (Guampedia 2014).

While the Commission on Decolonization was relaunched in 2011 after several years of inactivity, it continued to lack an operating budget for fiscal years 2013 and 2014. However, Executive Director Edward Alvarez, commission members, and political status task force chairs found creative

ways to move decolonization forward (Alvarez, pers comm, 14 July 2014). The executive director has focused on two main activities for the commission. One has been raising awareness by talking to island youth as well as rotary clubs and civic organizations. The purpose of much of this has been to provide people with accurate information, to correct misconceptions, and to help people envision the possibilities of a decolonized future. Current misconceptions and fears range from thinking that Guam is already sovereign as part of the United States to assuming that the island cannot “make it” economically under a different political status (Alvarez, pers comm, 14 July 2014). The commission’s second focus has been standardizing and rewriting position papers on the three political status options recognized by the United Nations as ways of exercising a full measure of self-government: independence, free association with an independent state, and full integration with an independent state. Both of the commission’s efforts are ongoing, with some task forces, such as that for independence, also active at the grassroots level (Bevacqua, pers comm, 18 July 2014).

The commission has continued to look for funding from the local government, through various types of support from the community, and through grants (Alvarez, pers comm, 14 July 2014). The commission is helping Southern Christian Academy to prepare for an upcoming forensic debate for island high school students wherein teams will deliberate Guam’s three decolonization political status options (Bevacqua, pers comm, 18 July 2014).

Further, Guam has been working across boundaries within the region and among other territories including those of the United States to further the decolonization cause. The commission’s executive director gave interviews to Radio Australia and to news programs in Japan in 2013 and provided presentations to Japanese high school and university students, among other networking activities (Alvarez, pers comm, 14 July 2014).

However, some have noted that real awareness, education, and progress toward self-determination suffer from the government’s lack of prioritization as well as inadequate funding. As such, a heavier burden has been borne by advocacy groups within the period under review, including the Guåhan Coalition for Peace and Justice, Nasion CHamoru, Our Islands Are Sacred, We Are Guåhan, and others that have worked to empower, educate, and mobilize indigenous Chamorros and others of Guam. It was these groups, for example, that provided the only non-federal government forum to present findings to the general public concerning the 2014 Draft Supplemental Environmental Impact Statement (Draft SEIS) concerning “Guam and CNMI Military Relocation; Relocating Marines from Okinawa, Japan to Guam,” for which community input was being sought (PNC, 27 June 2014).

Another effort addressing the political rights of the people of Guam during the period under review was the “We The People Project” founded by former resident and civil rights attorney Neil Weare. By mid-2014, the project’s Right to Vote Survey circulated among Guam residents as a



means to “help us make the case that the right to vote [for US president] shouldn’t depend on where you live.” While some question the appropriateness of addressing political status-related issues piecemeal because of possible impacts on Guam’s self-determination process, Weare and attorney Leevin Camacho see value in tackling issues through “impact litigation to drive broader political and social change” (*Marianas Business Journal* 12 (5): 1 [14 July–27 July 2014]).

The year under review posed heavy demands on the community to provide input regarding expanded militarization in Guam. Two of these demands were the public meeting that was held in November 2013 regarding the 1,760-page, two-volume Mariana Islands Training and Testing Draft Environmental Impact Statement/Overseas Environmental Impact Statement and the three public forums concerning the 1,448-page Draft SEIS in May 2014. Guam’s community does want and should have the opportunity for comment. However, some have expressed the views that a community of approximately 170,000 people can only consider so much in a year’s period of time while having to meet many other pressing community demands and that the comment periods were extremely short for the consideration of such lengthy and complex proposals written by teams of specialists (a sixty-day comment period is not uncommon). Moreover, public forums have long been noted as culturally inappropriate ways to gather real community input from indigenous Oceanic societies.

Some of the key differences that were noted between the Final EIS

of 2010 and the Draft SEIS of 2014 included decreasing the number of marines and dependents to be relocated to Guam; spreading out the intensity of construction over several more years; decreasing the amount of locally held land acquired (note, however, that this did not mean that federally administered land will not be requested to shift from being held in trust for the community of Guam); fewer infrastructural demands; and the addition of alternative sites to consider for proposed activities (Draft SEIS 2014, ES-3). While some in the community have pointed to the hundreds of millions of dollars being spent on the buildup and have predicted economic growth for the island, others have noted that Guam’s educational, social, and health services and infrastructure are already stressed in meeting current demands and that any increase would be too much. They remind the community that the Government of Guam (GovGuam) will be largely financially responsible for the costly increase in services and improved infrastructure; that buildup contracts will largely be awarded to non-local companies; and that, according to the Draft SEIS itself, economic growth will be minimal. A major point of controversy has been the shift in the preferred location for the Live-Fire Training Range Complex from a site that impacted the *i manmofo’na* (ancestral) village of Pâgat (which has not been eliminated as an alternative) to one that impacts an *i manmofo’na* village at Litekyan (Ritidian), which has innumerable sacred sites and is also an area that has been designated by the US federal government as a crucial component of the Guam

National Wildlife Refuge, the island's only critical-habitat recovery area.

Added to these difficulties have been assertions that the local government has placed gag orders on government offices from speaking out against the buildup; that professionals are reticent to get involved in matters on which their jobs or consultancies rely; and that people may be reluctant to take a stand that may or may not be in line with the wishes of the island's indigenous community. Further, some have noted the striking coincidence that at the same time that opposition to increased militarization in the Marianas has developed a strong UOG faculty and student component, both the original deadline and the extended deadline for the latest of the public comments fell during their finals weeks.

Much discussed within many circles on Guam has been the challenge of being indigenous in one's homeland and dealing with people holding differing cultural values and worldviews about issues such as the significance of ancestral lands and pristine island environments. These differences are often in evidence whether the person be one of the high number of non-indigenous, and at times quite vocal, Guam community members or a representative of the US military. From the indigenous perspective, islands constitute an irreplaceable heritage handed down over hundreds or thousands of years, while others may see them as commodities and places for recreational activities. Thousands of acres of sacred or otherwise highly valued ancestral areas are in danger of being taken, destroyed, forever altered, or otherwise made inaccessible.

Some have pointed out contradictions in federal government assessments for the Mariana Islands and its neighbors. US military plans to increase their usage of and impact on resources in the Mariana Islands are directly at odds with the designation of the Guam National Wildlife Refuge decades ago, the Marianas Trench Marine National Monument in 2009, and the expressed interest by the US federal government in vastly increasing the size of a Pacific Ocean's marine sanctuary because "the United States is leading the fight to protect our oceans" (Eilperin 2014).

August saw a fierce battle between the Democratic Party-controlled legislature and Republican Governor Edward J "Eddie" Baza Calvo, who opposed Democratic initiatives to restore supplemental annuities, implement pay adjustments for government employees, and provide a larger reserve for income tax refunds than recommended by the Calvo administration (*PDN*, 21 Aug 2013; *MV*, 29 Aug 2013). After several attempts, a compromise version was unanimously adopted that funded Hay Study pay raises for GovGuam employees; restored cost of living allowances for GovGuam retirees to the level they were at a decade ago; and provided \$7 million more than the governor proposed to be held in reserve for the payment of tax refunds (*PNC*, 20 Aug 2013).

The issue of tax refunds was a source of conflict between the Calvo administration and the legislature as senators criticized the governor for using \$50 million in tax refund money for operations and effectively keeping 19,000 taxpayers waiting for refunds

even though the law prohibited him from doing so (*MV*, 12 June 2014). Senators sought a declaratory judgment from Governor Calvo on the matter, and in June the Guam Supreme Court unanimously ruled that it was illegal for the governor to use money that is reserved for refunds for other purposes (*PDN*, 18 June 2014). While losing in the Supreme Court, the Calvo administration was fighting another court order in federal court that would require the governor to pay tax refunds within six months. The court order had been issued in response to a taxpayers' class-action lawsuit against the Government of Guam. The legislature's appropriations chair, Senator Vicente "Ben" Pangelinan, labeled the governor's appeal as "completely absurd" and "a complete waste of taxpayer money" (*PNC*, 3 March 2013). In June, the administration was ordered by the court to post a \$2.2 million bond to cover the attorneys' fees of the taxpayers who filed the lawsuit, pending the outcome of the appeal (*MV*, 12 June 2014). There were also other concerns regarding Gov-Guam finances, as the public auditor reported in July that long-term debt for the Government of Guam had increased by 44 percent in fiscal year 2012 (*AP* 2013).

On taking office in 2011, the Calvo Administration halted implementation of the comprehensive government pay adjustment plan known as the Hay Study. However, by 2014 Governor Calvo was interested in implementing it (*KUAM*, 12 Jan 2011). Acting on authority granted in the Budget Act for fiscal year 2014, the administration submitted a plan that not only adjusted the pay of classified

employees but also that of elected officials such as the governor, lieutenant governor, senators, and mayors, as well as unclassified employees, including the governor's office staff and agency directors. Democratic senators conveyed their opposition to pay raises for the governor, lieutenant governor, senators, and political appointees in the executive branch (*PNC*, 21 Jan 2014). Eventually the administration's Hay Plan took effect, but senators later passed legislation eliminating the raises for the governor, lieutenant governor, senators, cabinet directors, and other political appointees (*PNC*, 3 Feb 2014). For those workers affected by the Hay Study, there was considerable disappointment in its implementation, as in the case of a number of public school educators who had served for twenty years yet received as little as 46 cents more in their biweekly paycheck (*PNC*, 19 Feb 2014). Almost a quarter of the Department of Education's employees filed grievances challenging the plan (*PDN*, 14 May 2014).

Another issue tackled by Guam legislators was a bill introduced by Vice Speaker Benjamin JF "BJ" Cruz to raise the minimum wage. After strong opposition from the Guam Chamber of Commerce, Cruz's bill was amended, passed unanimously, and signed into law by Governor Calvo. Originally proposed to incrementally increase the minimum wage to \$10.10 an hour by 2017, the measure was reduced to a single dollar increase, from \$7.25 to \$8.25 an hour effective 1 January 2015. Seventeen percent of private-sector workers and 14 percent of Guam's total labor force earn less than \$8.20 an hour, accord-

ing to data from the Guam Bureau of Labor and Statistics. An estimated 7,000 workers will be affected by the increase (PNC, 12 July 2014).

As the 2014 elections approached, the community was transfixed by developments in the Democratic Party as many wondered whether the party would put forth an opponent to incumbent Republican Governor Eddie Calvo (PNC, 11 April 2014). In November 2013, the Democrats held their elections for party officers, selecting the Legislature's Majority Leader Senator Rory Respicio as chairman and former Department of Education Superintendent Dr Nerissa Bretania Underwood as vice chair (KUAM, 5 Nov 2014). Also elected were John Paul Manuel as secretary, Coy Torres as treasurer, and members of the Central Executive Committee, representing the island's villages. Democrats were encouraged when the turnout for the party election was triple that of the previous one. Senator Respicio and Bretania Underwood set as their goals to strengthen the Democratic Party over the next six months and to help launch a strong gubernatorial team "to take on the current administration" (MV, 11 Nov 2013).

In April, to foster discussion about the party's future and potential Democratic candidates for governor and other offices, party officers embarked on a "listening tour" of the island's villages. The tour began in Agat and was deemed a success by Democratic leaders as residents voiced their concerns about crime, the state of education, and the need to provide an alternative to the Calvo administration (*Saipan Tribune*, 26 April 2014). Respicio noted that the party was

succeeding in uniting all factions and surmounting past problems of factionalism (PNC, 10 April 2014).

By June, the pace of meetings of Democratic leaders stepped up, and, at Democrats' urging, former Governor Carl TC Gutierrez and attorney Gary Gumataotao announced they were running for governor and lieutenant governor, respectively (PNC, 23 June 2014). The day before the filing deadline, the Gutierrez-Gumataotao team filed for the Democratic primary, to be held 30 August 2014, setting the stage for a November contest with the Calvo/Tenorio team. On that same day, incumbent US Congresswoman Madeleine Z Bordallo also filed her election papers. She will face challenger and first-time candidate Matthew "Matt" P Artero in the Democratic primary, and the winner of that contest will be pitted against Margaret McDonald Glover Metcalfe, who was the sole candidate for the Republican nomination for that post.

Two days before the filing deadline, incumbent Senator Vicente "Ben" C Pangelinan surprised many when he announced that he would not be seeking reelection (KUAM, 29 June 2014). Pangelinan had been hospitalized, and little more than a week later the former Speaker and ten-term lawmaker passed away from cancer (PDN, 8 July 2014). In addition to Pangelinan, the year saw the passing of former senators James Underwood, G Ricardo Salas, and Leonardo San Nicolas Paulino; former Mayor Pedro Iriarte Borja (Guam Legislature website); and former US Congressman and Marine Brigadier General Vicente "Ben" T Garrido Blaz. The latter four individuals were survivors of the Japanese

occupation of Guam in World War II (See the list of Guam survivors in the Asan Bay Overlook Memorial Wall of Names, downloadable from the US National Park Service website for the War in the Pacific National Park [US NPS 2014].).

The loss of Pangelinan shook up the Democratic slate for the 15-seat Guam Legislature, but by the primary election filing date, 15 candidates had filed. In addition to the 8 Democratic incumbent senators, 3 former senators—Adolpho B Palacios Sr, Judith P Guthertz, and Hope Alvarez Cristobal—also filed their candidacies. Trying for their first time in elective office were Rodney A Cruz Jr, Derick Baza Hills, and Frank Taitano Ungacta Jr. For the remaining slot, Democratic Party Vice Chair Dr Nerissa Bretania Underwood was drafted by Democratic leaders. Underwood, who is the wife of former US Congressman Robert A Underwood, subsequently accepted the draft (GEC website).

On the Republican side, a contest for the Senatorial slate was set in motion as 16 candidates vied for the 15 Legislative seats. Along with incumbents Vicente Anthony “Tony” Ada, Thomas “Tommy” A Morrison, Aline A Yamashita, Christopher “Chris” M Duenas, and Brant T McCreddie were former senators James “Jim” V Espaldon and Frank F Blas Jr, as well as hopefuls Mary Camacho Torres, Glenn A Leon Guerrero, Roland Blas, Adonis Mendiola, William M Castro, Felix C Benavente, Valentino Perez, Michelle Hope Taitano, and Carl Gross (known as “Romeo Carlos”) vying for their party’s nomination in the August primary (GEC website).

For the nonpartisan race for attorney general, retired Judge Elizabeth Barrett-Anderson, who is also a former attorney general and senator, filed her candidacy to challenge incumbent Leonardo “Lenny” M Rapadas (GEC website).

One referendum that may be placed before voters in the November 2014 election concerns the issue of medical marijuana. The legislature had approved a bill sponsored by Senator Tina Muña Barnes to place legalization of medical marijuana on the ballot (*PDN*, 28 Jan 2014). However, the Guam Election Commission (GEC) refused to follow the statute, citing a conflict with the Organic Act of Guam. The election commission contended that lawmakers do not have the authority to place bills on a ballot but only the authority to pass bills into law. To resolve the issue, the legislature went to the Guam Supreme Court seeking a declaratory judgment. The court’s decision was expected in August 2014 (*PNC*, 10 April 2014).

The year saw a renewed drive by Guam lawmakers to enforce a provision of the Compacts of Free Association with the Federated States of Micronesia, Palau, and the Marshall Islands (known as Freely Associated States or FAS). The compacts, while allowing for unlimited travel to the United States for purposes of employment and education, also provide for the deportation of criminals from a US territory back to their native countries. According to a 2012 report, FAS residents incarcerated in the local prison increased from 873 in 2010 to 1,132 in 2012 with a cost of \$5.38 million to the Department of Corrections. Seeking action, Vice Speaker

Cruz met with the US Immigration and Customs Enforcement's Enforcement and Removal Operations office in San Francisco on this issue (PNC, 14 Jan 2014). Meanwhile, Foreign Affairs Chairman Senator Respicio held a roundtable discussion with attorneys from the Calvo administration and the attorney general's office seeking a legal pathway for local officials to move on deporting FAS citizens currently held at the Department of Corrections (PNC, 15 Oct 2013).

Guam's delegate to Congress Madeleine Bordallo faced difficulties on two fronts this year with respect to long-standing controversies: land issues related to the planned military buildup and war reparations for those who suffered Guam's World War II Japanese occupation. The US Department of Defense is in the process of selecting a site for a new live-fire training range complex (LFTRC) and has stated that its preferred site is in the Ritidian Unit of the Guam National Wildlife Refuge. Construction of the LFTRC would not begin until 2017 at the earliest, but Bordallo has said that if the range complex is not constructed the planned buildup may be in jeopardy. To pave the way for the LFTRC, Bordallo, at the US Navy's request, introduced a bill to establish a safety buffer over a portion of the refuge when the ranges are in use and to close any part of the refuge for safety or national security reasons. However, critics in Guam pointed out that Bordallo did not consult with them before introducing her measure (PDN, 9 May 2014). Legislative Speaker Judith Won Pat criticized Bordallo primarily because the community was not properly informed or consulted about

the bill. Won Pat also noted that the measure preempts and hinders other processes designed to provide community input on the LFTRC decision, including the ongoing consideration of the Draft SEIS and processes such as those required under the National Environmental Process Act (MV, 16 May 2014). Aside from environmental impacts, concerns were also raised that Bordallo's bill would foreclose any chance of the return of the land in Ritidian to its original landowners. Despite the criticism, Bordallo's efforts received the full backing of Governor Calvo (Governor's Office website, 9 May 2014). In May, an amended version of Bordallo's bill passed the US House of Representatives as part of a larger defense authorization measure (PNC, 24 May 2014).

In June, news that the provision for Guam's World War II war reparations was stripped from the Senate's Omnibus Territories Act caused considerable dissatisfaction in the community (PNC, 19 June 2014). Governor Calvo spoke for many when he said, "The people of Guam should get the recognition we deserve as a result of the atrocities our families suffered in World War II. Unfortunately, there is still no resolution for the Chamorros who haven't been compensated for their suffering—as other Americans have been" (PNC, 20 June 2014). This negated the minority view, later stated by a vocal non-indigenous journalist, that Guam should "give up on war reparations," calling it "a waste of time and effort" (PNC, 27 June 2014).

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### KIRIBATI

This review focuses on the debate on climate change and its implications for

policymaking and attitudes in Kiribati. It also deals with how the government has represented this issue to the community and to the outside world through the local and international media and other channels and the impacts of such communications on I-Kiribati understanding of the issues. The review also looks at disjunctions between what is written in the country's national development plan and what has been said by President Anote Tong, as well as the disconnects between scientific reports about and citizens' knowledge of risks associated with climate change and possibilities to address it at all levels. As the first review of Kiribati to appear in these pages in almost two decades, rather than being comprehensive, it seeks only to highlight and discuss key trends and themes that have emerged in this debate in hope of suggesting useful directions for future reviews.

Kiribati's position on climate change has always been, and will continue to be, centered on the notion of "disappearing nations" (Korauaba 2012). This position is driven by scientific findings that low-lying atolls such as Kiribati are in danger of sinking due to climate change and sea-level rise. Most of the land in Kiribati is currently only two to three meters above sea level. The "sinking feeling" is evidenced in impacts that people are already experiencing and is supported by growing consensus among world leaders and scientists. In response to these threats, in 2012 the Kiribati government established its Climate Change Study Team (CCST), and the Kiribati Parliament set up its Parliament Select Committee on Climate Change (PSCCC) to promote people's

awareness and understanding of climate change. The latter committee has been actively involved in regional and international climate-change meetings. Currently, the Kiribati Adaptation Programme (KAP) is championing adaptation strategies on the ground.

The risks associated with climate change have been recognized around the world, including impacts on water quality, land, and soil, as well as increased possibilities of severe drought and flooding. In reality, there is little Kiribati can do to reduce its vulnerability, and actions being undertaken so far are described as the "no regret" measures—steps that can be beneficial even in the absence of climate change. The country's strategies to tackle development challenges and climate-change risks are documented in its development plan for 2012–2015 (Government of Kiribati 2012). However, this plan only briefly details its climate-change adaptation strategies, and most of the president's views about climate change as published by the local, regional, and international media have little connection to this plan. For example, the plan does not mention buying "floating metal islands" or purchasing land in Fiji. In relation to the government's newly purchased 6,000 hectares on Vanua Levu in Fiji, Tong said in 2013 that his government had no plans to develop it but instead bought the land as an investment (Lagan 2013). More recently, however, Tong indicated the opposite in a Radio New Zealand International interview, when he stated, "The Kiribati government intends exploring options of commercial, industrial and agricultural development of the estate. This could



involve fish canning, beef and/or poultry farming, fruit and vegetable cultivation, to name a few” (RNZI 2014b).

Central to our understanding of the issue is the United Nations Intergovernmental Panel on Climate Change’s latest report, which confirms that climate change is caused mainly by human activity (IPCC 2014). The report goes on to identify small island nations such as Kiribati as in danger of sinking, indicating as well that some people are already struggling to survive. President Tong has campaigned vigorously on the idea that Islanders are the victims and others are the culprits. He has also claimed that his people will one day have to abandon their country and migrate to other countries (see, eg, Warne 2014).

The term “climate-change refugees” has troubled President Tong, who stresses that people should “migrate with dignity” (Lagan 2013). As a long-term plan to prepare its people for migration, the government has invested in education and upgraded the Tarawa Technical Institute to Australia and New Zealand standards. Australia and New Zealand have been identified as two possible destinations for the people of Kiribati. However, the two countries have publicly dismissed the idea of accepting climate-change refugees, saying they are assisting Kiribati in different ways. Every year, New Zealand accepts seventy-five individuals from Kiribati to become residents under its “Pacific Access” category. It has also provided Recognised Seasonal Employment (RSE) to certain Pacific Islanders including I-Kiribati; a similar scheme (the Pacific Seasonal Worker

Pilot Scheme, or PSWPS) was later introduced by Australia. On the other hand, Fiji has declared that it will not turn its back on Kiribati should the need arise to evacuate its population (see, eg, Liljas 2014).

In 2006, the Kiribati government first declared the creation of the Phoenix Islands Protected Area (PIPA). In 2008, formal regulations were adopted for it, and two years later it was added to the list of UNESCO World Heritage sites. In October 2013, Tong’s government established a \$2.5 million endowment for PIPA, which was matched by a grant in the same amount from the Global Conservation Fund of Conservation International to start a trust fund to preserve the marine resources for future generations (IUCN 2013). The government has opened a new embassy at the United Nations in New York; the country also has embassies in Taiwan and Fiji (PINA 2013). Refuting criticisms regarding the high cost of foreign embassies, the president maintains that the new embassies are part of his government’s foreign policy to ensure that they do not miss out on any opportunity and that their voices are heard at the international level.

In May 2013, Jimmie Rodgers, head of the Secretariat of the Pacific Community (SPC), stated, “Pacific islands are the victims of industrial countries unable to control their carbon dioxide emissions. The truth of the matter is that we have no option but to accept this and adapt” (Wéry 2013). In September 2013, under the theme “Marshalling the Pacific Response to Climate Change,” the Pacific Islands Forum met in the Marshall Islands, where

the leaders deliberated on their position on climate-change adaptation and pushed for mitigation efforts on the part of developed countries. In July 2014, a few days before the annual Kiribati independence celebrations, Tong convened the Coalition of Atoll Nations on Climate Change (CANCC) in Tarawa with leaders from the Marshall Islands, Maldives, and Tuvalu (RNZI 2014a; PINA 2014).

Jon Palfreman has argued that it would be hard to change the mindset of world leaders because many are skeptical about the scientific validity of climate-change science (2006). Climate change is of course a topic subject to debate and interpretation, but on the ground it is a reality. Partnering with Island nations and donors to speed up awareness and adaptation, the South Pacific Regional Environmental Programme (SPREP) has undertaken a series of regional meetings and trainings for governments, civil society, and the media to promote climate-change adaptation (SPREP 2014). Developed countries and donors are aware of their responsibilities to help nations with funds to adapt to the changes. Nevertheless, small island nations such as Kiribati claim that these are not enough to reduce their vulnerability and to increase their capacity to adapt.

This is how climate change has set a new standard for relationships between smaller nations and industrialized countries. Their interaction is very much influenced by the recognition of risk and responsibility (Beck 2000), in the sense that evidence strongly suggests that people in Kiribati and other smaller nations are at risk and that responsibility rests

equally with developed countries. The disconnection between what is written and what is said about challenges posed by climate change and ways to respond to the changes receive little attention. For instance, Tong has repeatedly promoted the idea of constructing a “floating island” (Fox 2013), and he has attempted to answer questions posed by international journalists based on “what if it happens” scenarios. In addition, there are claims that Tong is deliberately using climate change to seek funds from the international community and distract attention from major issues such as overcrowding, unemployment, pollution, and health problems (see, eg, Lagan 2013). Getting the international community to solve as many problems as possible because they seem to be linked to climate change is a card now being played by the president and other Pacific leaders.

For biblical reasons, some Christian denominations have downplayed the seriousness and urgency of the government’s campaign. Many elders are very reluctant to talk about leaving because they do not understand what is happening and where they would be going. The media are caught in the “victim vs culprit” debate but have at times published or broadcast sensational and emotional stories illustrating people’s feelings and ideas about the unknown future (Day 2011; Korauaba 2012). Recently, an I-Kiribati man applied for refugee status in New Zealand, but his application was turned down because current international law doesn’t recognize climate-change refugees. The man is now overstaying in New Zealand and awaiting deportation (Radio

Australia 2014). The Kiribati government is not involved in this case, despite earlier pleas by the president in support of migration as an alternative due to climate change and sea-level rise. A few days before the general election in New Zealand in September 2014, the National Party announced that climate-change refugees would not be allowed into New Zealand (PMC 2014).

Despite the sense of urgency in Kiribati and in many other Pacific Island countries to address climate change, this reviewer feels that several measures being proposed are inappropriate. Climate change is a political issue, and leaders and activists are busy casting blame on others for destroying nature. Overwhelmed by the gravity of the debate, the Kiribati government has rushed through a few projects and made irrelevant and inconsistent messages to the world. Purchasing land in Fiji lacks proper planning, and proposing a floating island may confuse and frighten people. Training and preparing people to migrate with skills and qualifications recognized in particular countries such as Australia and New Zealand is problematic if those countries will not currently accept climate-change migrants or refugees. Several churches have opposed the government's position on climate change, and the elderly renewed their allegiance to their country. In general, some of the government's activities to address climate change are too broad and hard to put together. However, this reviewer understands that their main objective has been to tell the world that Tong, who now appears to be a climate-change activist rather than a leader, is genuine and serious about his country.

Apart from climate change, the president had sacked three of his cabinet ministers for misconduct. Communications, Transport and Tourism Minister Taberannang Timeon and Public Works and Energy Minister Kirabuke Teiaua resigned amid controversy over allegations of receiving excessive sitting allowances (RNZI 2013; *Islands Business* 2013). Timeon was a key member and founder of the ruling Boutokaan Te Koaua Party. The party's philosophy is to uphold and support the truth. Timeon later told the local media that he did not want to step down because he believed that he had not done anything wrong, but he resigned because he respected the president's power according to the constitution. Timeon is still sticking with the party despite being sacked and even though his chances to succeed Tong are slim due to his age and the alleged misconduct. Toward the end of 2013, the government heavily campaigned on the rights and protection of women, which resulted in the introduction of a new Family Bill and the establishment of the new Ministry for Women and Youth. In early 2014, President Tong sacked Minister of Labour Boutu Bateriki after he was reported to have beaten his former wife and appeared in court for that offense (RNZI 2014c). Five women in Kiribati were murdered by their husbands or former partners between January and June 2014. The men are being held in prison awaiting their trials. Following public discontent and outcry about the murders, in September Parliament unanimously passed the first reading of a bill to amend the penal code and reinstate the introduction of the death penalty

for murderers. Leaders of the Catholic and Protestant churches criticized the bill, saying it will erode Christianity, and therefore called on their members to oppose it (Edmonds 2014).

The notion of disappearing nations, a common theme arising from the debate on climate change, has shaped and influenced our knowledge about science and small nations such as Kiribati. This is not to dispute scientific findings that these islands are in danger of sinking due to climate change and sea-level rise. There is danger and the need to take action is now. However, Tong's government has spent much time, energy, and effort on climate change, and as a result short- and medium-term challenges such as overcrowding, unemployment, environmental pollution, and urban shift have often been overlooked. These challenges existed in Kiribati prior to independence. We are now witnessing one of the most challenging issues of our time, one that calls on leaders such as Tong to carefully and thoroughly plan their strategies. Taking unnecessary measures is not just costly but also expends time and energy. Leaders such as President Tong need to continually check and balance their attitudes and motives to ensure that they are consistent with their own government's policies.

TABERANNANG KORAUABA

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## COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

The impacts of climate change came into urgent focus for the US Commonwealth of the Northern Mariana Islands (CNMI) during the period

under review. A report issued by the CNMI Climate Change Working Group (CCWG) identified nearly all of the villages and resources along the western coast of Saipan, the archipelago's main island, as being critically vulnerable to sea-level rise and changes in rainfall patterns. Saipan's western coastal plain includes natural habitat areas, residential neighborhoods, the primary business district of Garapan, many of the island's hotels, restaurants, and shopping centers, and vital infrastructure from roads and the seaport to power facilities. The vulnerability assessment urged that climate-change considerations be prioritized for western low-lying areas and better integrated with flood-control studies and development plans. The Climate Change Working Group's study was also part of the US Global Change Research Program's National Climate Assessment that was submitted to the White House in May 2014; that national report highlighted sea-level rise, reduced freshwater supplies, and coral bleaching among the major climate-change threats to communities across the Pacific Islands, including the CNMI (USGCRP 2014; CCWG 2014; *ST*, 18 Feb, 14 May, 18 June 2014).

The CNMI Climate Change Working Group consisted of representatives from approximately thirty local and federal agencies, led by the Division of Coastal Resources Management. The division's director, Fran Castro, a longtime environmental advocate and public servant, was also elected during the period under review to chair the Pacific Regional Ocean Partnership (PROP), the members of which are appointed by the governors of the

CNMI, American Samoa, Guam, and Hawai'i to identify coastal and ocean management priorities that require a coordinated regional response (*ST*, 18 Feb 2014). CNMI Governor Eloy S Inos himself put a spotlight on climate change as chair of the 19th Micronesian Chief Executives Summit, which convened on Saipan in December 2013. Declaring climate change "the most common concern we share as a region," Inos called for continued partnership among the Micronesian Island jurisdictions and nations to "demand action against large carbon emission producing nations devastatingly contributing to climate change and adversely impacting our fragile island communities" (Eugenio 2014).

The CNMI sought enhanced regional cooperation in other areas as well during the period under review, particularly with the neighboring US territory of Guam. In September 2013, Governor Inos and Guam Governor Eddie B Calvo convened the First Marianas Summit to explore issues of mutual interest, including coordination and information sharing between the two jurisdictions in managing the US military buildup (*MV*, 23 Sept 2013). Throughout the year, Inos sounded a markedly cautious note in his approach to military activities in the archipelago, calling for greater oversight by CNMI regulatory agencies, and raising concerns about proposed live-fire training exercises on Tinian and Pagan. Inos also objected to the proposed establishment of a divert airfield on the main island of Saipan, urging instead that the military develop its long-neglected leased land on neighboring Tinian, which comprises two-thirds of that island

(Inos 2014; *ST*, 31 July 2013). The Marianas governors also discussed possibilities for a future interisland cargo and passenger ferry system and for the promotion of agricultural commerce between the islands (*MV*, 23 Sept 2013; *ST*, 22 Sept 2013).

Similarly, the Mariana Islands Legislature Association (MILA) held its first general assembly of Guam and CNMI lawmakers in November 2013 on Guam, with plans to rotate sessions within the Marianas archipelago as part of a new joint legislative effort to address political, social, and economic concerns shared between the two jurisdictions (PNC 2013). Among the first successful outcomes of this endeavor was the enactment of legislation in May 2014 that relaxed Guam's quarantine rules to remove testing requirements and other restrictions deemed unnecessary or outmoded for the export of live cattle from the CNMI to Guam (*ST*, 23 May 2014). Two months after the law was signed, the first shipment of CNMI cattle arrived on Guam, and more are expected to follow (*MV*, 28 July 2014).

US Federal-CNMI relations improved in some ways under the Inos administration during the period under review. The relationship between the CNMI and federal governments was notoriously rocky during the term of Inos's predecessor, now-disgraced former Governor Benigno R Fitial. As Fitial's lieutenant governor, Inos came into power after Fitial hastily resigned and departed the commonwealth for the Philippines in February 2013 amid impeachment proceedings and allegations of public corruption. The shift in federal-CNMI relations was most evident in the collaboration between the US delegate for

the CNMI, Gregorio "Kilili" Sablan, and Governor Inos. On immigration matters, Sablan and Inos jointly pushed for a five-year extension of the federal CNMI-only transitional guest worker program, which was due to expire in December 2014. The extension was granted administratively by US Labor Secretary Thomas Perez and took effect in June 2014, after the Department of Labor determined that continuing the transitional worker program would ensure the availability of a sufficient number of workers for legitimate businesses in the commonwealth (US Department of Labor 2014; *ST*, 29 May 2014).

Citing 2010 census results that pegged the US citizen population at 24,000 and the non-US citizen population at nearly 30,000, and noting the estimated 24 percent unemployment rate among US citizens in the CNMI, the US labor secretary concluded that even if all US workers were employed there would still not be enough workers to fill all available jobs (US Department of Labor 2014). The transitional worker program is now due to expire in December 2019 and may be renewed again indefinitely in up to five-year increments at the labor secretary's discretion, unless the law is amended as Delegate Sablan has proposed. Sablan introduced a bill that would effectively bar future five-year extensions of the transitional worker program, a response perhaps to criticism from advocates seeking a more permanent status for the CNMI's foreign workers and from those who say the CNMI must focus more resources on training US workers to take over jobs currently held by non-US workers (*ST*, 15 July 2014; US Senate 2014). Additionally,

Sablan's bill would extend to 2019 the visa program for foreign investors who opened businesses in the CNMI prior to the application of federal immigration law in 2009. Further, the bill would extend to 2019 the bar on political asylum claims in the CNMI, seen as crucial for continuing the visa-free entry of Chinese tourists, one of the commonwealth's fastest-growing markets. Governor Inos supported this bill, a similar version of which was approved by the US Senate in June 2014 (ST 237), and Inos urged US House Speaker John Boehner to prioritize its passage in the US House of Representatives (ST, 15 July, 20 June 2014).

Remaining in limbo during the year under review was the future immigration status of the CNMI's foreign workers and other key groups who were legally present in the islands before the US Congress applied federal immigration law in 2009. In another departure from his predecessor, Governor Inos backed Delegate Sablan's proposal to provide a pathway to US citizenship to these groups. Sablan's provisions were incorporated into national comprehensive immigration reform legislation that was still pending in the US Congress at the time of this writing. Not all of the CNMI's leaders agreed with the proposal, however. In November 2013, the CNMI House of Representatives issued a resolution that opposed Sablan's legislation, expressing fears of change in the social, political, and economic landscape of the islands should foreign nationals, who now outnumber Chamorros and Carolinians, secure permanent immigration status (House Resolution 18-34; ST, 15 Nov 2013). The resolution prompted calls from

Governor Inos for unity on immigration reform (MV, 26 Nov 2013) and drew criticism from Delegate Sablan for the resolution's legal and factual inaccuracies, which he said made the CNMI look "foolish" (MV, 1 July 2014; ST, 11 Nov, 12 Nov 2013).

Internal politics were contentious on other fronts. As if the CNMI's ubiquitous poker machine parlors were not enough, the government moved to dramatically expand the gaming industry through the enactment of legislation that legalized government-run video lottery terminals, electronic gaming in hotels, and, most controversially, casino gaming on the island of Saipan (ST, 7 Oct, 16 Dec 2013; ST, 6 March 2014). Casino gaming was legalized years before on neighboring islands Tinian and Rota through ballot initiatives approved by voters on those islands. One casino exists on Tinian and the industry has yet to take off on Rota. Saipan voters have twice rejected casino initiatives on their island, most recently in 2007, and Rota and Tinian lawmakers (especially in the Senate, where they comprise six of nine members) have long blocked attempts to legalize casino gaming on Saipan through statute (ST, 26 Nov 2013; 6 March 2014).

During the year under review, however, several Rota and Tinian legislators crossed aisles to join a majority of Saipan lawmakers—including Saipan lawmakers who used to oppose casino gaming on the island—in passing a Saipan casino law that was developed in coordination with the Inos administration. The legislation moved swiftly, passing both chambers of the legislature over the course of just two days in March 2014, after being introduced in the House barely a month before.



No public hearing was held, nor was a committee report produced, and Governor Inos signed the bill into law days later (*ST*, 6 March 2014). The law was amended almost immediately afterward to correct ambiguities and conflicts that were missed during the hustle, and Governor Inos issued a request for proposals for an exclusive forty-year Saipan casino license on 1 April 2014—the same day that he signed the amendments into law (Public Law 18-38; Public Law 18-43; *ST*, 2 April 2014).

The handful of lawmakers who opposed the Saipan casino bill questioned the rush (*ST*, 13 June 2014). In response, Senate President Ralph Torres of Saipan (who used to oppose casino gaming on the island and voted against it as recently as November 2013 before voting for it five months later) declared that times had changed. Torres cited, in particular, the plight of retirees, the demands of land compensation claimants, and the needs of the public hospital as his primary motivations for voting yes on the Saipan casino bill (*MV*, 4 March 2014). However, the problems he mentioned had existed in November 2013 and long before that time as well. Perhaps something else had changed.

What may have made a major difference in lawmakers' votes on casino legislation this time around occurred in the form of a series of "fact-finding" trips to Hong Kong and Macau undertaken between November 2013 and early 2014 by several key officials, including Governor Inos, Senate President Torres, Senate Vice President Victor Hocog of Rota, Tinian Senators Francisco Borja and Joaquin Borja, and Saipan Representa-

tive Ralph Demapan. The trips were apparently paid for by casino investors whose names were not disclosed, nor were details of their meetings publicly revealed. Governor Inos, Senate President Torres, and other lawmakers subsequently claimed that the investors who funded the travel did not participate in the bidding process, but those claims were belied by later reports indicating that in November 2013, the parent company of Saipan casino bidder Best Sunshine International, formerly called First Natural Foods (now Imperial Pacific International), had purchased Macau junket promoter Hengsheng Group for HK\$400 million (US\$51 million) and that investors with ties to the Hengsheng Group had hosted the CNMI officials' "fact-finding" trips (Cohen 2014; *ST*, 24 April 2014; Asia Gambling Brief, 4 Dec 2013). Shortly after these "fact-finding" travels, in February 2014 Representative Ralph Demapan introduced Saipan casino legislation in the House and shepherded the bill to passage in a matter of weeks. The crucial votes in the Senate in favor of the bill came from Senators Ralph Torres, Victor Hocog, Joaquin Borja, and Frank Borja, as well as from Saipan Senator Pete Reyes, another former opponent of casino gaming in his district (*MV*, 4 March 2014).

The Saipan casino law was mired in controversy from the start. Multiple parties filed litigation challenging the law, all alleging misconduct and violations of law by public officials. One of the lawsuits was filed by Marianas Stars Entertainment Inc, a Hong Kong-based casino investment group with interests on Tinian and one

of two bidders for the Saipan casino license (*ST*, 20 June 2014). Marianas Stars also alleged that license competitor Best Sunshine engaged in improper business tactics: during the short-lived casino license competition, Best Sunshine's aggressive marketing blitz promised not only a massive \$2 billion, 2,000-room casino resort development and the \$30 million deposit that would go immediately toward satisfying retirement obligations, but also a \$20 million community chest fund, and \$10 million in cash vouchers for every eligible adult to help pay for utilities (*GGRAsia* 2014).

One taxpayer lawsuit sought to nullify the Saipan casino law on the grounds that the legislature had failed to comply with public notice requirements in the CNMI's Open Government Act (*ST*, 19 May 2014). Attorneys for the government responded by claiming that application of the sunshine law to the legislature was unconstitutional, notwithstanding overwhelming voter approval of a ballot initiative in 2007 that explicitly applied the Open Government Act to the legislature (*ST*, 12 June 2014). Casino opponents mounted petitions for a referendum on the casino law to be placed on the November 2014 ballot. When it looked as though their efforts were beginning to gain traction, the legislature repealed and reenacted the casino law in its entirety in July 2014—effectively nullifying the petition, which was based on the previous law (Public Law 18-56; *ST*, 11 July 2014).

The new casino law also authorized the lottery commission to issue the Saipan casino license in the absence of a duly organized casino commission,

responding in part to the stalling of the confirmation process for Governor Inos's casino commission picks. Representative Ramon Tebuteb, a known casino opponent who chaired the legislative delegation responsible for confirmation of executive appointments, raised questions about possible conflicts of interest among the commission nominees, all of whom were retirees who stood to benefit from the issuance of a casino license, as the bulk of the license fees were to be used to pay out pensions. Tebuteb refused to hold hearings on the commission nominations until these and other questions were resolved (Public Law 18-56; *ST*, 23 May 2014). The lottery commission, on the other hand, was already formed and active and comprised the heads of the Department of Finance, Department of Commerce, Office of the Attorney General, and Department of Public Safety—all executive branch cabinet members serving at the pleasure of the governor (*ST*, 26 Nov 2013). Four days after the new casino law was enacted, the lottery commission voted unanimously to award the Saipan casino license to Best Sunshine (*ST*, 15 July 2014; *Garlitos* 2014).

The Saipan casino law and the way it was passed dealt yet another blow to public trust in a community still stung by a series of high-profile government corruption scandals that marked six years under the Fitial administration. Several of those cases were still moving through the justice system during the period under review. In February 2014, former CNMI Attorney General Edward T Buckingham was convicted in Superior Court on seven of eight criminal charges involving

misconduct in office and conspiracy to commit theft of services. He had been accused of misusing government resources to sponsor a political campaign event, to evade service of a penal summons, and to obtain legal counsel through the Attorney General's Office for his criminal proceedings. Superior Court Judge Kenneth Govendo sentenced Buckingham to a \$14,000 fine but ordered no jail time. Govendo opted instead to place the disgraced former law enforcement officer on unsupervised probation for three and a half years in consideration of Buckingham's poor health and the nonviolent nature of the crimes. As a convicted felon, Buckingham, age sixty-five, was also barred from returning to government service in the CNMI for twenty years (*ST*, 20 Feb 2014).

Meanwhile, Buckingham's codefendants in one theft-of-services conspiracy include former Deputy Police Commissioner Ambrosio T Ogomoro, former Ports Police Chief Jordan Kosam, and former Ports Police Captain John Rebuenog. These former officers were accused of providing Buckingham with an early-morning police escort to the Saipan international airport in August 2012 to help him avoid service of a penal summons by investigators from the Office of the Public Auditor (OPA). That police escort prompted the OPA investigators to enlist the help of two agents from the US Federal Bureau of Investigation, who ultimately served Buckingham with the summons inside the airport terminal, where Buckingham was about to board a flight out of the CNMI. As of this writing, Ogomoro, Kosam, and Rebuenog still

awaited the disposition of their criminal cases (*MV*, 25 July 2014).

Also awaiting trial was the highest-ranking codefendant in the conspiracy: former Governor Fitial himself. Fitial was the first CNMI governor to be impeached for corruption, neglect of duty, and abuse of power; the first to resign from office; and the first to face criminal charges. He departed the CNMI the same day he resigned from office in February 2013. Just as lawmakers were beginning to clamor for his extradition, Fitial returned to the CNMI from the Philippines in April 2014 to answer the criminal charges against him (*ST*, 1 May 2014). Some of the charges were related to the role he allegedly played in ordering the law enforcement escort for Buckingham. Fitial was also accused of misusing his office when he allegedly ordered the release of a federal prisoner to provide him with a massage at his home in 2010 and when he allegedly awarded sole-sourced contracts that violated CNMI procurement law, including a \$190 million power purchase agreement (*MV*, 25 July 2014).

The criminal cases against the aforementioned public officials were all filed by the Office of the Public Auditor, which under the leadership of Public Auditor Michael Pai and Investigations Chief/Special Prosecutor George Hasselback began to flex its investigative and prosecutorial muscle against government waste, fraud, and abuse in ways not seen before. Pai was appointed by Fitial in 2008—a decision Fitial later called “the biggest regret of [his] life” (*MV*, 6 Aug 2012)—and his term expires in October 2014. As of this writing, Governor Inos has yet to decide whether he will reap-

point Pai to another six-year term (*ST*, 18 March 2014). Not reappointing him could affect Inos's gubernatorial aspirations in the upcoming November 2014 election, if growing mistrust in government emerges as a salient issue among voters as it did in the 2012 midterm election when nearly all of Fitial's allies in the legislature were ousted.

Also of note for the 2014 election is that, for the first time in CNMI history, voters will choose the next attorney general. Previously, the position was appointed by the governor and generally rubber-stamped by the legislature. The elected attorney general initiative garnered the approval of an overwhelming majority of voters in the 2012 midterm election—82 percent—and, arguably, it was public outrage at the conduct of Buckingham, who had been appointed by Fitial and was widely seen as his “yes-man,” that made that happen (*CEC* 2012). Buckingham was ultimately replaced by Tinian attorney Joey San Nicolas, who was also appointed by Fitial but who distanced himself somewhat from the administration with a vow to restore public trust in the Office of the Attorney General. San Nicolas cooperated with the Office of the Public Auditor in the aforementioned public corruption investigations and recused himself and his office from the prosecutions of the former attorney general and governor to avoid the appearance of impropriety. San Nicolas subsequently resigned as attorney general in June 2014 in order to run for mayor of Tinian, while retired Judge Edward Manibusan and former Prosecutor Michael Evangelista declared their candidacies for chief law enforcement

officer of the CNMI (*ST*, 21 March, 28 July 2014).

Political shuffles occurred in other arenas during the period under review. In July 2013, Rota Senator Juan M Ayuyu pleaded guilty in US District Court to charges related to the smuggling of federally protected Mariana fruit bats from Rota to Saipan (*ST*, 22 July 2013). He was sentenced to forty-one months in US federal prison, and his conviction resulted in a vacancy in the Senate that was filled in November 2013 by Paul A Manglona, the seasoned politician who had been ousted by Rota voters the year before, in the 2012 midterm election. Manglona was declared the next-highest vote getter from the last election in line to fill the vacancy, after the CNMI Supreme Court issued a ruling on the constitutional rules of succession and the meaning of the term “last election” with respect to the Senate, which consists of members with staggered four-year terms. According to the Supreme Court, “last election” meant the most recent election, and not the election that was won by the departing public official (CNMI Supreme Court 2013). Manglona will serve out the remainder of Ayuyu's term, which expires in January 2015; he is simultaneously running for a new four-year term in 2014 (*ST*, 18 Nov 2013).

The political shuffle that arose from the merging of the Republican and Covenant parties also made headlines during the period under review. Former Governor Fitial first proposed the merger in 2011, when he was readmitted as a Republican and abandoned the Covenant Party, a Republican splinter group that he had been instrumental in founding a

decade before (*ST*, 7 Jan 2011). But Fitial's readmission instead prompted many Republicans who did not want to be associated with him to leave the party and form their own group, which they called the "Independent Republicans," while Fitial's lieutenant governor, Inos, and his supporters opted to stay with the Covenant Party (*ST*, 18 Sept 2013). In July 2013, Fitial formally tendered his resignation as chair of the Republican Party, and new party leadership was elected (*ST*, 30 July 2013). Less than two months later, in September 2013, Inos returned to the Republican Party (to which he had also once belonged) and brought with him his Covenant supporters. A merger of the parties was proposed anew and approved by the members, and the Covenant Party was dissolved (*ST*, 24 Sept 2013). Inos is now the Republican Party's gubernatorial candidate along with running mate Senate President Ralph Torres, who ran as an Independent in the 2012 midterm election. Now the only other registered party in the CNMI is the Democratic Party, which has been plagued for years by lackluster leadership and inactivity and which struggled to revive itself during the period under review.

Political parties in the CNMI continued to be driven more by personalities, family loyalties, and personal relationships than by ideology, as reflected in the frequency of party-switching and the prevalence and successes of Independent candidates in recent years (candidates who are often, but not always, disgruntled Republicans). In the race for US delegate, incumbent Gregorio Sablan declared his candidacy as an Independent,

caucused with the National Democratic Party, and received the endorsements of Covenant-then-Republican Governor Inos as well as the leader of the "Independent Republicans," Saipan Senator Pete Reyes (*MV*, 1 Aug 2014; *ST*, 19 Feb 2014). Meanwhile, Sablan's sole challenger was the CNMI Democratic Party candidate for delegate, former CNMI Commerce Secretary Andrew Salas, who used to be a Republican. In the gubernatorial race, the Democratic challengers to the Inos-Torres team were Edward M Deleon Guerrero (a former Commonwealth Ports Authority executive director who switched between Democratic, Republican, and Covenant parties throughout his political career) and his running mate, former Representative Danny Quitugua (also a former Republican) (*ST*, 14 March 2014). Two other gubernatorial teams stepped forward to contest the election as Independents, all former Republicans: former Governor Juan N Babauta and his running mate, former Senator Juan Torres (*ST*, 8 April, 17 July 2014), and former House Speaker Heinz Hofschneider and his running mate, former Senator Ray Yumul (*ST*, 25 Feb 2014).

Government retirees and active government employees were an important and influential constituency during the period under review, and they were subjected to much political manipulation as well. In September 2013, the government reached a landmark settlement agreement with the CNMI Retirement Fund and its members that resulted in painful pension cuts but also averted disaster: the fund had been on track to be totally depleted by March 2014, and anxieties were high

among the thousands of fund beneficiaries as litigation, and the count-down, wore on. Prior to the settlement agreement, government obligations to the retirement fund stemming from years of failure to remit employer contributions had soared to more than \$300 million—roughly three times the entire annual budget of the CNMI government. Additionally, the unfunded liability of the fund stood at close to one billion US dollars (*MV*, 3 Aug 2012). After the settlement agreement was reached, pension cuts were capped at 25 percent (the government had initially proposed far greater cuts); active government employees were allowed to opt out of the fund and withdraw their contributions without penalty (and with local politicians' promise of interest payments in the future); and the government guaranteed annual payments to a settlement trust fund that would remain under the supervision of the US District Court and out of which pensions would be paid (*ST*, 30 Sept 2013).

According to Governor Inos, the government's obligations to fund beneficiaries would be met through revenues generated by the Saipan casino industry, namely, the \$30 million deposit that Best Sunshine was required to make as a show of commitment and the annual \$15 million casino license renewal fee. The pension cuts took effect in October 2013, and some fund members welcomed the Inos administration's casino plan and became vocal advocates for it. In March 2014, with great fanfare at a Republican rally and with the November election just around the corner, Inos announced that pensions would

soon be restored, drawing cheers and applause from supporters (*MV*, 14 July 2014; *ST*, 24 March, 16 July 2014).

Another voting bloc that could make a significant difference in the 2014 election if they become politically organized enough are the CNMI-born, US-citizen children of foreign workers. According to some reports, their numbers were estimated at more than two thousand—over 10 percent of the entire voting population—a fact that did not go unnoticed by local politicians and guest-worker groups alike. Guided by their foreign-national parents, these new young voters began holding meetings among themselves and with political candidates to discuss the upcoming election. Candidates were seen wooing these new voters, and some candidates who once fiercely opposed permanent legal status for foreign workers began softening their positions and clarifying what they really meant. The CNMI's multiculturalism was an openly celebrated feature at political rallies, and the candidates' positions on immigration reform became a routine part of public discourse on the campaign trail (*ST*, 4 Aug, 12 Aug 2014; *MV*, 30 Aug 2012; *MV*, 18 April, 29 July, 14 Aug 2014).

Finally, the health of the local economy was a pivotal issue over the past year and will continue to be so in the years to come. The CNMI began to show modest signs of recovery and growth in recent years, including the year under review, with 472,000 total visitor arrivals projected for 2014, up 9 percent from the previous year; hotel occupancy on average over 85 percent in 2014; and total projected economic activity of \$1.27 billion in 2014 (Inos 2014; Ruane 2013).

Government revenue collections were up as well, with budget projections for the 2014–15 fiscal year conservatively pegged at \$134 million—the highest in five years and an increase of about 9 percent from the previous year’s projections (*ST*, 3 April 2014; *MV*, 1 April 2014). Still, serious challenges loom for the next administration and legislature in order to meet the government’s staggering fiscal obligations. On top of normal government operations, these obligations include annual payments in the tens of millions of US dollars to the retirement settlement trust fund; millions more owed in legal fees incurred from the retirement fund litigation; over \$100 million owed in land compensation claims to more than three hundred landowners, as well as other judgments against the government; more than \$20 million owed by the central government, the public school system, and the public hospital to the Commonwealth Utilities Corporation (CUC) for utility services; and more than \$64 million in fines and penalties alone for CUC’s chronic failure to address in timely fashion the federal stipulated orders that mandate the utility’s compliance with safe drinking water, used oil, and wastewater management standards in a timely manner (*ST*, 11 July 2013; *MV*, 2 Oct 2013; *ST*, 4 April, 7 April 2014). One thing is clear: the next government should have a backup plan if a Saipan casino does not prove to be the economic panacea that some proponents promise it will be.

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