



**MATUA**  
***Council for Native Chamorro Advancement***  
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**TESTIMONY**  
JANUARY 16, 2024  
10:30 a.m.

The Honorable Edith Deleon Guerrero  
President  
THE SENATE  
Twenty-Third Northern Marianas Commonwealth Legislature  
Jesus P. Mafnas Memorial Building  
Sa'ipan, MP 96950

**Re: OPPOSE H.B. 23-95 - \$15 Million Line of Credit to the CNMI Government.**

Good morning, Madam President, and members of this distinguish body:

Guaha hu si Liana Manglona Sablan-Hofschneider, gaigi yu guini kumu guahu gumehelulu'i i Matua Council for Native Chamorro Advancement. Talu gaigi yu' guini sa' i communication ni gaigi guini ginen i san papa' na guma i H.B. 23-95, pinapacha talu i Marianas Public Land Trust eyu i ginagagao na para u mana' fan ayao i Gobetnu para u na' setbi hafa siha na project i CNMI government.

Talu para baihu sangan ha parehu ha gi finenena ni i H.B. 23-77, SD1 ni malangus kumu Actun 23-12 guini ha gi alacha ni a sign i Gobetnu, si Governor Arnold Palacios. Esti na propositun lahi makeke chogui pagu na dia, parehu ha yan i finenena, taya difrensiaona, i ginagao para uma ayao, i inayao i salapi i fenkas Taotao Tano, i fenkas Taotao Tano in the last kuarentai (48) anos ma usa guini na Legislatura, guaha guini man gagaigi ha na membru like si Senator Paul. Benti (20) anos na tiempu man ma appropriate \$1 point some million kada sakan earned income credit distributable interest ginen i Marianas Public Land Trust.

Madam President u tungu ha' na ginen membru hau gi Marianas Public Land Trust, esti na klasen salapi, ti salapi para uma ayao ni Gobetnu para u apasi hafa na kuentana pat hafa na iyona projects- i Covenant Section Article VII (7) eyigui na venue ma provide ni federat ya debi ta usa enau na venue gi mas anchu na manera tat kumu esti i Ira ni man ginagagao ni para ta ayuda i taotaota yan i tanota.

i otru lokui guaha mafa'tinas gi 2009, gaigi ha lokui matatachung gi pisun Kongrusun Amerika si U.S. Delegate Gregorio Sablan. Importanti na i ofisinana uma na' setbi, ya esti na ansias cho'chu ginen is San Papa na Guma', i San Hilu na Guma' yan i Gobetnu, gi magahet, yan i Office of Planning and Development debi gi magahet esti na klasen ansias nei u tapan hanau para i pisun Kongresun [Amerika], ya ta famaisen gi Kongresu ayudu, ti para ta pacha eyi i public land trust.

Sa' i public land trust earned income gi magahet debi gi magahet esta pagu according to i number na \$70 million esta ma transfera magi guini na pisun Kongresu, ma appropriate gi man mapus, pues enau na salapi gi magahet debi u fan mana'i i Taotao Tano direchun niha, sa enau direchun niha,

Enau ha ti baihu na anakuku iyoku testimony, ya baihu na' halum iyoku testimony para hamyu ya u guaha mas kinomprendi hafa u kekek sangan, parehu ha san papa na guma' yan guini, yan guenau huyung gi publiku sa hu tungu' ha' na man e'ekunguk hamyu ya important na ta atan esti sa i Marianas Public Land Trust distributable earned interest income parehu ha' yan i Native American Trust Fund.

Si Yu'us Ma'asi ya esta otru biahi.

HAFA ADAI & GOOD MORNING, MADAM PRESIDENT AND MEMBERS OF THIS DISTINGUISH BODY, I AM HERE THIS MORNING TO PROVIDE TESTIMONY REGARDING H.B. 23-95.

My name is Liana Sablan-Hofschneider, President of Matua Council for Native Chamorro Advancement.

On behalf of Matua Council for Native Chamorro Advancement, we are here today to submit our comment in opposition to the intent of House Bill 23-95 that calls “To Repeal and Re-enact Public Law 23-12; and for other purposes” which is Public Law 23-12 signed by Governor Arnold I. Palacios on November 20, 2023 – the request by the CNMI Government to the Marianas Public Land Trust to extend another \$15,000,000.00 Line of Credit (MPLT Loan) from our indigenous trust funds to pay for the CNMI government’s capital improvement project or any of the Governor’s “designated project bridge financing or advances” as provided for in this proposed legislation.

In the meantime, we want this Legislature to also help us try to understand what the CNMI government’s concept of “bridge financing or advances” as these are languages included in this, and prior legislation, P.L. 21-03, H.B. 21-44, HS1, as well as P.L. 23-12, which is the most recent public law signed by Governor Palacios.

The following are brief reasons to our opposition to this H.B. 23-95:

1. The Marianas Public Land Trust funds “alternative investment” policy approved by the MPLT Trustees several years ago is not designed for the CNMI government to borrow money from the trust funds, instead, this financial scheme was designed for the beneficiaries of the Trust Funds as a financing option to support or improve their private businesses. The CNMI government is not a beneficiary of the Trust Fund; nor is this alternative investment designed to pay for the CNMI governments’ projects, activities, or operation. The Commonwealth Economic Development Authority or CEDA is the designated loaning or financing venue that services both private and government projects.
2. The mere fact that both P.L. 23-12 and this proposed legislation H.B. 23-95 still contained the language of the Super-typhoon Yutu MPLT loan agreement (documents) that contained conditions of the loan authorized under P.L. 21-03, H.B. 21-44, HS1, that was signed into law by then Lt. Governor Arnold I. Palacios on July 26, 2019, provided in part: “§102. The future interest income distributions into the Commonwealth General Funds by the Marianas Public Land Trust starting Fiscal Year 2019 and future fiscal years are appropriated for payment of the \$15,000,000.00 loan and interest and as security for Marianas Public Land Trust until such time as the loan agreement with the Commonwealth Department of Finance is fully satisfied and retired” furthers our opposition to this proposed legislation.

Further, these languages and conditions are referenced in H.B. 23-95, Section 1. Findings and Purpose., page 3, lines 19 to 21; and page 4, lines 1 to 8. Again, Section 2. Repeal and Re-enactment., page 5, line 19; page 6, lines 11 to 19; page 7, lines 5 to 7, and 21; and page 8, lines 1 to 3.

Furthermore, it is important to note that P.L. 21-03 signed by then Lt. Governor Arnold I. Palacios on July 26, 2019, did not authorize the CNMI Government to be in debt - an important section of a constitutional government, accordingly, this provision should have been included in the law but did not: “§101. Pursuant to N.M.I. CONST. ART. X Section 3, the CNMI Legislature authorizes a public debt and obligation to the Marianas Public Land Trust for Governor Arnold I. Palacios, through the Secretary of Finance and the Department of Finance, to enter into a Revolving Line of Credit with the Marianas Public Land Trust in the amount not to exceed \$15,000,000.00 on the following terms and conditions...”

It is also important to note that since H.B. 21-44, HS1 becoming public law in 2019 there was no comment or guidance by the Attorney General regarding the constitutional violation regarding the CNMI government entering this public debt. Hence, this provision is included in H.B. 23-77, SD1, now P.L. 23-12 signed recently by Governor Palacios to cover his 2019 constitutional violation. This is an alarming and disturbing public policy.

3. Similarly, P.L. 23-12, which is H.B. 23-77, SD1; and this H.B. 23-95 – all these public policies contained this exploitative language of our Indigenous Right to our Trust Lands and Trust Funds: “Further, the obligation for such a public debt shall not exceed ten percent (10%) of the total appraised value of the properties of the Commonwealth so that the Secretary of Finance certifies, with the concurrence of the Attorney General, that this constitutional requirement is satisfied” again, this furthers our opposition to H.B. 23-95 because the CNMI government does not own properties in the Northern Mariana Islands because these Lands rightfully belong to the Taotao Tano since March 6, 1521, including the signing of the Covenant agreement on February 15, 1975. This is referenced in H.B. 23-95, Section 2. Repeal and Re-enactment., page 6, lines 1 to 6.
4. Equally important that we oppose this repeal and re-enactment legislation because it is littered with exploitative conditions that are direct contrary to the very fabric and intent of Article VIII of the 1975 Covenant in the treatment and management of our scarce natural resources – Land. This was a critical and an important condition in the Covenant agreement to both the U.S. government and the Taotao Tano (Chamorro), the indigenous people of the Mariana Islands.

For these reasons and more, Matua Council OPPOSE H.B. 23-95 in its entirety as this would allow the CNMI government a “Line of Credit” facility or loan from the Trust Fund at the Marianas Public Land Trust to pay for the CNMI government’s projects, regardless of whether it’s federally funded CIP projects. The CEDA is the appropriate venue for this financing scheme; and we support this loan by the CNMI government through CEDA.

Instead, we urge this Legislature to support our “year mark” legislation to allow the CNMI government Department of Finance to create a special revolving account for the “distributable interest income” received annually from the MPLT to provide for an economic stimulus for the Taotao Tano, the Chamorro.

It has been over 48 years since the signing of the Covenant in political union with the United States of America that provided the seed money to the MPLT for the lease of two-thirds (2/3) of the entire landmass of our native island of Tini’an as exclusive military use; the whole island of No’os (colonially called Farallon de Medinilla or FDM) as exclusive military use; and the Tanapag Harbor, that provided the land for the American Memorial Park and the military facility in Puntan Muchot and Sadog Tasi.

It is time and long overdue that the CNMI government initiate the return of the over \$70 million dollars recorded as of 2019 to the rightful beneficiaries (Chamorro) of the MPLT trust fund earned interest income.

Again, on behalf of Matua Council, we ask for your consideration of our position on this proposed legislation, H.B. 23-95, as well as our request for your support of the economic stimulus for the Taotao Tano. Should you need additional information, clarification or have any questions please email us at [chamorrocouncil@gmail.com](mailto:chamorrocouncil@gmail.com).

Si Yu’us Ma’asi,

*/s/ Liana M.S. Hofschneider*

Liana M.S. Hofschneider  
President