



COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

FROILAN C. TENORIO  
Governor

JESUS C. BORJA  
Lt. Governor

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OCT 2 1996

The Honorable Jesus R. Sablan  
President of the Senate  
Tenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

The Honorable Diego T. Benavente  
Speaker, House of Representatives  
Tenth Northern Marianas  
Commonwealth Legislature  
Saipan, MP 96950

Dear Mr. President and Mr. Speaker:

This is to inform you that I am withdrawing Executive Order 96-2,  
concerning the Commonwealth Utilities Corporation. The enactment of  
P.L. 10-27 makes this Order superfluous.

Sincerely,

A handwritten signature in black ink, appearing to read "Froilan C. Tenorio".

FROILAN C. TENORIO



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The Honorable Diego T. Benavente  
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Dear Mr. President and Mr. Speaker:

I am hereby transmitting Executive Order 96-2 for your consideration.

This Executive Order is very limited in its scope. It deals only with the Commonwealth Utilities Corporation. Portions of it have appeared before in E.O. 96-1 and Senate Bill 10-08. I am transmitting it because we have been formally notified that CUC is in default on the Partnership Agreement. This makes it urgent that we take action.

I believe that we are in basic agreement as to what needs to be done. If you would prefer to pass this in the form of a bill, rather than an Executive Order, I can accept that. However, I would ask that you be very careful about making further changes, or combining these provisions with other amendments to the law.

My special counsel for legislation and my new consultant, former Lt. Governor Pete A. Tenorio, are ready to assist you if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Froilan C. Tenorio".

FROILAN C. TENORIO

Enclosure

**EXECUTIVE ORDER NO. 96-2**

**SUBJECT:** Re-organization at CUC in accord with the Partnership Agreement

**AUTHORITY:** Constitution, Article III, Section 15

**WHEREAS**, on March 20, 1995, the Commonwealth Government entered into a Partnership Agreement with the Office of Territorial and International affairs (OTIA), regarding the Commonwealth Utilities Corporation (CUC); and,

**WHEREAS**, as of August, 1996, the Commonwealth is still not fully in compliance with the terms of the Partnership Agreement; and,

**WHEREAS**, by letter dated July 25, 1996, the Department of the Interior formally notified the Commonwealth that CUC was in default;

**WHEREAS**, under the Commonwealth Constitution, the Governor may make changes in the allocation of offices, agencies, and instrumentalities, and in their functions and duties, as necessary for efficient administration; and

**WHEREAS**, such changes may affect existing law; and

**WHEREAS**, some of the defaults cited by the Department of Interior can be cured by an Executive Order making organizational changes at CUC;

**NOW, THEREFORE**, in order to comply with the terms of the Partnership Agreement of March 20, 1996, it is hereby

**ORDERED:**

That the following provisions shall constitute Re-organization Plan No. 2 of 1996:

**Section 101. Independent Counsel for CUC.**

- (a) CUC may hire its own legal counsel, whether in-house or external.
- (b) The Attorney General's approval shall not be required for such counsel, nor shall the Office of the Attorney General exercise any administrative control over CUC's

legal counsel.

(c) Article III, Section 11 of the Constitution states that the Attorney General shall represent the Commonwealth in all matters. Therefore, CUC's legal counsel may not represent CUC in court without the consent of the Attorney General. Representation of CUC in court or before administrative tribunals shall be either by the Office of the Attorney General or as otherwise provided by agreement between the Attorney General and CUC.

#### **Section 102. Civil Service.**

(a) Effective January 1, 1997, CUC shall no longer be part of the Commonwealth Civil Service system, and the employment of CUC staff shall no longer be subject to Civil Service Rules.

(b) The staff of the Corporation shall be exempt from application of the Commonwealth Civil Service Act, Part 1 (commencing with Section 8101) of Division 8 of Title 1 of the Commonwealth Code, except that 1 CMC, Sections 8142, 8145(a), and 8145(c) shall apply to CUC as if all members of CUC were members of the Civil Service, and employees of CUC shall enjoy the protections of 1 CMC 8141, 8145 (b), (d), (e), (f), (g) and (h), and 8151 through 8153 to the same extent and in the same manner as if they were members of the Civil Service.

(c) CUC shall develop, adopt, and administer a merit personnel system that rewards productivity and service, provides management flexibility, and includes provisions for employees to appeal serious disciplinary action. The system shall include rules and regulations governing the selection, promotion, performance evaluation, demotion, suspension, dismissal, and other disciplinary rules for CUC employees. The Executive Director of CUC and the Director of Personnel shall make recommendations to the Board of Directors of CUC and to the Civil Service Commission for an orderly transition from one system to the other.

(d) A new paragraph (13) is added to 1 CMC, Section 8131, to read:

"(13) Personnel, staff, and other employees of the Commonwealth Utilities Corporation."

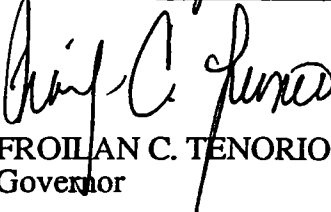
#### **Section 103. Wage Scales; Salary Cap.**

(a) CUC shall set its own compensation, wage, and salary scales. It shall provide a copy of its wage and salary scales to the Governor and the presiding officers of the Legislature upon adoption, and shall similarly provide copies of any changes to those scales whenever they are made.

(b) The salary caps set forth in 1 CMC 8246 and 1 CMC 8248(a) shall apply to CUC; except that if the CUC Board certifies, by vote of at least three-quarters of its members, that a salary in excess of the cap is necessary to recruit or keep certain skilled and experienced employees, then the salary caps may be exceeded by up to 50%. Copies of such certification shall be sent to the Governor and the presiding officers of the Legislature.

**Section 511. Effective Date.** In accordance with the Constitution, this plan shall become effective sixty days after submission to the Legislature, unless specifically modified or disapproved by a majority of the members of each house of the Legislature, provided, that in case it shall appear to the Governor that the interests of economy or management require that nay transfer, consolidation, or abolishment be delayed beyond the date this plan becomes effective, the Governor may, in his discretion, fix a later date therefor, and he may for like cause further defer such date from time to time.

DONE this 9th day of August, 1996.

  
FROILAN C. TENORIO  
Governor