THE SENATE
Twenty-Fourth Northern Marianas Commonwealth Legislature
P. O. Box 500129
Saipan, MP 96950

July 3, 2026

The Honorable Diego V. F. Camacho
Acting Speaker
House of Representatives
24th Northern Marianas Commonwealth Legislature
Saipan, MP 96950

Dear Acting Speaker Diego Camacho:

I have the honor of returning with amendments House Bill No. 24-88, entitled, "To authorize the Commonwealth Utilities Corporation to borrow funds for the purchase of fuel, to recover from the devastation of Super Typhoon Sinlaku, and for the recovery and restoration efforts associated with the impending Super Typhoon Bavi that is expected to make landfall in the Northern Marianas; and for other purposes." The Senate passed on Final Reading with two-third members voting in affirmative in the form of H.B. No. 24-88, SS1, in its 1st Day, Fifth Special (Emergency) Session on July 3, 2026.

Sincerely,

VSAguon

Valerie S. Aguon
Acting Senate Clerk

Attachment

Transmitted to HOUSE:

Received by: Peggo O. Tenorio Date: 7/03/26 Time: 11:22am

TWENTY-FOURTH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE

IN THE HOUSE OF REPRESENTATIVES

JANUARY 16, 2026

Third Regular Session, 2026 **H. B. 24-88, SS1**

A BILL FOR AN ACT

To authorize the Commonwealth Utilities Corporation to borrow funds for the purchase of fuel, to recover from the devastation of Super Typhoon Sinlaku, and for the recovery and restoration efforts associated with the impending Super Typhoon Bavi that is expected to make landfall in the Northern Marianas; and for other purposes.

BE IT ENACTED BY THE 24TH NORTHERN MARIANAS COMMONWEALTH LEGISLATURE:

Section 1. Findings and Purpose. The Legislature finds that 4 CMC § 8123(e) authorizes the Commonwealth Utilities Corporation (CUC) to borrow money and give security therefore. However, amounts in excess of half a million dollars require legislative approval in the form of a law.

The present crisis consists of the devastation wrought by Super Typhoon Sinlaku. The CNMI will take months to recover. Downed power poles and power lines result in a loss of service to numerous citizens, many of whom rely on constant, stable power for health reasons. Power generation has been negatively affected due to damage to the buildings which house the generators, as well as the

distribution lines. The CNMI economy cannot recover without reliable power, water, and wastewater service in all our islands.

Because the Commonwealth Public Utilities Commission has not allowed CUC to raise rates for approximately fourteen years, CUC has been operating at a loss and does not have sufficient capital reserves to allow it to purchase the equipment, goods and services required to be rebuilt.

Without relief, the possibility of extended loss of service exists for the present and near future. This would affect the entire Commonwealth severely, in at least the following ways:

(1) The CNMI's health and safety is at risk. Most traffic lights and most street lighting have ceased to function. Emergency services, fire, police, and correctional facilities and their communications systems are compromised. Without reliable power generation, the only hospital in Saipan and island clinics may have to rely on their limited and expensive fuel supplies for emergency generation and may cease functioning when their supply runs out. Refrigeration of food and medicines could end and lead to unsafe supplies and consumption. Air conditioning will cease for the elderly and the sick.

(2) Most CNMI economic activity has come to a halt, and the airports and seaports may have to rely on their limited and expensive fuel supplies for emergency generation, thereby possibly hindering relief and rebuilding efforts.

(3) Educational institutions and daycare facilities have been closed and may remain closed as their limited backup fuel supplies for emergency generators are exhausted, if they even have generators. Schools are used for shelters during typhoons and afterward due to people being displaced by the destruction of their homes.

(4) Water and sewage treatment systems are damaged and have been compromised requiring expensive repairs. Both systems are fundamentally reliant on continuous power to operate.

(5) Electrical outages immediately affect water production, booster stations, and system pressure. Prolonged or repeated outages will result in loss of water service to customers, including critical facilities. When water line pressure is lost boil water notices must be issued.

(6) For drinking water, the most critical issue is the loss of system pressure. When electrical outages occur, well production and booster pumps fail, and system pressure begins to drop. If pressure falls below acceptable levels, there is significant risk of contamination of bacteria, viruses, and other contaminants entering the system through leaks, cracks, or cross-connections. These can include pathogens that cause gastrointestinal illness, infections, and other serious health conditions. Presently, water stations have been set up for residents to obtain water.

(7) As for the wastewater system, lift stations depend entirely on power to convey sewage. During outages, sewage begins to accumulate in the collection

system, causing overflows at manholes and potential backups into homes and businesses. Additionally, wastewater treatment processes, particularly activated sludge requiring aeration, suffer or cease entirely, increasing the likelihood of untreated or partially treated discharges and associated regulatory violations.

Because of the devastation caused by Super Typhoon Sinlaku, the CNMI will take months to recover. Power generation has been negatively affected due to damage to the buildings which house the generators. Water damage to engines and control panels. Catastrophic damage to power lines and transformers resulted in island wide power. Many citizens rely on constant, stable power for their health. Power was recently restored to the hospital after a lapse of days.

The Legislature further finds while we are still recovering from Typhoon Sinlaku, the CNMI is once again severely threatened by the impending Super Typhoon Bavi that is expected to make landfall in the Marianas sometime between July 5-6, 2026. The Legislature finds that the CUC loan authorized in this Act includes the recovery and restoration efforts associated with the impending Super Typhoon Bavi that is expected to make landfall in the Northern Marianas.

The CNMI economy cannot recover without reliable power, water, and wastewater service in all our islands.

It is the intent of this Act to avoid or ameliorate the above circumstances by authorizing CUC to borrow the required funds necessary to purchase the needed infrastructure, goods, services, and any needed operational supplies necessary to

restore and maintain service to the CNMI disrupted by Super Typhoon Sinlaku and the existing fuel crisis as well as the restoration and recovery efforts anticipated from Super Typhoon Bavi. Further, CUC should be authorized to repay such funds over time, to lessen the price shock to ratepayers. The further intent of this Act is to allow CUC to include the loan servicing costs (origination and other fees, loan principle, and interest) in the rates, fees, and charges billed to customers until they are fully recouped by the corporation.

Section 2. CUC Loan Authorization. Notwithstanding any CNMI law to the contrary, the Commonwealth Utilities Corporation is hereby authorized by law as follows:

"To address the present devastation caused by Super Typhoon Sinlaku and the crisis caused by the ongoing global fuel crisis as well as the restoration and recovery efforts anticipated from Super Typhoon Bavi, the Commonwealth Utilities Corporation may, pursuant to this Act and 4 CMC 8123(e), borrow money from any public or private source, either within the Commonwealth or the United States, or in any other country, and to give security in connection with such borrowing, up to a loan principal amount of $40,000,000.00 (forty million dollars). The security may include any asset of the corporation; in addition, customer security deposits held by CUC may be offered as security. The corporation may include the loan servicing costs (origination and other fees, loan principal, and

interest) in the rates, fees, and charges billed to customers until they are fully recouped by the corporation."

Section 3. Severability. If any provisions of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.

Section 4. Savings Clause. This Act and any repealer contained herein shall not be construed as affecting any existing right acquired under contract or acquired under statutes repealed or under any rule, regulation, or order adopted under the statutes. Repealers contained in this Act shall not affect any proceeding instituted under or pursuant to prior law. The enactment of the Act shall not have the effect of terminating, or in any way modifying, any liability, civil or criminal, which shall already be in existence on the date this Act becomes effective.

Section 5. Effective Date. This Act shall take effect upon its approval by the Governor, or it becoming law without such approval.

Prefiled: 1/14/2026

Date: _____ Introduced by: /s/ Rep. Vincent R. Aldan _____

Reviewed for legal sufficiency by:

/s/ Joseph L.G. Taijeron, Jr. _____
House Legal Counsel

Date: 1/14/2026