



CABINET MEETING

Office of the President, National Capitol | 9:18 am – 10:52 am
Monday, January 8, 2018

In Attendance:

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| <ol style="list-style-type: none"> 1. President Tommy E. Remengesau, Jr. 2. Minister Baklai Temengil-Chilton 3. Minister Elbuchel Sadang 4. Minister Faustina Rehuher-Marugg 5. Minister Sinton Soalablai 6. Minister Umiich Sengebaw 7. Minister Emais Roberts 8. Director Brian Melairei 9. Director Antonette Merur 10. PNMS Executive Director Keobel Sakuma 11. EQPB Executive Director Roxanne Blesam 12. Chief of Staff Secilil Eldebechel 13. Deputy Chief Rebluud Kesolei | <ol style="list-style-type: none"> 14. Grants Coordinator Judy Dean 15. Press Secretary Olkeriil Kazuo 16. Nace Soalablai, Spec. Asst. on Legislative 17. Nick Ngwal, Spec. Asst. on Maritime 18. Legal Counsel Austin Gaylord 19. Legal Counsel Daniel Klopper 20. Kaleb Udui, Jr., Senior Economic Advisor 21. PNCC AGM LeoBen Teriong 22. Bradley Kumangai, PNCC Board Member 23. Norbert Villanueva, NDBP 24. Jerry Nabeyama, PNMS Coordinator 25. Jeffrey Antol, MOS Chief of Staff |
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Prepared by Rolynda Jonathan, Office of the President

AGENDA	DISCUSSION
Ministry Briefings	<ul style="list-style-type: none"> Ministry of Finance: MOF reports Pristine Paradise Environmental Fee (PPEF) is ongoing successfully. Only challenge faced at this time is with Palauan passport holders who are now required to clear Immigration as well. A separate line was established for Palauan passport holders. PPEF regulations was finalized on December 29th and signed by the President. MOF has transmitted a copy to the Olbiil Era Kelulau and the President. Audit for 2016 indicates a surplus of \$29 million. FY2017 indicates \$9 million. According to PVA’s statistics, arrivals as of December 31st are 122,280. The Republic projected arrivals of 130,000. President notes revenue collection can be said it was based on spending and not on the number of arrivals. Upcoming Economic Symposium on February 22nd will be themed “Financial Sustainability beyond 2024”. MOF also plans to discuss tax reform with the OEK. Working with experts on legal counsel Austin Gaylord in regards. Request made for the President to introduce the legislation for tax reform. Ministry of State: MOS conducted a conference call with Minister Roberts, Director Gail Rengiil and Bank of Guam regarding wiring funds to Palauan students in Cuba. Bank of Guam questioned the embargo and requested for other information in regards to arrangements. MOS reports discussion was made to distribute funds directly to parents. 5 students in Havana, Cuba have yet to receive any funds. \$2,500 has been released to parents. The other 5 students requests for transfer to their accounts. Minister Rehuher-Marugg as board member of Palau Visitors’ Authority will be presenting the past 5 years statistics of tourism arrivals to the OEK. Ministry of Health: MOH and the Ministry of Justice last week held a meeting to discuss this year’s “Year of Good Health” theme. This afternoon, January 8th, MOH management will discuss monthly initiatives for implementation in line with the new theme. The Health Assistant Training Program is ongoing successfully. Tentative date for the program’s graduation has been set for April 18, 2018. MOH is working closely with the participants and encourages them to enrolling in nursing or public health programs at PCC from

	<p>graduation should they wish to continue their education.</p> <ul style="list-style-type: none"> Ministry of Education: On Friday, January 5th, Minister Rehuher-Marugg and Minister Temengil presented a complete set of seven (7) translated Kramer volumes, including CDs during the Principal’s Forum. During the same occasion, First Lady Debbie Remengesau and Minister Temengil awarded the winning Christmas Trees and all the schools who participated in the Annual Christmas Tree Contest. On the same day, three students graduated from the Adult High School program receiving their GED diplomas. MOE surveys indicate students no longer like consuming canned vegetable after the school incorporated fresh vegetables in the food program. Ministry of Natural Resources, Environment and Tourism: Kebeas efforts ongoing daily with a team of 6 people, however work is weather dependent. Minister Sengebau reports two years from now the National Marine Sanctuary will take effect. MNRET looking into zoning of the 20% domestic fishing area for sports fishing, joint venture, local fishers and other activities. The regulation in regards has been sent to Erika. MNRET is exploring options for a landing facility. Ngatpang is willing to utilize their dock. Discussion on ongoing with the State Government in regards. Ministry of Community and Cultural Affairs: Minister Temengil reports the theme for the Christmas Tree Contest was on the Year of Family and use of recyclable materials. Discussion ongoing to expand the contest to schools and states. Inspection set for Civil Hall as Ministry of Justice and MCCA offices to occupy the space. Moving date is Friday, January 19th. As of date Palau Housing Authority has approved \$742,000 loans for houses. There are 13 new home constructions, 7 renovations, 6 under the Senior Citizen’s program, and 3 are displaced. Minister Temengil instructed to work with Minister Sadang to identify funding of no less than \$10 million for housing program.
<p>Agency Briefings</p>	<ul style="list-style-type: none"> PNCC Progress Report: PNCC reports efforts for service connection in Babeldaob is ongoing with Ngchesar, Ollei in Ngarchelong and Ngaraard scheduled. PNCC requested quotation for cable service connection to Kayangel and are soliciting information for communication service improvements in the Southwest Islands. The Board and Management team met Minister Obichang on January 5th regarding the Telecommunication Regulatory Framework. Kevin Kirk is PNCC’s attorney since 1982. PNCC announces biennial telephone directory. The President suggests for PNCC to explore the possibility of utilizing O3b to provide service connection to outlying states. Palau Telecom to deploy 2G services. PNCC and Telecom have discussion the possibility of interconnection. Telecom has tested the 2G system, but has encountered challenges with large frequency interference. The President reports of delayed text messages and further requests PNCC to look into the matter. EQPB Progress Report: Office Retreat was held on January 2nd with the Board and staff. EQPB continues to align efforts to implement projects. EQPB is currently working on new regulation for wastewater treatment and anticipates its completion no later than March 2018. EQPB is reviewing three major hotel projects with one in Aimeliik, one in Airai and the other in Ngerkebesang, Koror. One aquaculture project is under review. The Board holds a meeting every other Thursday. An announcement is made on the radio and public can sit in should they wish. Permit for pump station at Long Island has been issued. The pump station is part of the Koror-Airai Sanitation Project (KASP). A public hearing was conducted in regards. A petition signed by 2,000 people has been submitted. EQPB is working with its legal team to ensure the permit went through the proper process. The President requests for EQPB’s support and cooperation on housing projects. NDBP Progress Report: In the last week, NDBP has approved a \$15,000 loan bringing the total of loans approved to \$1,216,682. Large loan previously reported at the Cabinet has to

	<p>materialize. NDBP’s recommendations regarding the balance of the funding have been submitted to the President. Discussion ongoing in regards.</p>
<p>Miscellaneous</p>	<ul style="list-style-type: none"> • Water Pipes Bursting: COS Eldebechel instructed to find out the cause of recent water pipe damages in Ngetkib, Airai and the Koror-side of the bridge near Roman Yano’s residence in Ngetmeduch and report accordingly. Director Melairei reports the damaged pipe in Ngetmeduch was due to a pressure test. The said pipe, which is not connected to the system, burst from the joint during the testing. • Grants Office: Grants Coordinator Judy Dean instructed to meet all agencies accessing foreign grants as soon as possible. COS Eldebechel and DCOS Kesolei instructed to assist with notifying and organizing all relevant parties. • Operations Clean Business: COS Eldebechel reports challenges of the taskforce and requests for Public Health’s assistance for inspection of potential health violations. All Ministries with membership to the Operation Clean Business established through Presidential Directive No. 17-26 are instructed to participate actively and ensure all initiatives of the Operation are effectively and successfully implemented. The President further instructs Public Health to inspect expired food items and take them off the shelf. • Kaleb Udoi, Jr. reports of perhaps updating Palau’s master’s plan in relation to the tax reform. Last plan is 2020. Requests to follow up with the President on the NDBP deposit taking and the remaining balance of the \$4 million. • Director Melairei reports bids for One-Stop Shop Building has been received. Has started a committee to review the proposals. Kiribati Government seeks to study Palau’s Redemption Center from the tax scheme to recycling, refund and shipping. The team also expressed interest to study the PAN scheme. Director Melairei is working with MOF to set a day for overview of both programs. The delegation is set to arrive on January 29th and depart on February 3rd. Director Melairei to follow up with PPUC of paving damaged section of the road in Choll. Balkuu Kumangai submitted resignation as Palau’s Safety Officer effective December 22nd. Joe Reklai has been appointed as temporary Safety Officer. • Executive Director Sakuma reports planning for handover ceremony of the Nippon project began next week. TARA Expedition currently on island collecting samples as part of a scientific research has had challenges with Koror State permits. The team has received permits for Ngarchelong and Ngatpang. Minister Baklai Temengil-Chilton, Minister Umiich Sengebau and PNMS Executive Director Keobel Sakuma are instructed to immediately address Koror State permit issues concerning the TARA expedition. It is reported the national government can issue a permit without the need to go the state government.
<p>Reminders</p>	<ul style="list-style-type: none"> • All Ministers are reminded to “think outside the box” and “follow up” on all initiatives and to complete tasks when due and avoid procrastination. • All Ministers are instructed to submit their respective Ministry progress reports highlighting accomplishments in 2017, ongoing projects and programs and new initiatives for the upcoming year. All reports must be submitted to the Office of the President no later than 4:30 pm on Wednesday, January 10, 2018. • All Ministers are to attend the National Day of Prayer event on Thursday, January 11th in Ngerulmud at 6:00 AM.

***Meeting minutes is subjected to change and approval**