



CABINET MEETING
Office of the President
 Ngerulmud | 9:10 am – 11:04 am
 Monday, September 11, 2017

In Attendance:

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| <ol style="list-style-type: none"> 1. President Tommy E. Remengesau, Jr. 2. Vice President Raynold Oilouch 3. Minister Emais Roberts 4. Minister Faustina Rehuher-Marugg 5. Minister Umiich Sengebau 6. Minister Sinton Soalablai 7. Director Melson Miko 8. Director Brian Melairei 9. COS Secilil Eldebechel 10. Exec. Director Keobel Sakuma 11. Exec. Director Roxanne Blesam 12. Press Secretary Olkeriil Kazuo 13. NDBP President Claire Harvey | <ol style="list-style-type: none"> 13. Novert Villanueva, NDBP Business Dev. Mgr 14. Jeff Ngirarsaol, NDBP Loan Broker 15. Bradley Kumangai, PNCC Vice Chair 16. Leo-Ben Teriong, PNCC Acting GM 17. Myers Techitong, PNCC HR Dept. Manager 18. Nace Soalablai, Legislative Liaison Officer 19. Jerry Nabeyama, PNMS Project Coordinator 20. Judy Dean, Grants Coordinator 21. Kaleb Udui, Senior Economic Advisor 22. Shelly Remengesau, Assistant to Min. Marugg 23. Daniel Klopper, Legal Counsel to the President 24. Austin Gaylor, Legal Counsel to the President |
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Prepared by Rolynda Jonathan, Office of the President

AGENDA	DISCUSSION	ACTION TO BE TAKEN
<p>Update of 48th Pacific Islands Forum in Samoa</p>	<ul style="list-style-type: none"> • Vice President Oilouch led Palau’s delegation in attendance of the 48th Pacific Islands Forum (PIF) themed “Blue Pacific” from September 4-8 in Apia, Samoa. He was accompanied by Director Casmir Remengesau, Larry Goddard and Jeraldine Tudong. • The first meeting held ahead of the PIF was the Smaller Islands States (SIS) Leaders Meeting where the leaders discussed issues and initiatives ahead of the PIF Leaders Meeting. Various issues were discussed during the SIS Meeting. Major issues highlighted include the proposed increase of membership dues to the PIF. Based on the proposal, Palau’s membership fee to increase by 300% from its current \$50,000 annually. Increase was deferred pending further discussion. Australia and New Zealand reportedly bear 60% of costs of PIF. 51% is proposed to be covered by the remaining membership meanwhile Australia and New Zealand to cover 49%. • Island nations were advised to be cautious of North Korean vessels and to deregister any North Korean vessels, if possible. This was a request made by Australia and New Zealand and agreed upon by PIF leaders. Minister Rehuher-Marugg reports information received from the U.S. regarding a vessel unloading cargo in North Korean. The vessel was reportedly flagged by the U.S. MPIIC looking into the matter. MOS issued diplomatic note on Friday, September 8th. • PIF communiqué to be released soon. Other matters also discussed include climate change, environment and strengthening regionalism. 	<p style="text-align: center;">Deregistering North Korean Vessels</p> <p>a) <i>Vice President Oilouch and Minister Rehuher-Marugg instructed to communicate with the Ship Registry in regards to deregistering NK vessels.</i></p> <p style="text-align: center;">48th PIF Communiqué</p> <p>b) <i>Vice President Oilouch instructed to share PIF communiqué with all Ministers once released.</i></p>
<p>NDBP Progress Update of Agri/Aquaculture Loan Program</p>	<ul style="list-style-type: none"> • As of Friday, September 8, the Bank has approved a total of \$849,225 to date. • The Bank has completed outreach programs in Ngarchelong as well as participated in the recent Job and Business Fair. In Ngarchelong, 5 people attended. Out of the 5, one completed an application and paid for the \$25 fee. The application is now under review. 5 people showed interested at the Job Fair, while one received an application. State visits ongoing with loan broker Jeff Ngirarsaol. NBDP reports most applicants are retirees. New trend of project is that existing in animal production particularly piggery are looking into chicken production as well. Discussion ongoing with some Governors for state governments to allocate lands. 	



	<ul style="list-style-type: none"> • The President informs NDBP the Office of the President will cover the cost of the \$25 application fee if a serious application cannot cover the cost for whatever reason. He stresses and implores NDBP to “think outside the box” and explore other strategic ways to disburse this funding, including partnerships and others. The President further states the money continues to sit, we’ve have to look for other ways such as possibly allocating to the Housing Program or others. • Kaleb Udui reports filing NDBP’s budget request with Minister Sadang. He will follow up with Director Remengesau in regards.
<p>Update from PNCC</p>	<ul style="list-style-type: none"> • President Remengesau informs PNCC their presence will be required in every Cabinet Meeting moving forward. • PNCC plays an important role in the upcoming fiber optic connectivity. President states we don’t want to be connected to the rest of world, but cannot have that connection nationally. He further requests PNCC to work with BSCC, the private sector and others in regards. The President expressed confusion from the leadership in regards to PNCC services, notices and interruptions. • Acting GM Leo-Ben Teriong reports PNCC is working to ensure that when the fiber optic lands, PNCC is ready to connect. PNCC has laid their fiber at PNCC’s Ngeremlengui fiber to BSCC hub pending fiber optic connectivity. PNCC has laid out line from Airai headquarters through Koror on to Malakal. This is an ongoing effort. This is effort is focusing major businesses and government offices. For individual, PNCC will avail fiber but will be dependent on an individual’s preference of service. Speed will be available to all existing PNCC customers as soon as fiber optic is connected. In October, BSCC to make available service for testing. • Reduction of Rate: The President asks will we see reduced rate upon connection. PNCC continues to look into the matter. AGM Teriong states we will see price reduction, but the amount of reduction is uncertain as PNCC is bearing cost of connection from Guam to the rest of the world. PNCC at this time is looking into flat rate for specific amount of bandwidth. Speed will determine price consumer receives. • IP Transit out of Guam: AGM Teriong reports PNCC released an RFP and has selected a Docomo Pacific to provide the IP transit out of Guam. This company will provide the IP transit. BSCC to connect PNCC to Guam, while Docomo Pacific will provide the IP transit to the rest of the world. AGM Teriong reports PNCC could have connected with BSCC to Guam and the rest of the world; however PNCC chose to release RFP to weigh in their factors. • Back-Up Plan: PNCC to maintain a certain bandwidth via satellite. PNCC currently received 450 MB via satellite and is looking into reducing to 250MB as backup once fiber optic connects. PNCC have also procured new generators in efforts ensure sustainable power sources. • Free Airport Wi-Fi & Rock Island Coverage: Discussion and work is ongoing on this effort with PVA, Airport and PNCC to make available free Wi-Fi service in the airport. As for Rock Island coverage, PNCC reports coverage at this time is limited. Efforts ongoing in Ngchus to provide 4G service coverage. 3G/4G coverage is expected to be expanded in the Rock Islands, however PNCC reports power source of cell towers is big challenge. PNCC to first install 3G/4G service coverage in Ngchus as a test location prior to planning for other locations in the Rock Islands. • 3G/4G Installation: Over the past weekend, PNCC changed antennas to 4G from Airai and moving to Koror. This means 2G services is no longer available. 4G services enable mobile TV, photo messaging and video calling. Through 4G system, PNCC is also looking into data roaming targeting visitors to Palau. The President expresses concerns of grassroots and people who are to be affected of lack of 2G services. PNCC looked into maintaining both 2G and 4G systems. Costs to maintain both systems are high. The Board along with the management made a decision to discontinue 2G services. PNCC reports new 4G cellphones have been made available at PNCC for purchase at \$90. AGM Teriong reports customer can be billed in portion if they can’t afford to purchase the phone in full. The President expressed concerns of the impact the lack of 2G services causes. The President further asks the PNCC to determine the cost of maintaining the 2G system, how many people will be impacted by the discontinued services and to look into providing affordable 3G/4G cellphones. The \$90 cellphones sold by PNCC is not considered affordable. • Fixed Line Services: In May, switch for fixed line services went down causing problems. PNCC has procured a new switch and working on transferring services and data from old switch to the new. • GM Position: Three applicants are currently under the Boards review. The Board held a meeting last week to review



	<p>additional information provided for one applicant. The Board anticipates making a selection at their next meeting.</p> <ul style="list-style-type: none"> The President informs PNCC Board and management he intends to invite them to update and brief the leadership in the next Joint Leadership Meeting. 				
<p>Ministry Briefings</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 30%; text-align: center;">ACTIONS TO BE TAKEN</th> </tr> </thead> <tbody> <tr> <td style="vertical-align: top;"> <ul style="list-style-type: none"> Ministry of State <ul style="list-style-type: none"> MOS is actively compiling information of organizations Palau has a membership of as well as conventions. MOS reports MOS does not have the technology to update passport extensions via the metallic tape. Inquiry made of timeframe from switch to chip based passport. COP23 has received the three-minute video produced by the MOS. There's a move to reform the UN system. A meeting to be held in New York in regards. 10 points to be discussed. MOS reports of disappointment expressed by the U.S. of countries severing diplomatic ties with the Republic of China-Taiwan. Minister Rehuher-Marugg scheduled for lunch meeting with U.S. Ambassador Hyatt and ROC Ambassador Tseng. President instructs the Minister relay only this "this is an internal decision for Palau to make" whether Palau remains with Taiwan or not. Ministry of Health: <ul style="list-style-type: none"> Dengue cases for the month have reached 7 in total. Awareness campaign continues. Minister Roberts reports Palauan students studying in Cuba are safe from Hurricane Irma. Minister Roberts, MOH staff, possibly representatives from MOE and members of the OEK are planning to visit Cuba next month to assess the students' situation. The trip however is dependent on the recovery efforts. Manila house turnover is scheduled for September 15. Minister Roberts' reports of recent visit made by cardiology (heart) team from Washington. The mission team saw about 250 patients. A team of urology specialists from Canvasback are on island. Orthopedic team from Canvasback is due to arrive in October Orthopedic Surgeon from Israel, who is replacing Dr. Botu has arrived and will begin work at the hospital. MOH is due to host the Health Assistant Program this week. MOH continues to actively recruit for the program. Participants of the program are anticipated to be recruited to join the hospital workforce. Peleliu doctor has been found a tumor in the brain. He has departed to Taiwan for further medical assessment and treatment. Minister suggested housing program with Palau Housing for employee housing. President Remengesau suggested Minister Roberts to meet with Minister Temengil-Chilton and PHA Executive Director Frida Delmau in regards. Ministry of Education <ul style="list-style-type: none"> MOE has signed school charter for private schools. MOE shares attendance of school staff of whom has an attendance of 93% and students who are recorded with an attendance of 95%. MOE will share similar information with the 24th Mechesil Belau Conference. School lunch menu has significantly improved since October 2014. There are no canned foods served in schools with the exception of canned tuna. MOE works closely with nutritionist from JICA to improve student meals. Minister Soalablai reports of challenges maintaining taro and tapioca within the school menu. He reports of requirement to maintain same menu across all schools. President expresses concerns of lunch menu and further suggests for other schools to include taro and tapioca in their menu if such is available. Minister Roberts suggests utilizing the NCD Fund Program to assist with the food program. 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	<ul style="list-style-type: none"> - MOE requests for information of deportees particularly those deported due to sexual crimes for children and students safety. Vice President Oilouch reports individuals convicted of sexual crimes are required by law to register. • Ministry of Natural Resources, Environment and Tourism <ul style="list-style-type: none"> - Minister Sengebau reports increase of interest for kelsebuul farming. He reports the package includes one month feed supply. The product is ready for sale within 6 months netting an estimated \$2,000 in profit monthly. This is based on \$2 per pound. The estimated profit is follow costs deduction. President Remengesau agrees for Ministerial directive between MNRET and MPIIC for kabeas taskforce. He further instructs the taskforce to document progress of work. - Drug testing processing discussed. Minister Sengebau reports memorandum must be produced and signed by all Ministers to establish uniform process. • Ministry of Justice <ul style="list-style-type: none"> - Upcoming Joint Committee Meeting (JCM) is scheduled for October 26 in Hawaii. Technical Committee to meet this afternoon in regards to U.S. Defense Cooperation proposal ahead of the U.S.' diplomatic note that is anticipated to be submitted at the end of the month for an official request. - Vice President reports meeting with Ministers during the President's travel off-island. He reports Minister Sadang's budget briefing. Vice President requested for the Ministry of Justice to take a lead on the Trafficking in Persons (TIP) Report produced by the U.S. State Department. The Ministry of Community and Cultural Affairs has been taking the lead in the past years. He further requests for the President to create a taskforce to address human trafficking via an Executive Order. He hopes in this way the Republic can move out of the Tier-2 ranking. The President suggests for Vice President Oilouch's office to initiate drafting of the proposed EO. 	
<p>Miscellaneous</p>	<ul style="list-style-type: none"> • Grant from Federal Aviation Administration (FAA): Director Melairei reports of \$500,000 design grant from FAA to rehabilitate the area between the runway and the security fence. FAA to release second grant next year to implement project. Requiring signature from the President. Director Melairei to scan signed copy from the President to FAA. Original copies sent via DHL. • Taskforce for Kebeas Eradication: The proposed taskforce is to be a joint collaboration between the Ministry of Natural Resources, Environment and Tourism and the Ministry of Public Infrastructure, Industries and Commerce. The President states this will not be a weekend project, but an everyday task – must be a full time concentration. Some road and ground crew suggested for the taskforce. Taskforce to develop scope of work, strategy and budget in regards. • Ngerulmud Water Operation: Water service is now in full operation in Ngerulmud. • President's New Legal Counsel: President Remengesau introduces new legal counsel Daniel Klopper. Moved to Palau with his new wife. FIB also has a new legal counsel. • Update from EQPB: EQPB approved permit for aquaculture project in Kayangel with BMR for kelsebuul. EQPB has issued permit for Oikull Quarry (former Hawaiian Rock) owned by Surangel & Sons. • Update from Grants Office: Grants Coordinator Dean reports of new grant opportunity entitled 'Response to El Nino' or RENE. The grant from EU is valued at \$1.25 million euros. The EU established the program as a food 	<p style="text-align: center;">ACTIONS TO BE TAKEN</p> <p style="text-align: center;"><i>Press Release re. FAA Grant</i></p> <p>d) <i>Director Melairei instructs to meet with Press Secretary Olkeriil Kazuo in regards.</i></p> <p style="text-align: center;"><i>Kebeas Taskforce</i></p> <p>e) <i>Minister Sengebau and Director Melairei instructed to put together an invasive species taskforce to tackle kabeas.</i></p> <p style="text-align: center;"><i>2nd Phase of Peleliu Building</i></p> <p>f) <i>Director Melairei instructed to move forward with the second phase of the Peleliu building project.</i></p> <p style="text-align: center;"><i>New EU Grant Program</i></p> <p>g) <i>Grants Coordinator Dean is instructed to meet with the respective Ministers</i></p>



	<p>security project. The regional coordinator visited Palau last week. The description report of Palau’s proposed project is to address water security and public information for water conservation. The EU is waiting for Palau to make a decision in regards to the focus of the grant. The focal point is NEMO. President Remengesau water quality for some states is poor and must be addressed. There are other programs and funds available for food security.</p> <ul style="list-style-type: none"> • Update from PNMS: Nabeyama reports of FADs project. In joint efforts with BMR and TNC, PNMS has successfully deployed four FADs in Kayangel, Ngarchelong, Ngeremlengui and Melekeok. PNMS has temporarily seized deployed as they prepare for upcoming one-month workshop with two experts on FAD fishing. First session to be conducted in Ngarchelong. Second session is anticipated for Koror targeting possible young fishers who are not utilizing FADs in their fishing activities. Following this week, PNMS plans to entertain request from other states including Ngchesar, Peleliu and others. PNMS to continue working with TNC and MNRET to develop long-term monitoring plan and data collection of FAD systems. Once FAD systems are deployed, it takes approximately 3 months before fishers can begin to utilize them. The President reminds of the two objectives of FADs, 1) for domestic fishing and 2) for sports fishing. He further instructs PNMS to mark off these areas as well as work with tour agencies engaging in catch and release programs. Ocean Week: PNMS is working in partnership the Palau Legacy in planning for the upcoming ocean week in October, also the anniversary of PNMS. • Clean Business Directive: President informs of new directive to strengthen the joint taskforce comprising of Customs, Labor, Bureau of Tourism, Hospital, FIB, BPS, Tax, etc., to ensure that all regulations of the Republic are implemented. FIB has a new legal counsel. The President is due to meet them. FIB reports issuing a notice to business who received their FIAC on a particular area of activity but engaging business on area not approved. This is a classic example of violation. One-Stop Shop: COS reports the group have not met and will schedule meeting soon in regards. • Cabinet & Advisors Retreat: Planning underway for Cabinet & Advisors Retreat in October. The retreat is anticipated to be scheduled following the President’s return from Malta in the first week of October. • Crosswalk Painting as Part of Independence Day Preparation: Minister Soalablai requests for Bureau of Public Works to repaint crosswalk markers. President Remengesau suggests activity to be included in the Independence Day preparation. • Independence Day: Director Miko reports preparation ongoing. Invitation for outside guests has been sent out. MOS responsible for invitation to guests. President Remengesau suggests for inclusion of family entertainment such as dancing or singing at the State Dinner. • Press Conference on Wed. Sept 13: Minister Sadang is requested to provide an update on the FY2018. 	<p><i>concerned and to provide full report of status of grant program at the next meeting.</i></p> <p>Ministers’ October Travel Schedule</p> <p>h) <i>All Ministers are instructed to provide a copy of their travel schedule, private and official, for the month of October to the Office of the President as soon as possible.</i></p>
<p>Reminders</p>	<ul style="list-style-type: none"> • All Ministers are reminded to “Think Outside the Box” and to “Follow Up” on all initiatives. • All Ministers are reminded to release employees interested to participate in the 24th Mechesil Belau Conference at Ngarachamayong Cultural Center from September 13-14. • Schedule for the next Cabinet Meeting will be conveyed to all upon the President’s return. He is currently on official trip to Japan and New York. 	

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