



CABINET MEETING

Meyuns Satellite Office | 10:13 AM – 11:51 AM
Thursday, December 28, 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 Elbuchel Sadang 4. Minister Charles Obichang 5. Minister Baklai Temengil-Chilton 6. Minister Umiich Sengebau 7. Minister Emais Roberts 8. Minister Faustina Rehuher-Marugg 9. Minister Sinton Soalablai 10. Ambassador Dilmei Olkeriil 11. Ambassador Olai Uludong 12. Ambassador Jeraldine Tudong 13. Director Brian Melairei 14. COS Secilil Eldebechel 15. DCOS Rebluud Kesolei 16. Press Secretary Olkeriil Kazuo | <ol style="list-style-type: none"> 17. Postmaster General Timothy Sinsak 18. Exec. Director Keobel Sakuma 19. Kaleb Udui, Jr., Senior Economic Advisor 20. Jeffrey Antol, MOS COS 21. Dan Klopper, Legal Counsel 22. Austin Gaylord, Legal Counsel 23. Nick Ngwal, Special Asst. Maritime Matters 24. NDBP President Claire Harvey 25. Norbert Villanueva, NDBP 26. Norman Ngiratecheboet, PNCC Chair 27. Leo-Ben Teriong, PNCC AGM 28. Myer Techitong, PNCC 29. Isebong Rengulbai, PPUC PIO 30. Anthony Rudimch, PPUC Project Mgr. 31. Kimie Ngirchechol, EQPB |
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Prepared by Rolynda Jonathan, Office of the President

AGENDA	DISCUSSION
<p>To Declare 2018 as the “Year of Good Health”</p>	<ul style="list-style-type: none"> The President announces discussion to declare 2018 as the “Year of Good Health”. “Good Health” is not just on physical health, but the health of the environment, public safety and education – all that contributes to a healthy community. The Ministry of Health has discussed and considered potential activities and programs for implementation in 2018, including shifting attention and strengthening focus on preventive healthcare in the community. Vice President and Minister Roberts are instructed to organize a meeting to formulate plans and programs to strengthen the “Year of Good Health”. \$200,000 at the very least to be dedicated to activities involving the new theme. The “Year of Good Health” to be officially declared for 2018 through Presidential Proclamation at the upcoming National Day of Prayer Ceremony in January.
<p>Diplomatic Relations with ROC-Taiwan</p>	<ul style="list-style-type: none"> Palau and Taiwan shares a 17-year old relationship since its establishment. The President announce a letter will be communicated to the OEK and the leadership regarding the consistency and commitment of our relationship, however there is room for improvement and enhancement of collaboration and growth in every relationship. There is no such thing as an extremely stable or lasting relationship. Palau has formally communicated to Taiwan requesting for the review and improvement of its relations. One China Policy is not Palau’s policy. Palau works with Mainland China on various matters including within the United Nations and the UN Security Council on World Peace, social and economic advancement and others. Palau remains open to high-value investment and tourism as well as trade with the world, including Mainland China. Palau’s relations with Taiwan will not stop the nation from pursuing this kind of relations with Mainland China.

<p>Pristine Paradise Environment Fee (PPEF) Effective January 1, 2018</p>	<ul style="list-style-type: none"> • Minister Sadang reports the Pristine Paradise Environment Fee (PPEF) is set to take full effect on Monday, January 1, 2018. All required to be completed through regulations, including site visit with the Vice President and tax code with IATA has been accomplished. Beginning on January 1st, all airlines will be responsible and required to collect the fees. The Ministry of Justice through Immigration will be required to issue refunds to Palauans and the diplomatic corps through 3 process: a) upon departure, b) upon arrival and c) upon request within 15 days. • In terms of billing, the airlines are responsible to submit its passenger manifest. The Ministry of Finance will bill the airlines based on the manifest. The airlines will then have 30 days within the receipt of the billing to remit funds to the National Treasury. The \$50 fee will remain in effect during the 30 day transition period from January 1-31, 2018. Thereafter, the \$50 will no longer be collected. • All Palauans departing and arriving in Palau will be required to scan their passport, otherwise all other operation within the airport remains the same. • The Vice President requests for support to hire someone qualified to the Bureau of Immigration and Labor to monitor and ensure accountability of the funds to be handled by the Bureau due to PPEF. Minister Sadang informs Vice President to bring forth their selected person on board while the paperwork is under process. • TA Travelers: All persons traveling under TA are not eligible for refunds as the fee is already incorporated. When tickets are purchased, the \$100 fee is automatically included. The only passengers eligible for refund are those on personal travel. • The Standard Operation Procedures (SOP) for Immigration has been completed and finalized.
<p>Ministry Briefings</p>	<ul style="list-style-type: none"> • Ministry of State: As of this report, funding assistance of \$5,000 has not been released to parents of students in Cuba prior to Christmas Day as previously agreed. The President instructs for the immediate release of funds to the students' parents by end of day on Friday, December 29th while the remaining balanced to be hand carried by Minister Roberts in January 2018. Minister Sadang later reported during the Cabinet that Finance has released the first tranche of funding, which was picked up by the students' parents and MOS, and as agreed the remaining tranche to be hand carried to Cuba. • Ministry of Health: The I-Shou University in Taiwan is now recruiting new students to end in March 2018. There are up to six slots available to Palau. The internship program for two Palauan medical students who graduated from I-Shou University continues. The 6-month Health Assistant Program is ongoing with 27 participants and set for completion on April 2018. The Manila House is undergoing active furnishing with an anticipated date of January 26th for its open house and transferring of patients. The existing house to be vacated by the end of January. The Step Down Unit to be established once space frees up within the hospital when the Public Health shifts. The HFC Building is under bidding. • Ministry of Justice: The Vice President reports no major incidents occurred during the Christmas weekend aside from minor incidents. President instructs Vice President to lead a team to organize the upcoming February 13, 2018 handover ceremony for PSS KEDAM. Chief of Staff Eldebechel instructed to develop a letter in regards. Portia Franz has been working with Labor for a month to strengthen and improve operation and services to the public.

	<ul style="list-style-type: none"> • Ministry of Natural Resources, Environment and Tourism: MNRET is follow up on the surplus of rice offered by Taiwan. Once Taiwan is ready, arrangements for transport to Palau will be made. Minister Sengebau has met with MNRET Senior Management who will align programs for the next three years. Kebeas eradication efforts continue. • Ministry of Public Infrastructure, Industries and Commerce: Letter to JICA in regards to Aimeliik land for landfill project is under follow up. Director Melairei reports receiving email from Miyata who states JICA headquarters accepts communication. JICA to dispatch team to Palau on January 22, 2018. Vice President suggests commencing discussion with clans and to consider hiring an appraiser to determine the value of the lands for negotiation. The Vice President and Minister Obichang to continue to coordinate in regards. JATCO and Sojitz approved the basic design on Thursday, December 21st. The project now moves on to the detailed design phase. This phase will provide the ball park cost of the project that will be part of the financial package to JICA. FSM Government is requesting Palau to begin direct flights from Yap to Palau following the discontinued flight service provided by United. FSM procured two aircrafts from Mainland China. Flight from Palau to Guam on to Yap is a challenge due to costs. The aircrafts are less than 15 passenger seats. FSM is requesting to commence on January 3, 2018. • Ministry of Community and Cultural Affairs: The President requests for MCCA to look into hosting the Children’s Christmas Program again at the Capitol during the upcoming year. The Ministry of Education commenced the removal of the summerhouse in front of the Civil Hall on Wednesday, December 27th. MCCA is preparing all reports due. MCCA is also organizing its office as some staff are retiring or resigning for educational purposes and other opportunities. The Convention of the Right of Child Report to the HR Committee is due on January 25, 2018 through the UNICEF Office in Fiji. MCCA to draft letter of request to the Office of the President in regards. The Micronesian Games to be held in Yap in 2018. PPA flew Palauan athletes to Yap in December 2017 for the invitation games. The flight was donated by the airline. MCCA is working on an appreciation to PPA for donation. Japan has incorporated funding for training in preparation for Tokyo 2020. First training camp to be held in the summer. Seven athletes have received a scholarship of about \$550 per month as well as coverage of travel costs of about \$5,000 per athlete. A press release has been disseminated to the media regarding the scholarship award. Ambassador Olkeriil and MCCA are working on potential training in Taiwan as well. • Ministry of Education: MOE requests for additional budget in the next year of \$20,000 to cover costs of accreditation for 15 schools. 18 total schools however outlying elementary schools to tag along with Meyuns Elementary School in the accreditation process. The President requests for Ambassadors to seek partnership outside to donate tablets to schools for educational purposes. The school commences on January 3, 2018 following holiday break.
Agency Briefings	<ul style="list-style-type: none"> • PPUC Progress Report: The Water Improvement Project is 82% complete. The water lines are complete and the project has commenced work with EQPB to disinfect. In terms of road paving, the original part of scope to Ngermid has been complete. Request for repaving from Ngerbechedesau was approved by JICA last week. Beginning on Wednesday, January 3, 2018 paving will begin from former Hawaiian Rock to the bridge. The single operator of Surangel’s Asphalt Plant is off-island therefore the project cannot pave until his return on the 3rd of January. The Sewer Project is ongoing, but delayed. The team continues to discuss possible solutions to speed up the project. PPUC announces online payment for electric and wastewater services with the exception of token, which will go online in April 2018. PPUC announces reduction of electric costs by 1.4 cents effective January 2018. The President

	<p>emphasizes the urgency of completing sewer project in line with the schedule for pavement. Director Melarei instructed to look into the timeline of Japan grant and the completion target date of the sewer project. The President notes of Senator Akitaya’s letter to the Board and JICA regarding misunderstanding of pavement within Koror and of the sewer project installation. The President requests for a good response in regards to prevent public confusion.</p> <ul style="list-style-type: none"> • PNCC Progress Report: PNCC reports Aimeliik is now connected to the 3G system and outreach program has been completed. Ngardmau and Ngchesar are also connected to 2G/3G system. Outreach program is planned for both states. Issues of 2G/3G system in Ngeremlengui have been resolved. Koror and Airai 2G system will be energized on January 12, 2018. For Kayangel, PNCC has identified sources to provide quality cable services. PNCC has identified two sources and will be meeting them in Hawaii on January 18, 2018. They hope to utilize the O3b satellite service to provide cable services to Kayangel. PNCC plans to map up the Compact Road of sites that cannot cover dead spot areas. PNCC looking into MOE and MOH dish to provide cable services to Kayangel as well. PNCC requests for their attorney to work with MPIIC and the new Bureau of Telecommunication regarding their concerns of the Telecommunication Regulatory Framework. Austin Gaylord instructed to work with PNCC’s legal team. MPIIC instructed to work on the urgent hiring of the Director of the new Telecommunications Bureau and requests for recommendation to the position. • EQPB Progress Report: Letter has been sent to Sheraton Hotels. Major issue remains wastewater but the hotel has received an approval from PPUC to connect to the public sewage system once complete. EQPB has received KASP application for wastewater treatment plant. It is now under review by the engineers. EQPB major project for the next year is revisiting the wastewater treatment regulations in efforts to simplify regulations and to give more options to incoming projects. The project is supported by MNRET who is funding an expert to arrive in March 2018. EQPB hopes regulations will be complete by the end of 2018. EQPB has rescheduled its retreat to Tuesday, January 2nd therefore the office will be closed on that day. The President requests EQPB to follow on up on discussions and agreement made during the recent EQPB-PPUC Board meeting to prevent reoccurrence. • NDBP Progress Report: As of week ending December 22, 2017, NDBP has approved a total amount of \$1,216,682 loans. Bank President has discussed with the President’s staff of alternative plans for implementing the remaining balance of the program. The President welcomes recommendations made by the Bank in regards to utilizing the remaining balance and deposit taking. The President has created a Committee comprised of Chief of State Eldebechel, Deputy Chief Kesolei, Minister Sadang, Director Remengesau, FIC Commissioner Semdiu Decherong, and Kaleb Udui, Jr. to review and advise on recommendations submitted by the Bank. The Bank is waiting for a pending major agriculture loan application valued at \$1.3-1.5 million. Plan is pending in regards. Two potential plans with state governments of Ngaraard and Ngarchelong of agriculture allocation program valued over \$500,000 is pending.
<p>Miscellaneous</p>	<ul style="list-style-type: none"> • Ambassador Tudong’s Accreditation: Ambassador Tudong is scheduled to present her credentials in Belgium on March 2018. The President requests Ambassador Tudong to consider cross accreditation. Ambassador Kyota is now Ambassador to the U.S. and Canada, Ambassador Uludong is accredited to Portugal and Cuba. Ambassador Matsutaro is accredited to Japan and Korea. • Ambassador Uludong reminds of the importance of Palau’s UN voting such as the controversial UN resolution condemning the U.S.’ announcement to establish an Embassy in

	<p>Jerusalem in recognition of the city as the new Capital.</p> <ul style="list-style-type: none"> • Kebeas Eradication: Kebeas eradication of mango trees in Choll was completed on Wednesday, December 27th including area in Metauii, Choll (Mechelins Ngcheed’s residence) were also treated. The President stresses full-time effort of eradicating kebeas. • Repair of Trench in Choll: Director Melairei reports discussion with Dave Dengokl who committed for PPUC to repair the trench on Wednesday, January 3, 2018. • IT E-Readiness Survey and Report: The Team led by Conrad Ellechel is working to follow up on surveys submitted as some surveys are incomplete or require additional information, and working to compile and finalize the report to the President as soon as possible. • Potholes in Airai: The Vice President suggests repairing of large pot holes in the intersection of the main road to the airport. Director Melairei instructed to look into and repair. Director Melairei reports road west to Airport and Sansaro at Yelch are under the 2017 Stimulus bidding. • Compact Road Repairs: Scope under development for advertisement and bidding for repair of areas discussed and identified within the Compact Road.
<p>Reminders</p>	<ul style="list-style-type: none"> • All Ministers are reminded to develop reports of major accomplishments of the year, unfinished business and of new initiatives and innovations planned for implementation in 2018. The report must be submitted to the Office of the President. The reports will be compiled and disseminated to the media. The reports are also anticipated to help with the development and preparation for the 2018 SORA. • All Ministers are requested to note the following events: <ul style="list-style-type: none"> - Thursday, January 11, 2018: National Day of Prayer at 6:00 AM at the Capitol - Thursday, January 18, 2018: 17th PICRC Fundraising Gala at 6:00 PM at PICRC Grounds • All Ministers are reminded to “follow up” and “think outside the box” on all initiatives.

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