

Budget hearings dominate V7AB airwaves

Air Marshall Islands is proposing a \$3.8 million budget for fiscal year 2013 as a first step to resuscitate the crippled airline and turn it into a profit-making venture.

Meeting before Nitijela's Appropriations Committee Tuesday, AMI board member Jefferson Barton announced that AMI is proposing a \$3.8 million operating budget. While Barton acknowledged the amount was huge and there are talks about the need to privatize state owned enterprises, Barton was adamant that with the new AMI board and management in place, privatization was not the way to go right now as they have developed new plans that can turn around the airline's financial situation. "We can become profitable within three to four years from now," said Barton.

The airline, which has lost money every year since its establishment more than 30 years ago, and has received subsidies in the form of soft loans and bails outs over the years from the government, the Republic of China (Taiwan), RMI Ports Authority and most recently the Marshall Islands Marine Resources Authority, has both of its airplanes grounded undergoing maintenance and repair. But Barton says he and the board remain positive that the situation can be turned around. "If we can get new airplanes and fix the outer island runways, AMI can make \$4 to \$5 million in profit in the future," said Barton adding a warning that "without these, the service won't improve. I believe the demand is there, we just need to prepare the supply side."

As to the possibility of privatizing AMI, Barton acknowledged that this is an option for the government. However he recommends that before steps are taken to privatize the airline, the government must invest more into the airline. "I say we fix the airline first and that will make it attractive to investors."

Barton: AMI needs new airplanes to make money

Shipping Corp. says passengers need to shape up

Old habits die hard and for the Shipping Corporation, bad habits by outer islands passengers are causing an unnecessary black eye for the life line of the outer islands.

Members of the Nitijela Appropriation's Committee attempted to put the pressure on the shipping corporation and its services but the complaints fell flat when board member Alson Kelen explained the situation on the ground.

Responding to specific complaints on why

ships were delayed on such and such a date, Kelen told the committee members one delay was caused by rain while the ship was being fueled and another was due to the Ministry of T&C's new 150 maximum passenger regulation that just went into force. But, he said, in most cases, delays are due to a lack of passenger appreciation to shipping notices on booking dates for cargo. Kelen said despite a two-week advance notice of a ship's departure and notice

that all cargo must be booked two days in advance in order to load the ship in accordance with the ship's route, these notices are mostly ignored. "Passengers keep bringing their cargo at the hour set for departure and claim it's their carry-on," said Kelen.

"This is unreasonable. But we try to accommodate so we then have to off load the ship and re-load it again with this new cargo in accordance to its final destination."

RMI hotel suffers from hard times

No one is exempt from the effects of a failing economy and if it wasn't government-owned the Marshall Islands Resort would have closed its doors long ago. "It's not pleasant," admitted Marshall Islands Resort Manager Bill Weza during Nitijela's Appropriations Committee hearing last week as he revealed the anxiety he experiences daily as he thinks of the Resort's nearly \$1.8 million electricity debt to Marshalls Energy Company. "The past five years cash flows have been horrible," he said. "We also owe MISSA and income taxes, too."

Despite creating alternative revenue generating projects such as converting guest rooms into apartments and business rentals spaces, the dramatic downturn in tourism numbers and increased airfare cost have greatly impacted the resort, he said.

Sen. Jack Ading wants T&C agencies to be more friendly

SUZANNE CHUTARO

Member's of the Nitijela Appropriations Committee are urging more "brotherly love" between the various agencies under the Ministry of Transportation of Communications. Questioning the Marshall Islands Shipping Corporation operating cost, Enewetak Senator Jack Ading suggested that as a cost saving measure, the Shipping Corporation's and the RMI Ports Authority be brotherly. "You guys are brothers," said Ading. "Why can't the Ports Authority just give you the warehouse?"

RMI Ports Authority Jack Chong Gum explained, however, that the Uliga warehouse is an income-generating asset required to maintain Ports operations.

"We've given the warehouse (to Shipping Corp) at a very generously discounted

rate," he said, noting that there is another tenant using the warehouse that is paying the full rate. "RMIPA is losing money from its operation because of all the capital improvement projects we are undertaking, so we need this income to offset our expenses."

Later in the hearing, Ading then questioned what the Ports is doing to collect its \$1.1 million in receivables and why it was such a large amount. Chong Gum explained that a large chunk of the receivables due were in fact from other government agencies such as Air Marshall Islands. According to Chong Gum, the Cabinet at the time Ading himself served as the Minister of Finance had instructed the Ports Authority to give AMI a \$300,000 loan, which AMI has now defaulted on.

Numerous activities engage youth on Ebeye Isle

GIFF JOHNSON

For 70 young people on Ebeye, the July-to-September period has turned into a fantastic adventure of skills development, public activities and straight talk about problems on the island.

Three National Training Council-funded projects have generated strong interest from young people on the island and underline the lack of opportunities for youth.

The trainings are involving about 70 young men and women in canoe building, art and sewing classes.

Waan Aelon in Majel Director Alson Kelen, whose program is running a six-month canoe building training for 25 young men, was on Ebeye last week and has been helping to combine all three groups for life skills workshop sessions.

Workshop sessions last week re-



25 young men are in a six-month canoe building training and here work on a canoe hull.

vealed troubling information about problems facing young people on Ebeye, he said. "Girls and boys are chewing betelnut, kids are sniffing propane," he said. "They said propane is cheap and you don't need an ID card to buy it."

Kelen said from his conversations with Ebeye youth it is clear propane and gas sniffing is a growing problem on both Ebeye and Majuro. "It's a Marshall Islands problem," he said.

The enthusiasm from the youth

participants in all three of these NTC-supported trainings is tremendous, said Kelen. "I scheduled a bar-b-que for Monday evening and the boys asked to postpone because they didn't want to miss their Monday English class," Kelen said.

Several USAKA-based personnel are volunteering time on their day off — Mondays — to teach youth in the program.

In addition to the 25 youth in the canoe program, 15 are participating in a Youth to Youth in Health-run art training course, and 30 are in the sewing program run by the Rukjenleen organization.

People on Ebeye are very aware of these activities because all are doing public activities — the art team painted a mural next to Mon LaMike's that has attracted a lot of attention, Kelen said. The sew-

ing group has regular displays and sales of the products the trainees are producing, and the canoe boys have been doing regular cleanups on the island. This has sparked expressions of community support. "One guy brought us a case of water while we were cleaning up," Kelen said. "Some ladies brought over a bag of donuts for the trainees. We aren't asking for it, but they are getting involved." Kelen said while these youth trainings are having a positive impact, more is needed for Ebeye youth.

"These three NTC programs are not enough," he said. "Nothing is happening on Ebeye, they need activities." At a workshop session last week, several of the participants said, "we need GED yesterday" — referring to the adult education program run by CMI.