

TITLE 4: ECONOMIC RESOURCES
DIVISION 10: COMMONWEALTH DEVELOPMENT AUTHORITY

§ 10602. CUC-CDA Loan and Interest Waiver.

Pursuant to the Memorandum of Agreement between the CDA and the Commonwealth Utilities Corporation [CUC], CDA may waive \$16,068,750.00 of the principal amount owed by CUC, such amount being the aggregate sum of all outstanding sewer and water project loans to CUC. Pursuant to the same Memorandum of Agreement, CDA may waive all accrued interest owed by CUC on all outstanding loans in accordance with the terms and conditions of the Memorandum of Agreement, such terms and conditions being incorporated herein by reference.

Source: PL 13-35, § 2.

Commission Comment: PL 13-35, which became effective December 10, 2002, contained the following findings, in addition to severability and savings clauses:

Section 1. Findings. The Commonwealth Development Authority (CDA) and the Commonwealth Utilities Corporation (CUC), both public corporations existing as autonomous agencies of the Government of the Commonwealth of the Northern Mariana Islands, have been involved in a legal dispute in the Superior Court of the Commonwealth. The parties desire to settle their disputes in an out-of-court settlement and have agreed on the terms of a mutual settlement that requires, among other things, a waiver of a portion of the debt owed by CUC to CDA and the conversion of the balance of debt to equity ownership. CUC and CDA have reduced the terms and conditions of their agreement to writing and seek the assistance of the legislature in effectuating certain provisions. The legislature finds that the out-of-court settlement reached by CUC and CDA is a reasonable resolution of their differences. The legislature further finds that the terms and conditions of the settlement are in the public interest.