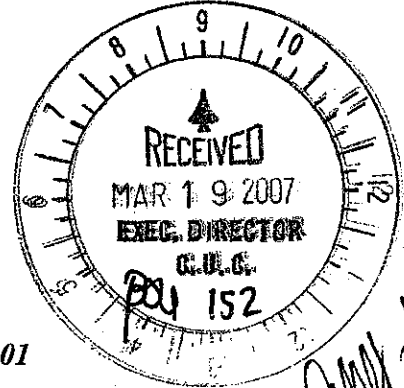




Copy:
- Governor
- Privatization Comm.
- Ed. Manibusan
- P&S
- CNMI P&S
- Betty Diaz

March 16, 2007

Anthony C. Guerrero
Executive Director
Commonwealth Utilities Corporation
3rd floor, Joeten Dandan Building
P.O. Box 501220
Saipan, MP 96950



Re: Request for Proposal CUC RFP #07-001

Dear CUC Executive Director:

CUC's RFP #07-001, as we understand it requires certain parties who want to be eligible to submit a proposal for the privatization of CUC's power business, to first apply to be "Pre-Qualified" by CUC.

We would like you to confirm our understanding that Telesource CNMI, Inc. is already qualified, pursuant to Public Law 15-40 to submit a sealed proposal for the upcoming privatization of CUC's power business, without having to go through the Pre-Qualification procedures and approvals provided for by CUC RFP #07-001.

In this regard we refer you to Public Law 15-40, Section 3 (g) which says -

"(c) Notwithstanding 4 CMC § 8439 and any other provision of law, the Commonwealth Utility Corporation may (1) issue a request for proposals to privatize or transfer ownership, control, management, or operations, in whole or in part, of a utility service and the property relating to that service, and (2) award such a contract, contingent upon the contractor obtaining from the Public Utilities Commission a certificate of public convenience and necessity required in 4 CMC § 8441. The Commission's review shall include a determination as to whether the divestiture and the contractor's proposed rates, charges, assessments, and costs are consistent with the public interest. *A business, that is licensed in the Commonwealth and has been engaged for at least ten years in a business that is closely related to the utility service for which the Commonwealth Utilities Corporation publishes a request for proposals, shall be permitted to submit a proposal upon the payment of the required fees.*" (Signed into law on December 22, 2006.) (Emphasis ours.)

RECEIVED
Office of the Attorney General
Civil Division
Date: 3-20-07
Name: J.S.Da
Rec'd by: J.S.Da

“Doing business” is defined in Black’s Law Dictionary as “the exercise in the state of some of the ordinary functions for which the corporation was organized.” (5th Edition, 1983).

“Business” normally means any regular and continuous activity carried on by a person for the purpose of earning income or profit.” (Comm. Reg. Vol. 17 November 04, April 15, 1995 § 2200.7(a)).

Telesource CNMI, Inc. is licensed in the Commonwealth and has engaged for over 10 years in businesses closely related to the utility service which CUC intends to privatize.

As you know Telesource CNMI, Inc. started building the Voice of America (VOA) power plant on Tinian in 1996, and it has been involved in the design, construction and operation of the power generating facility on Tinian since December 1996. For instance, we refer you to the attached cover letter (Exhibit A) of the turn-key proposal delivered to CUC back on December 13, 1996. Also we refer you to the attached letter of intent dated March 6, 1997 (Exhibit B) provided by CUC to Telesource CNMI, Inc. in connection with the Tinian Power Plant; a proposal which was accepted and constructed and is still in operation. Furthermore, we refer you to the attached 1996 certificate of incorporation (Exhibit C) for Telesource CNMI, Inc.

Telesource CNMI, Inc. is already qualified, pursuant to PL 15-40 to submit a sealed proposal for the upcoming privatization of CUC’s power business, without having to go through the Pre-Qualification procedures and approvals provided for by CUC RFP #07-001; Telesource CNMI, Inc. therefore need not pay any \$25,000 Pre-Qualification fee or submit any further documentation under CUC RFP #07-001.

Please confirm that our understanding is correct on or before March 28, 2007, so that we have time to otherwise take steps necessary to protect our interests.

This letter is submitted without prejudice to our protest filed on February 22, 2007.

Yours truly,



Michel N. El-Rahi
General Manager
Telesource CNMI, Inc.

Cc: Mr. Nidal Zayed, Telesource President



TELESOURCE CNMI, INC.



SAVED HAMID BEHBEHANI & SONS CO. W.L.L

Date 13th December 1996
REF : TIN/ PPLNT/ 101/96

EXHIBIT A

COMMONWEALTH UTILITIES CORP. (CUC)
P.O.BOX 1220 LOWER BASE
SAIPAN, MP 96950

Att. Mr. Frank T. Flores

Subject: RFP 97-0002

Dear Sir,

We have the pleasure in submitting to you our turn key proposal for the Design And Construction Of Power Generating Facility For The Island Of Tinian.

Our proposal is complete, including all necessary requirements of the RFP and as per our enclosed technical and financial offers.

Our total bid price is , inclusive of all costs, excluding only the following:

- Infrastructure Development Tax (if any)

In our design we have accounted for and considered all aspects of environmental and regulatory requirements of the CNMI, and we shall endeavor to secure all the required permits for the construction and operation of the station, as per the RFP requirements, but we believe the CUC active involvement in this respect is instrumental in securing the required permits without unnecessary delays.

We hope to hear from you in the near future, in the meantime please do not hesitate to contact us for any further clarification.

Thanking you, we remain

Faithfully yours

for Telesource CNMI, Inc.

K.J. Semikian
President

Commonwealth of the Northern Mariana Islands
REGISTRAR OF CORPORATIONS
SAIPAN, MARIANA ISLANDS 96960

EXHIBIT C

Certificate of Incorporation

THIS IS TO CERTIFY
THAT THE ARTICLES OF INCORPORATION OF

TELESOURCE CNMI, INC.

HAVE BEEN DULY FILED AND ENTERED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS WITH THE REGISTRAR OF CORPORATIONS, COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS.

EFFECTIVE 10:30 A.M. NORTHERN MARIANA ISLANDS TIME ON SEPTEMBER 30 19 96,
THE PERSONS SIGNING SAID ARTICLES OF INCORPORATION AND THEIR ASSOCIATES AND SUCCESSORS
SHALL CONSTITUTE A BODY CORPORATE UNDER THE NAME OF

TELESOURCE CNMI, INC.

FOR THE TERM SPECIFIED IN ARTICLES OF INCORPORATION UNLESS SOONER LEGALLY DISSOLVED.

IN WITNESS WHEREOF, I have hereunto subscribed my name
officially and have herein impressed my Seal of Office, Saipan,
Commonwealth of the Northern Mariana Islands, on this
30TH day of SEPTEMBER, 19 96.



mm
SOLEDAD B. SASAMOTO
REGISTRAR OF CORPORATIONS