



The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 18-461
FSM CONGRESS

March 3, 2015

The Honorable Dohsis Halbert
Speaker
Eighteenth Congress of the Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear Speaker Halbert:

I transmit the following Congressional Act as Public Law No. 18-110, which I have line item vetoed based on the justification as explained in this transmittal:

Congressional Act No. 18-121, entitled: "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$5,562,111 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR FISCAL YEAR ENDING SEPTEMBER 30, 2015, BY AMENDING SECTIONS 1, 2, 3, AND 9 OF PUBLIC LAW NO. 18-19, AS AMENDED BY PUBLIC LAW NO. 18-102, TO CHANGE THE USE OF CERTAIN FUNDS, AND FOR OTHER PURPOSES."

Congress chose to put an additional \$5,000,000 into the FSM Trust Fund (line 14, page 13 of 17) by removing the \$5,000,000 from the 2023 Investment Development Fund (lines 18-20, page 13 of 17), thereby leaving the 2023 Investment Development Fund unfunded. I applaud Congress for putting more and more money into the Trust Fund. However, we must do the right thing by putting some money into the Trust Fund and investing some money in targeted areas where the impact of such investments will contribute to growing the economy.

We have been operating under the mistaken belief that the infrastructure sector grants would put us on the road to budgetary self-reliance. However, the infrastructure sector grant requirements were so restrictive and unrealistic that none of our local contractors could qualify to take on the infrastructure projects. As a result, less than 40% of the investments in infrastructure projects trickled down into the local economy. We must, therefore, consistently invest more of our local revenue in targeted areas where local contractors can take on some of the targeted investments. The 2023 Investment Development Fund is necessary to allow local contractors to expand and take on larger projects, such as those awarded through investment sector grants, by building up their capacity to take on these projects and thereby building up the local economy.

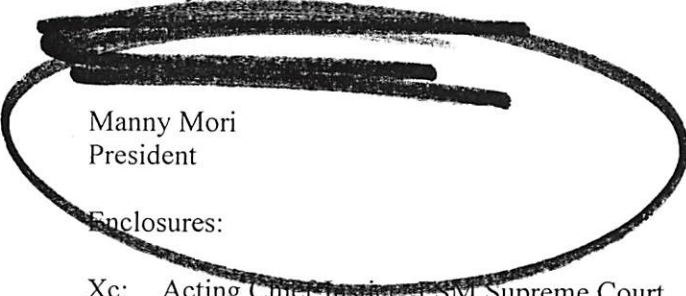
Additionally, we are so far behind in growing our economy that unless we start now, we will have a very difficult time in catching up before 2023 is upon us. We have more and more college graduates who are able to contribute to our economy upon their graduation, but who have been unable to find jobs because we have not been aggressively investing in the private sector. The Investment Development Fund will support growth of the private sector and thus create more employment opportunities.

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The Honorable Dohsis Halbert
March 3, 2015
Page 2

It is for these reasons that I find it necessary to line item veto the appropriations as set forth above.

Sincerely,



Manny Mori
President

Enclosures:

Xc: Acting Chief Justice, FSM Supreme Court
Secretary of Justice
Director, SBOC
Legislative Counsel, CFSM
Library, CFSM
FSM PIO



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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Office of the Chief Clerk

PRESIDENTIAL COMM. NO. 18-461
FM CONGRESS

February 10, 2015

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 18-121, "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$5,562,111 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR FISCAL YEAR ENDING SEPTEMBER 30, 2015, BY AMENDING SECTIONS 1, 2, 3 AND 9, OF PUBLIC LAW NO. 18-89, AS AMENDED BY PUBLIC LAW NO. 18-102, TO CHANGE THE USE OF CERTAIN FUNDS, AND FOR OTHER PURPOSES.", which was passed by the Eighteenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2015, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 18-461
FSM CONGRESS

EIGHTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SIXTH REGULAR SESSION
JANUARY 23 – FEBRUARY 11, 2015

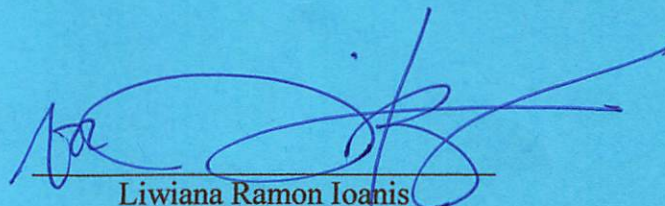
PUBLIC LAW No. 18- 110

An Act

TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$5,562,111 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR FISCAL YEAR ENDING SEPTEMBER 30, 2015, BY AMENDING SECTIONS 1, 2, 3 AND 9, OF PUBLIC LAW NO. 18-89, AS AMENDED BY PUBLIC LAW NO. 18-102, TO CHANGE THE USE OF CERTAIN FUNDS, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: ISAAC V. FIGIR
DATE: JANUARY 29, 2015

REFERRED TO: COMMITTEE ON WAYS AND MEANS
S.C.R. NO. 18-273 – JANUARY 30, 2015
FIRST READING: JANUARY 31, 2015
SECOND READING: FEBRUARY 4, 2015


Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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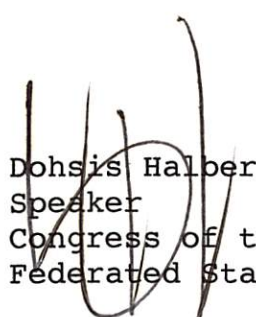
Office of the Speaker


PRESIDENTIAL COMM. NO. 18-461
FSM CONGRESS

ACT NO. 18-121

(CONGRESSIONAL BILL NO. 18-262, C.D.1, C.D.2,
C.D.3, C.D.4, C.D.5)

We hereby certify that on February 4 the foregoing act passed Second and Final Reading of the Eighteenth Congress of the Federated States of Micronesia, Sixth Regular Session, 2015, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.


Dohsis Halbert
Speaker
Congress of the
Federated States of Micronesia


Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

EIGHTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

SIXTH REGULAR SESSION, 2015

CONGRESSIONAL BILL NO. 18-262, C.D.1,
C.D.2, C.D.3, C.D.4, C.D.5

PUBLIC LAW No. 18-110

AN ACT

To appropriate a supplemental budget of \$5,562,111 from the General Fund of the Federated States of Micronesia for fiscal year ending September 30, 2015, by amending sections 1, 2, 3 and 9, of Public Law No. 18-89, as amended by Public Law No. 18-102, to change the use of certain funds, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Section 1 of Public Law No. 18-89, as amended by
2 Public Law No. 18-102, is hereby further amended to read as follows:
3 "Section 1. Purpose. The purpose of this act is to
4 appropriate the sum of \$96,498,776 from the General Fund
5 of the Federated States of Micronesia for the fiscal year
6 ending September 30, 2015, for the purpose of funding the
7 operations of all branches of the National Government of
8 the Federated States of Micronesia, its agencies, various
9 programs, grants, subsidies and contributions and Capital
10 and Human Resources Development. The National
11 Government's share of the Amended Compact funds has been
12 reduced to zero except that the National Government will
13 retain ten percent (10%) of the Supplemental Education
14 Grant funds as is reflected in the budget for the
15 Department of Education.
16 The budget shall also include appropriations for COM-FSM
17 from sector grants as well as appropriations from amended
18 Compact carry-over funds.

Section 2. Section 2 of Public Law No. 18-89, as amended by Public Law No. 18-102, is hereby further amended to read as follows:

"Section 2. Operating expenses of the Executive Branch. The sum of \$18,119,389, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2015, for the purpose of funding the operations of the Executive Branch of the National Government during the fiscal year 2015. The sum appropriated by this section shall be apportioned as follows:

(1) Office of the President.

The sum of \$714,161 or so much thereof as may be necessary, for the operations of the Office of the President during the fiscal year 2015. The sum appropriated herein shall be apportioned as follows:

Personnel	\$ 314,023
Travel	130,354
Contractual Services.....	176,000
OCE	85,284
Fixed Assets	8,500

(2) Department of Foreign Affairs.

The sum of \$4,417,892, or so much thereof as may be

1 necessary, for the operations of the Department of
2 Foreign Affairs during the fiscal year 2015. The
3 sum appropriated herein shall be apportioned as
4 follows:

5	Personnel	\$ 1,298,833
6	Travel	298,681
7	Contractual Services.....	2,487,246
8	OCE	333,132
9	Fixed Assets	-0-

10 (3) Department of Finance and Administration.

11 The sum of \$1,818,444, or so much thereof as may be
12 necessary, for the operations of the Department of
13 Finance and Administration during the fiscal year
14 2015. The sum appropriated herein shall be
15 apportioned as follows:

16	Personnel	\$ 1,150,536
17	Travel	158,000
18	Contractual Services.....	267,908
19	OCE	231,500
20	Fixed Assets	10,500

21 (4) Department of Resources and Development.

22 The sum of \$817,916, or so much thereof as may be
23 necessary, for the operations of the Department of
24 Resources and Development during the fiscal year
25 2015. The sum appropriated herein shall be

1 apportioned as follows:

2 Personnel	\$	510,794
3 Travel		135,645
4 Contractual Services.....		45,157
5 OCE		121,820
6 Fixed Assets		4,500

7 (5) Department of Transportation, Communications
8 and Infrastructure.

9 The sum of \$3,304,439, or so much thereof as may be
10 necessary, for the operations of the Department of
11 Transportation, Communications and Infrastructure
12 during the fiscal year 2015. The sum appropriated
13 herein shall be apportioned as follows:

14 Personnel	\$	744,353
15 Travel		217,913
16 Contractual Services.....		1,534,874
17 OCE		73,645
18 Fixed Assets		125,000
19 PMU		608,654

20 (6) Department of Health and Social Affairs.

21 The sum of \$764,715, or so much thereof as may be
22 necessary, for the operations of the Department of
23 Health and Social Affairs during the fiscal year
24 2015. The sum appropriated herein shall be
25 apportioned as follows:

PUBLIC LAW No. 18-110

1	Personnel	\$ 414,140
2	Travel	131,790
3	Contractual Services.....	108,617
4	OCE	100,168
5	Fixed Assets	10,000

6 (7) Department of Education.

7 The sum of \$846,517, or so much thereof as may be
8 necessary, for the operations of the Department of
9 Education during the fiscal year 2015. Of the
10 total amount of funds appropriated herein, \$428,780
11 shall be deemed to come from funds available under
12 the Supplemental Education Grant. The sum
13 appropriated herein shall be apportioned as
14 follows:

15	Personnel	\$ 360,782
16	Travel	144,531
17	Contractual Services.....	218,671
18	OCE	77,833
19	Fixed Assets	44,700

20 (8) Department of Justice.

21 The sum of \$3,073,466, or so much thereof as may be
22 necessary, for the operations of the Department of
23 Justice during the fiscal year 2015. The sum
24 appropriated herein shall be apportioned as
25 follows:

PUBLIC LAW No. 18-110

1	Personnel	\$ 2,185,333
2	Travel	156,048
3	Contractual Services.....	309,160
4	OCE	326,125
5	Fixed Assets	96,800
6	(9) Office of the Public Defender.	
7	The sum of 858,782, or so much thereof as may be	
8	necessary, for the operations of the Office of the	
9	Public Defender during the fiscal year 2015. The	
10	sum appropriated herein shall be apportioned as	
11	follows:	
12	Personnel	\$ 619,942
13	Travel	72,401
14	Contractual Services.....	74,039
15	OCE	77,400
16	Fixed Assets	15,000
17	(10) Office of Statistics, Budget, Overseas	
18	Development Assistance and Compact Management.	
19	The sum of \$1,086,833, or so much thereof as may be	
20	necessary, for the operations of the Office of	
21	Statistics, Budget, Official Development Assistance	
22	and Compact Management during the fiscal year 2015.	
23	The sum appropriated herein shall be apportioned as	
24	follows:	
25	Personnel	\$ 589,722

1	Travel	\$	101,771
2	Contractual Services.....		258,000
3	OCE		127,340
4	Fixed Assets		10,000
5	(11) Office of Environment and Emergency		
6	Management.		
7	The sum of \$280,245, or so much thereof as may be		
8	necessary, for the operations of the Office of		
9	Environment and Emergency Management during the		
10	fiscal year 2015. The sum appropriated herein		
11	shall be apportioned as follows:		
12	Personnel	\$	170,081
13	Travel		88,264
14	Contractual Services.....		-0-
15	OCE		21,900
16	Fixed Assets		-0-
17	(12) Office of National Archives, Culture and		
18	Historic Preservation.		
19	The sum of \$135,979, or so much thereof as may be		
20	necessary, for the operations of the Office of		
21	National Archives, Culture and Historic		
22	Preservation during the fiscal year 2015. The sum		
23	appropriated herein shall be apportioned as		
24	follows:		
25	Personnel	\$	94,479

~~PUBLIC LAW NO. 18-110~~

1	Travel	\$ 15,000
2	Contractual Services.....	10,000
3	OCE	13,000
4	Fixed Assets	3,500

5 Section 3. Section 3 of Public Law No. 18-89 is hereby
6 amended to read as follows:

7 "Section 3. Operating Expenses of the Legislative
8 Branch. The sum of \$4,439,605 or so much thereof
9 as may be necessary, is hereby appropriated from
10 the General Fund of the Federated States of
11 Micronesia for the fiscal year ending September 30,
12 2015, for the operations of the Legislative Branch
13 of the National Government during fiscal year 2015.
14 The sum appropriated by this section shall be
15 apportioned as follows:

16 (1) Speaker and Members.

17 The sum of \$2,149,771, or so much thereof as may be
18 necessary, for the operations of the Office of the
19 Speaker and Members of the Congress of the
20 Federated States of Micronesia during fiscal year
21 2015. The sum appropriated herein shall be
22 apportioned as follows:

23	Personnel	\$ 423,290
24	Travel	594,881
25	Contractual Services.....	1,131,600

1 OCE\$ -0-
2 Fixed Assets -0-

3 (2) Staff Offices.

4 The sum of \$1,379,834, or so much thereof as may be
5 necessary, for the operations of the Congress staff
6 offices during fiscal year 2015. The sum
7 appropriated herein shall be apportioned as
8 follows:

9 Personnel\$ 803,582
10 Travel..... 145,252
11 Contractual Services..... 265,000
12 OCE, PROVIDED THAT, up to \$10,000 may be used to
13 pay expenses incurred during the previous
14 fiscal year 122,000
15 Fixed Assets..... 44,000

16 (3) Congress Delegation Offices.

17 The sum of \$910,000 or so much thereof as may be
18 necessary, for the operations of the Congress
19 delegation offices during the fiscal year 2015. Of
20 the amounts appropriated for contractual services
21 within each Delegation Office, up to a maximum of
22 \$35,000 per Member, at the Delegation Offices'
23 discretion, may be used for Member Representation.
24 The sum appropriated is apportioned as follows:

25 (a) Kosrae Delegation Office

PUBLIC LAW No. 18-11C

1	Travel	\$ 10,000
2	Contractual Services	83,000
3	OCE	25,000
4	Fixed Assets	2,000
5	TOTAL	120,000
6	(b) Pohnpei Delegation Office	
7	Travel	14,300
8	Contractual Services	182,840
9	OCE	42,860
10	Fixed Assets	-0-
11	TOTAL	240,000
12	(c) Chuuk Delegation Office	
13	Travel	-0-
14	Contractual Services	380,000
15	OCE	-0-
16	Fixed Assets	25,000
17	TOTAL	405,000
18	(d) Yap Delegation Office	
19	Travel	30,000
20	Contractual Services	60,000
21	OCE	25,000
22	Fixed Assets	30,000
23	TOTAL	\$145,000

24 Section 4. Section 9 of Public Law No. 18-89, as amended by
25 Public Law No. 18-102 is hereby further amended to read as follows:

PUBLIC LAW No. 18-110

"Section 9. Capital and Human Resources Development.

The sum of \$59,824,345 or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2015, for the following capital improvements, development programs, and projects and human resources development. Of the total amount of funds appropriated herein, \$1,700,000 will be available from the amended Compact Sector for COM-FSM, \$683,346 will be available from the Supplemental Education Grant, and \$282,339 will be available from amended Compact carry-over funds. The sum appropriated by this section shall be apportioned as follows:

(1) College of Micronesia – FSM.

(a) College of Micronesia-FSM \$ 3,800,000
(\$1,700,000 shall come from the Compact Sector Grant)

(b) FSM Fisheries and
Maritime Institute 794,203

(c) COM-FSM SEG 683,346

(2) Department of Finance & Administration

(a) Financial Advisor -0-

(b) Tax Financial Advisor -0-

(c) Tax Reform -0-

(d) Improvement of Financial
Management System -0-

1	(3) Department of Resources & Development	
2	(a) Establishment of FSM Assn.	
3	Chamber of Commerce	\$ 67,000
4	(b) State Trade Fairs enhancing value	
5	addition	110,000
6	(c) SNLC	50,000
7	(d) FSM Agriculture Census	-0-
8	(e) FSM Tour Development Framework	-0-
9	(f) SBDC Capacity Assessment	41,000
10	(g) National Trade Facilitation	
11	Conference (NTFC)	-0-
12	(h) Food Security Production	100,000
13	(4) Department of Transportation, Communications	
14	and Infrastructure.	
15	(a) Outer Island Airport Improvement..	2,000,000
16	(b) Capital Facilities Rehabilitation.	-0-
17	(c) Sekere, Palikir Road	300,000
18	(d) Centralizing of Network	
19	Infrastructure	100,000
20	(e) FSM Capital security fence	-0-
21	(f) Weno Road/Xavier Road	150,000
22	(g) Chuuk Airport	150,000
23	(h) Kosrae Circumferential Road ...	300,000
24	(i) Yap International Airport	
25	terminal improvement	300,000

PUBLIC LAW No. 18-110

1	(j) Renovation of the Washington, D.C.	
2	embassy building.....	\$ 340,000
3	(5) Department of Justice	
4	(a) FSS Micronesia – Slipping	-0-
5	(b) Patrol boat major maintenance	
6	project.....	125,000
7	(c) New Radio Communication	-0-
8	(d) Satellite phone and usage billings	50,000
9	(e) Conduct Mediation in the PII Case	80,857
10	(6) Infrastructure Development/IMF	
11	(a) Infrastructure Development Projects	-0-
12	(b) IMF	-0-
13	(7) President's Office	
14	(a) FSM Trust Fund ..	38,000,000
15	(b) Staff upgrading	100,000
16	(c) Capacity Building Roadmap	-0-
17	(d) 2023 Set Aside	-0-
18	(e) 2023 Investment Development Fund, not	
19	to be disbursed until the framework is developed	
20	for appropriation	-0-
21	(8) Office of SBOC	
22	(a) Monitoring & Reconciliation	
23	in the FSM States	-0-
24	(b) Compact Review Committee	-0-
25	(c) 2014 Development Partners Meeting	-0-

PUBLIC LAW No. 18-110

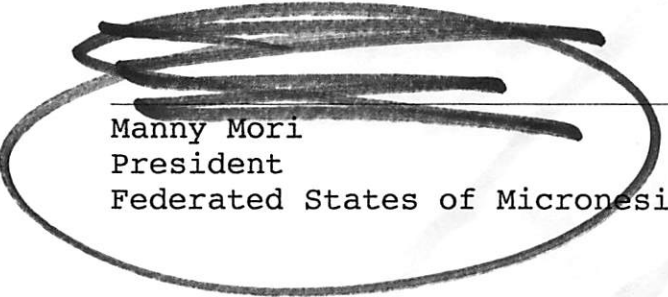
1	(d) Implementation of ODA Policy . \$	50,000
2	(9) National Election.	
3	(a) National Election (voter ID) ..	25,000
4	(b) Public Education on	
5	Constitutional Amendment	-0-
6	(10) Department of Health and Social Affairs	
7	(a) Health Services Specialty Pathologist	50,000
8	(b) Environmental/water/food/lab test	78,000
9	(c) Medical Specialized Team	195,000
10	(d) Data Validation & Analysis	-0-
11	(e) Assistance to States on NCD	-0-
12	(f) Mapping of the Health Community	-0-
13	(g) Legal Assistance Legislation ..	-0-
14	(h) Accreditation and Standards Development	-0-
15	(i) Health Economist	-0-
16	(11) Department of Education	
17	(a) Accreditation Intervention Project	-0-
18	(b) Education Initiatives, PROVIDED THAT,	
19	the funds are to be from amended Compact	
20	carry-over funds	282,339
21	(12) FSM Development Bank.	
22	(a) Private Sector Capital	-0-
23	(b) Pacific Island Development Bank	-0-
24	(13) Insurance Board.	
25	(a) Improve and strengthen statutory	

(k) Kosrae satellite bandwidth service contract,
PROVIDED THAT, this funding is on lent FSM
Telecommunication Corporation as an interest free
loan for five years with a grace period of
two years\$ 1,011,600
(l) Hosting of PNA meetings..... 50,000
(m) Coastal Resources Monitoring Training 26,000
(n) Yap State Court building (typhoon
shutters and pest control) 30,000
(o) Chuuk Leadership conference,
PROVIDED THAT, the Governor of Chuuk State
shall be the allottee of these funds 50,000"

PUBLIC LAW No. 18-110

1 Section 5. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its becoming
3 law without such approval.

4
5 March 3, 2015
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11 Manny Mori
12 President
13 Federated States of Micronesia
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