

SPECIAL COMMITTEE REPORT NO. 20-14

RE: COMMITTEE TO WAIT ON THE PRESIDENT

NOVEMBER 14, 2018

The Honorable Wesley W. Simina
Speaker, Twentieth Congress
Federated States of Micronesia
Sixth Special Session, 2018

Dear Mr. Speaker:

Your Committee to Wait on the President was duly appointed on November 13, 2018, consisting of members Esmond B. Moses, Paliknoa K. Welly, Isaac V. Figir and Victor V. Gouland. Esmond B. Moses was designated as the chairman.

The Committee met with the Vice President and the Executive cabinet and staff on November 13, 2018 at 11:45 a.m. Chairman Moses greeted the Vice-President and key members of the Executive on behalf of Congress, and thanked them for the opportunity to meet. Chairman Moses reported that Congress was in session and was ready to transact business.

Your Committee stated that its issues for this special session were: 1) filling the vacancy for the Chuuk State Election Commissioner, 2) requesting the inclusion of the \$7 million in carry over revenue to be included in the revenue projections as soon as possible, and 3) noticing of Congress' interest in sending a delegation to COP 24 Climate Change Convention.

The Vice President and the cabinet responded that the National Election Commission is already in the process of responding to the vacancy in Chuuk, and that this is a priority for the Executive Branch as well.

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Regarding the carry over funding from the just past previous fiscal year 2018 a final number will not be revised and included until the audit report is completed in March/April. At this time the Department of Finance and Administration stands by the revenue projection as submitted.

The Vice President and the Assistant Secretary of the Department of Foreign Affairs turned the discussion to the request by the Committee to include an invitation to the Congress to join in the COP24 meetings to take place later this month. The Department of Foreign Affairs stated this would be problematic as the FSM is not sending a high level delegation to this particular set of meetings. Neither the President nor any of his high level staff are attending at this time. A small technical staff is being sent. By way of background the Department stated that the overall discussions at the climate change meetings have bogged down and a substantive agreement was unlikely to be reached at this meeting. The Department stated that diplomatically it would be unusual for the President to extend an invitation to Congress if the Executive would not be in attendance.

The discussions turned to an agenda presented by the President's Chief of Staff containing seven priority items. The first item was a continuing request by the Vice President to take action on the pending foreign investment bill. The Vice President stated that this proposed legislation is well known to the members of Congress and for the reasons already emphasized in previous meetings and hearings the President is requesting action on this bill at the Congress' earliest possible convenience.

The Vice President stated that since the Congress was back in session action is requested on the several outstanding nominations for NORMA, MiCare, COM-FSM Board of Regents and the Telecom Regulatory Authority, a few are pending and some additional nominations will be submitted shortly. The Committee stated that this was a prior for the Congress and the relevant Committees are organizing their hearings on these matters.

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Another important matter that the Vice President requested action on is the request for the 10% matching for the AIP. This amount is \$222,223 and will unlock over \$2 million in funding for three projects. The Secretary of Finance and Administration stated several times during the discussions that contrary to past practices and lack of enforcement by the donors her department would not release funding unless the required matching funds were appropriated. The public audit noted this in past reports and the donors themselves have become insistent on following this, and all other written requirements of the grant agreements. Several cabinet members reiterated that this was an urgent matter as there were deadlines to begin work on the designated projects. Also, noted was the possibility of elimination of future funding if the terms of the grant agreement is not complied with.

The Department of Foreign Affairs discussed the desire to explore the purchase of \$2.7 million in real estate to expand the site of our consulate office in Guam. As funding is currently not available for this request it was decided that the matter did not need further discussion this special session.

A request to take action on the resolution for the grant for the UN Environmental Program. The Secretary of Education also stated that a recent resolution regarding FSM membership in the University of the South Pacific, and he asked that this be considered as soon as convenient.

Also pending with Congress was a bill to amend Title 27 of the Code of the Federated States of Micronesia to expand the FSM PetroCorps mandate to include renewable energy. It was stated that not only would it be good for the FSM to move into alternate energy, but this would also assist the Nation in its attempts to access the Green Climate Fund. The Committee stated it would alert the relevant committee to the request, however, with the very short length of this special session only the most urgent priority items were likely to receive attention.

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Finally, a lengthy discussion was held regarding the still considerable challenges the President stated that the Executive Branch faces with the implementation of public projects. Two points dominated the discussion: 1) the request for more definition of the project itself—perhaps in discussion on the floor during Congress session or in a committee report, and 2) a reference to an already established guideline for the project, i.e. the National Scholarship Policy in the case of scholarship awards. As a number of suggestions were made regarding this issue it was determined that a further meeting or hearing should be had with the relevant Congress committees and the relevant departments and the Office of the President.

The meeting concluded with mutual agreement to move forward on the above issues in a timely and cooperative manner. The Committee is submitting a brief report at this time. Your Committee kindly requests the members address any further questions regarding the priority issues for this session to the members of the Committee during the discussion of this report at session.

Respectfully submitted,

/s/ Esmond B. Moses
Esmond B. Moses, chairman

/s/ Isaac V. Figir
Isaac V. Figir, member

/s/ Paliknoa K. Welly
Paliknoa K. Welly, member

/s/ Victor V. Gouland
Victor V. Gouland, member