

SPECIAL COMMITTEE REPORT NO. 20-10

RE: COMMITTEE TO WAIT ON THE PRESIDENT

JUNE 26, 2018

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

Dear Mr. Speaker:

Your Committee to Wait on the President was duly appointed on June 25, 2018, consisting of members Ferny S. Perman, Tiwiter Aritos, and Alik L. Alik. Senator Ferny S. Perman was designated as the Chairman.

The Committee met with the President on June 25, 2018, at noon, in the President's Conference Room. The President welcomed those members of Congress present and thanked them for attending. Chairman Perman greeted the President and key members of the Executive Branch on behalf of Congress, and expressed appreciation for the opportunity to meet. Chairman Perman reported that Congress was in session and was ready to transact business.

The President began the substantive portion of the meeting by presenting an agenda of action items that the Executive Branch would like to see prioritized during this session. The President's priority list is as follows:

- Foreign investment legislation
- Board nominations
- Supplemental budget requests and amendments
- Vocational education initiative (PATS)
- Micro Games
- H1 and Chief Mailo Vessels

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Foreign Investment Legislation

The first item on the President's priority list is foreign investment legislation. Legislation amending the foreign investment laws of the F.S.M. has been previously introduced during the Twentieth Congress (C.B. No. 20-33 and C.B. No. 20-192). The President expressed a desire for Congress to take action on the outstanding legislation on this topic.

Board Nominations

The second item on the President's priority list is board nominations. The President noted that the Executive Branch would be transmitting multiple board nominations for Congress to consider during this session. The President expressed confidence and support for the chosen nominees. In addition to certain board nominations, the President requested that Congress consider taking action on other nomination resolutions this session, including the nomination for the Associate Justice of the Supreme Court vacancy, and the nomination for the FSM Consul General - Guam vacancy.

Supplemental Budget Requests and Amendments

The President noted that the anticipated reimbursements from World Bank have arrived, and that the Executive Branch would be transmitting two supplemental budget requests for Congress to consider during this session. One request will be for funding to cover operational expenses of the National Government; a separate request will be for funding for various grants, subsidies and contributions. The President noted that, in addition to his formal supplemental requests, the Executive Branch would also like to see a portion of the available revenue be appropriated to the FSM Trust Fund. The President further requested that Congress consider making a small technical correction to the budget, changing the name of an existing line item from "GEF" to "GCF."

Vocational Education Initiative (PATS)

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The President discussed at some length a proposal to re-open PATS, a now-defunct vocational/trade school in Pohnpei. He indicated that he has held talks with Jesuit officials about this possibility. The President and his key staff stated that the Executive Branch would be requesting approximately \$300,000 in the current supplemental budget in support of this project. The President suggested, however, that he would like to see larger amounts of additional funds appropriated for this project, if possible. The President stated that the estimated cost of opening the school and funding first-year operations would be approximately \$2.7 million; the estimated cost of second-year operations would fall to approximately \$844,000. The President announced his intention to seek financial support from foreign governments to help fund this project. According to the Executive Branch, the re-opened PATS school would be able to support approximately 125 students.

Micro Games

The President stated that he views the upcoming Micro Games as a priority action item for the National Government. The President and his key staff discussed the possibility of Congress entertaining additional appropriations to support the Micro Games, particularly for the Department of Justice, in order for the Department to effectively provide security and National Police assistance at the Micro Games. The President suggested that the state governments should take primary responsibility for those teams representing their states. The President reiterated that the National Government intends to play a major role in providing support to the state governments. The President stated that the Executive Branch has been following the planning process for the Micro Games, and he offered his perspective on some of the details, including on the provision of food and per diem for Micro Games participants.

H1 and Chief Mailo Vessels

The President thanked Congress for its previous appropriations in support of maintaining the H1. The President stated that he finds it "refreshing" that the National Government will be able to continue utilizing the

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H1 and Chief Mailo ships. He stated that the Executive Branch believes that these ships will be able to last for approximately ten more years, if properly cared for. The Executive Branch will be requesting appropriations in support of this goal. In particular, the Executive Branch will be requesting a \$1.3 million dollar appropriation for the dry-docking of the Chief Mailo. The President noted that, with the successful completion of maintenance on these two vessels, the National Government will have four major ships available for use. The President stated that an operations budget request for the H1 is forthcoming.

Conclusion

On behalf of the Committee, Chairman Perman thanked the President for his hospitality in hosting the meeting. The Committee stated that it would share the President's agenda with members of Congress. The President stated that key departmental heads would be standing by throughout the session, ready to assist if needed. 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. The Committee kindly requests that members of Congress address any further questions regarding this report to the members of the Committee during discussion of this report at session.

Respectfully submitted,

/s/ Ferny S. Perman
Ferny S. Perman, chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, member

/s/ Alik L. Alik
Alik L. Alik, member