

SPECIAL COMMITTEE REPORT NO. 21-10

RE: COMMITTEE TO WAIT ON THE PRESIDENT

MAY 12, 2020

The Honorable Wesley W. Simina
Speaker, Twenty-First Congress
Federated States of Micronesia
Fifth Regular Session, 2020

Dear Mr. Speaker:

Your Committee to Wait on the President was duly appointed on May 11, 2020, consisting of members Esmond B. Moses, Ferny S. Perman, Peter M. Christian and Dion D. Neth. Vice-Speaker Esmond B. Moses was designated as the chairman. Senators Christian and Neth were excused due to personal emergencies.

The Committee met with the President on May 11, 2020, immediately after session ended. Chairman Moses greeted the 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 received an agenda from the President communicating the priorities the Executive branch wished action on this session. Upon review of the agenda the Chairman stated Congress is prepared to move forward on many of the items.

The first item on the President's agenda was the Stimulus Package/Unemployment Program update. The President stressed that this was a joint leadership matter involving the executive branch and the legislative branch. He noted that he has a weekly Wednesday 11 a.m. Zoom conference with Governors. The President mentioned that they are ready to begin issuing the stimulus checks. Some checks have been printed. They are ready to roll out to all tourism businesses in all the states. They are examining the quarterly filings for restaurants, hotels, car

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rentals, etc. The formula being used is to cover 75% of the salary and wages that were filed, all of social security payments and all post revenue tax. With regards to the unemployment program, they are working with the U.S. Department of Labor. They are encouraging the governors to help with sharing information. Field offices for the FSM Department of Finance are working to gather information. \$14.5M is estimated. They want to make sure everyone who is eligible files, as this will greatly stimulate the economy. The current amount is \$166 weekly through December plus \$600 per week until July. They plan to begin rolling out stimulus checks on Wednesday at 10 a.m. to businesses, \$500,000 for the first batch.

With regards to interest payments on loans, the executive is waiting on the development bank to send a list of businesses with interest due on commercial loans. They want to ensure employees are not laid off.

The second item on the President's agenda was expanding coverage of eligibility for stimulus package support, beyond the tourism sector. They are currently gathering data from the states and this will guide legislation that will be forthcoming. They are looking to add categories; the tourism sector is the initial focus.

The third item discussed was a COVID-19 update. Secretary Taulung noted that all states have test kits and ventilators. A priority for all is to start to bring citizens back. Diplomats have been discussed. The Nanmwarki of Sokehs is also stranded. The President stressed that the states all need to have confidence in their screening and quarantine processes. We all want to bring back FSM citizens but we have to ensure we are not bringing in the virus. We also need to be able to control the virus if it arrives on our shores. The National task force is working closely with the state task forces. Everyone is waiting to hear that the states are feeling confident. The tentative plan is to stagger the arrival of citizens. The President met with the Pohnpei State Governor Saturday morning. The Governor has agreed to be aligned with the national government, no more 14 day quarantine for national police, essential workers, etc. upon arrival back in Pohnpei. The President mentioned his request that CIA relocate to Pohnpei to distribute supplies, etc. The President has discussed the social distancing measures

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with the governors. A decree is being drafted, they will provide a draft copy to HSA before it is finalized. The Pohnpei State Governor is getting on board for interstate travel by boat and CIA. The Chuuk State Governor has requested that people go through Weno for screening prior to entering any outer islands of Chuuk.

The fourth agenda item was field trip vessels and national patrol boats; the Pohnpei State Governor is becoming aligned with the National government for interstate travel. CIA is to be relocated to PNI by the end of the month. Vessels are getting ready to serve the outer islands in Chuuk. One vessel in Pohnpei is being inspected; there is a hole, but no leaking so far. There is a diver who has inspected and will inspect again this week. It was also mentioned that the generator on the Navigator may be able to be fixed. CIA is working with H1 to transport fuel to Woleai for transit fuel. The route will be from Yap to Woleai to Weno to Pohnpei. They have identified the priority of displaced students for initial transport. It was noted that it may take a couple of runs, there are some students from Xavier that need to get to Kosrae. TC&I anticipates the move of CIA to Pohnpei will be done by the 20th of this month. There are 12 seats on the plane. The Secretary of Justice noted that the patrol boats are all here in Pohnpei. They want to base 1 vessel in each state. Any emergency assistance requested will be promptly provided.

The fifth agenda item was CB 21-116. The President asked that Congress work on the legislation and maybe pull it back and re-pass it with amendments. The President is ready to sign however, the eligibility of allottees is an issue that is going to be potentially. With regard to hazard duty pay to foreign missions, the Chief of Staff mentioned that there is a process for documenting that there is in fact a hazard, employees are not automatically eligible simply because they are overseas. The President asked his staff to look into CB 21-150 and they will get back to Congress on that legislation.

The sixth agenda item was the supplemental budget request; the President mentioned that they are requesting \$75K for a housing allowance shortfall and \$20K for new personnel office.

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Nominations were discussed next. The President noted that there are several, beginning with the Insurance Board, an associate justice and the Telecom Board. It was also mentioned that the Secretary of TC&I used to be an ex officio member of the CIA board, however, that has changed. The President has asked his staff to review this, and he noted that there may be a request to amend the legislation related to this.

The President mentioned that there are many grants coming through, mainly for HSA.

During the miscellaneous section, the issue raised by Senator Palik was discussed regarding debt relief. The President mentioned that he has discussed this matter with the Governor of Kosrae and the Department of Finance will be exploring possible options. He mentioned that they needed to get additional information from ADB and that they were hoping ADB will announce a debt relief program as World Bank announced last week.

Financial difficulties that citizens are having in Guam (and possibly some in Hawaii) were discussed. The students at the University of Guam are going to have to leave their temporary housing in the school gym before the end of the month. The President mentioned that there are some funds available to the executive from COVID-19 that might be available to help support them financially.

A Chief Milo status update was given. The dry dock is done, they went through the initial sea trial and there were some parts that needed replacement. They could not get the parts because of the lockdown. By the 15th of this month the shops should be open and they should be able to get the parts. The final sea trial will happen and then they should be able to set sail to the FSM. There has been discussion about bringing the 10 year old boy from Chuuk home and the remains of the chief justice.

Chairman Perman brought up the 18 ICU rooms at the Pohnpei State Hospital, noting that the project was already awarded, but they are short \$500,000 because of the upgrades. Initially the project was for private rooms, but it has been upgraded to ICU rooms. The contractors are not moving forward until the additional funding is approved. The government needs to look at

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possible funding sources, perhaps some Compact funding. It is hoped that all 4 states be equipped with ICU rooms.

Secretary Taulung reported that all hospitals have COVID-19 testing machines. There are 900 test kits in Chuuk, 600 in Pohnpei, 400 each in Yap and Kosrae. They are doing online training. There are 30 ventilators on loan from FEMA, 13 in Chuuk, 12 in Pohnpei, 3 in Kosrae and 5 in Yap. Only doctors can run them. Hoping to train nurses, etc. Not sure about China donations of ventilators. There was an issue with nebulizers that were ordered arriving with missing parts. There were some nebulizers in storage that were not being used and they have been brought out.

The State of the Nation details need to be worked out. Next Wednesday will tentatively be the date, but the Executive will work with the technical people and come up with a firm plan and notify Congress soon.

The meeting concluded with mutual agreement to move forward on the above issues in a timely and cooperative manner. 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.

