A BILL FOR AN ACT

To amend Public Law No. 14-80, by amending the title and sections 1, 2, 5, 8 and 9 thereof, in order to provide additional funding for the fiscal year ending September 30, 2007, and for other purposes.

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

Section 1. The title of Public Law No. 14-80 is hereby amended to read as follows:

"To appropriate the sum of [[$21,876,944] [[$22,924,264] 23,264,914] from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007 for the purpose of funding the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, grants, subsidies and contributions and to establish a capital and human resource development budget for the first two quarters of the fiscal year 2007, and for other purposes."

Section 2. Section 1 of Public Law No. 14-80 is hereby amended to read as follows:

"Section 1. An annual budget in the amount of $32,730,005 for the fiscal year ending September 30, 2007 is hereby approved. There is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007 the sum of [[$21,876,952] [[$22,924,264] 23,264,914] for
the purpose of funding the operations of all branches of
the National Government of the Federated States of
Micronesia, its agencies, various programs, grants,
subsidies and contributions; and capital and human
resource development for the first two quarters of the
fiscal year ending September 30, 2007. The sum
appropriated herein shall be apportioned as follows:"

Section 3. Section 2 of Public Law No. 14-80 is hereby
amended to read as follows:

"Section 2. Operating expenses of the Executive Branch.
The sum of $7,870,167 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, 2007, for the purpose of
funding the operations of the Executive Branch of the
National Government for the first two quarters of the
fiscal year 2007. The sum appropriated by this section
shall be apportioned as follows:

(1) Office of the President.
$300,259, or so much thereof as may be necessary, for
the operations of the Office of the President for the
first two quarters of the fiscal year 2007. The sum
appropriated herein shall be apportioned as follows:

Personnel ..........................[$143,671] 123,671
Travel ..............................[$44,088] 54,088
1. Contractual Services ............ [65,000] 75,000
2. OCE ........................................ 35,000
3. Fixed Assets ............................... 12,500

(2) Department of Foreign Affairs.

$1,478,254, or so much thereof as may be necessary, for the operations of the Department of Foreign Affairs for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .................................$ 586,105
Travel ..................................... 70,030
Contractual Services ....................... 687,454
OCE ........................................ 133,925
Fixed Assets ............................... 740

(3) Department of Finance and Administration.

$1,260,114, or so much thereof as may be necessary, for the operations of the Department of Finance and Administration for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel........................................... $ 646,353
Travel ......................................... 101,200
Contractual Services ......................$ 326,044
<p>| | | |</p>
<table>
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<tr>
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<tbody>
<tr>
<td>1</td>
<td>OCE</td>
<td>$165,917</td>
</tr>
<tr>
<td>2</td>
<td>Fixed Assets</td>
<td>$20,600</td>
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<tr>
<td>3</td>
<td><strong>(4) Department of Economic Affairs</strong></td>
<td></td>
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<tr>
<td>4</td>
<td>$587,386, or so much thereof as may be necessary, for the operations of the Department of Economic Affairs for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:</td>
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<tr>
<td>5</td>
<td>Personnel</td>
<td>$416,663</td>
</tr>
<tr>
<td>6</td>
<td>Travel</td>
<td>$34,585</td>
</tr>
<tr>
<td>7</td>
<td>Contractual Services</td>
<td>$56,138</td>
</tr>
<tr>
<td>8</td>
<td>OCE</td>
<td>$69,000</td>
</tr>
<tr>
<td>9</td>
<td>Fixed Assets</td>
<td>$11,000</td>
</tr>
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<td>10</td>
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<tr>
<td>11</td>
<td><strong>(5) Department of Transportation, Communication and Infrastructure</strong></td>
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<td>12</td>
<td>$742,995, or so much thereof as may be necessary, for the operations of the Department of Transportation, Communications and Infrastructure for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:</td>
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<tr>
<td>13</td>
<td>Personnel</td>
<td>$289,971</td>
</tr>
<tr>
<td>14</td>
<td>Travel</td>
<td>$51,500</td>
</tr>
<tr>
<td>15</td>
<td>Contractual Services</td>
<td>$362,524</td>
</tr>
</tbody>
</table>
OCE ........................................ 35,000
Fixed Assets ............................... 4,000

(6) Department of Health, Education and Social Affairs.

$1,355,344, or so much thereof as may be necessary, for the operations of the Department of Health, Education and Social Affairs for the first two quarters of the fiscal year 2007. Of the total funds appropriated herein, $179,540 shall be deemed to come from funds available under the amended Compact for the education sector, $383,582 from the health sector, and $643,843 from the supplemental education grant (SEG) for fiscal year 2006, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the Amended Compact of Free Association. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................ $ 401,740
Travel .............................................. 129,606
Contractual Services ............................. 93,194
OCE .............................................. 728,454
Fixed Assets ...................................... $ 2,350
(7) Department of Justice.

$1,266,795, or so much thereof as may be necessary, for the operations of the Department of Justice for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel ................................ $ 922,065
Travel ..................................... 52,000
Contractual Services ....................... 60,050
OCE ........................................ 232,680
Fixed Assets ............................... -0-

(8) Office of the Public Defender.

$317,996, or so much thereof as may be necessary, for the operations of the Office of the Public Defender for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel .............................................. $ 229,122
Travel .................................................. 34,752
Contractual Services ....................... 26,022
OCE ...................................................... 23,675
Fixed Assets ............................... 4,425

(9) Office of Compact Management.

[$261,024] $561,024, or so much thereof as may
be necessary, for the operations of the Office
of Compact Management for the first two
quarters of the fiscal year 2007. The sum
appropriated herein shall be apportioned as
follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$48,624</td>
</tr>
<tr>
<td>Travel</td>
<td>$35,000</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$451,400</td>
</tr>
<tr>
<td>OCE</td>
<td>$17,000</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$9,000</td>
</tr>
</tbody>
</table>

Section 4. Section 5 of Public Law No. 14-80 is hereby
amended to read as follows:

"Section 5. Operating Expenses of the Public
Auditor's Office. The sum of [$401,592]
[$532,234], $662,876 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, 2007, for the operations of the
National Office of the Public Auditor for the
first two quarters of the fiscal year 2007.
Of the total funds appropriated herein,
[$130,642] $261,284 shall be deemed to come
from funds available under the amended
Compact for Public Sector Capacity Building
and shall be used to establish a sub-office in Chuuk State, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact. The sum appropriated by this section shall be apportioned as follows:

Personnel $ 192,642
Travel 80,000
Contractual Services 100,950
OCE 26,000
Fixed Assets 2,000
Establishment of Chuuk Sub-office [130,642] 261,284"

Section 5. Section 8 of Public Law No. 14-80 is hereby amended to read as follows:

"Section 8. Grants, Subsidies and Contributions. The sum of [$2,387,800] [$2,891,645] $2,891,645 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, 2007, for the following grants, subsidies and contributions during fiscal year 2007. The sum appropriated by this section shall be apportioned as follows:

(1) Department of Foreign Affairs.

(a) Pacific Islands Forum Secretariat $ 46,000
(b) Secretariat for the Pacific Community (SPC) ............................ 56,000
(c) UN and Specialized Agencies (UN) 60,000
(d) UN Economic and Social Commission for Asia and the Pacific (ESCAP) ............ 5,000
(e) East-West Center ................ 5,000
(f) United Nations Development Program (UNDP) .................................. 23,500
(g) Activities in preparation for the establishment of an FSM embassy in Beijing . 75,000

(2) Department of Finance and Administration.
(a) National Authorizing Committee
(ACP/EU) ................................... –0–
(b) OCO Membership Fee .............. 2,000
(c) Maintenance fee for Financial Management Information System ......................... 60,000

(3) Department of Economic Affairs.
(a) Pacific Islands Development Program 15,000
(b) Forum Fisheries Agency (FFA) .... 21,000
(c) UN Development Program ........... 3,000
(d) Coordinating Committee for Offshore Minerals Prospecting (SOPAC) ............... 40,000
(e) Pacific Asia Travel Association . 5,000
(f) UN Environmental Program (UNEP) . 600
(g) Western Forestry Leadership
<table>
<thead>
<tr>
<th></th>
<th>Activity</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>Coalition</td>
<td>$ -0-</td>
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<tr>
<td>2</td>
<td>(h) Seaframe Program</td>
<td>-0-</td>
</tr>
<tr>
<td>3</td>
<td>(i) Food Agriculture Organization (FAO)</td>
<td>4,700</td>
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<td>4</td>
<td>(j) UN Framework Convention</td>
<td>250</td>
</tr>
<tr>
<td>5</td>
<td>(k) National Association of State Foresters</td>
<td>-0-</td>
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<tr>
<td>6</td>
<td>(l) National Environmental Speech Contest</td>
<td>-0-</td>
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<tr>
<td>7</td>
<td>(m) FA/TCP Matching</td>
<td>34,500</td>
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<tr>
<td>8</td>
<td>(n) Matching for SPC Projects</td>
<td>60,000</td>
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<td>9</td>
<td>(o) Tourism activities, provided that, no funds shall be allotted until</td>
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<td>10</td>
<td>that time as the Tourism Unit has submitted a plan for the use of the</td>
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<td>11</td>
<td>funds to the Standing Committee on Resources and Development and</td>
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<td>12</td>
<td>received written approval of the plan from the Chairman of the Committee</td>
<td>50,000</td>
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<td>13</td>
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<tr>
<td>14</td>
<td>(4) Department of Health, Education and Social Affairs.</td>
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<tr>
<td>15</td>
<td>(a) UN Fund for Population</td>
<td>3,000</td>
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<tr>
<td>16</td>
<td>(b) South Pacific Regional Environmental Program (SPREP)</td>
<td>7,375</td>
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<tr>
<td>17</td>
<td>(c) Aid to Non-Public Schools</td>
<td>300,000</td>
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<td>18</td>
<td>(d) Financial Assistance to FSM</td>
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<tr>
<td>1</td>
<td>Students attending College of Marshalls and Palau Community College .........................$50,000</td>
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<tr>
<td>2</td>
<td>(e) World Health Organization (WHO) ..............................................................................41,385</td>
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<tr>
<td>3</td>
<td>(f) National Board of Nursing .....................................................................................10,000</td>
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<td>4</td>
<td>(g) Pacific Islands Health Officers Association .............................................................20,000</td>
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<td>5</td>
<td>(h) National Close-Up Local Program .............................................................................64,000</td>
<td></td>
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<tr>
<td>6</td>
<td>(i) FSM Amateur Sports Association ..............................................................................20,000</td>
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<tr>
<td>7</td>
<td>(j) College of Micronesia Board (COM) ..........................................................................5,000</td>
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<tr>
<td>8</td>
<td>(k) Association of Territorial Health Organization ............................................................2,000</td>
<td></td>
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<td>9</td>
<td>(l) FSM Red Cross ...........................................................................................................70,000</td>
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<tr>
<td>10</td>
<td>(m) UNESCO ......................................................................................................................4,000</td>
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</tbody>
</table>
| 11| (n) Independent professional evaluations, including but not limited to the evaluation of the national student testing systems and a personnel audit of the Chuuk State school system, provided that all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the Education Sector, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in
accordance with the amended Compact ....... $ 200,000

(o) Fuel, utilities, communication, equipment and contractual services for the Division of Education, provided that all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the Education Sector, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact ....... 45,068

(p) $57,000 for Division of Health projects and programs, provided that, all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the Health Sector, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact. The sum appropriated herein shall be apportioned as follows:

(i) Projected shortfalls in communications ......................... 2,000

(ii) Drugs and medical supplies
for Mental Health & Substance Abuse Program $ 10,000

(iii) Contracting off-island visiting medical specialists ............... 28,000

(iv) TB & STD clinic supplies for the State governments ................. 3,000

(v) Travel for off-island visiting medical specialists .................. 14,000

(q) National Scholarship Fund, provided that, all funds appropriated herein shall be deemed to come from funds available from the Supplemental Education Grant (SEG) for fiscal year 2006, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact ........ 141,777

(5) Department of Transportation, Communications and Infrastructure.

(a) Asia-Pacific Telecommunity (APT) 7,640

(b) International Telecommunications Union (ITU) ......................... 55,000

(c) International Civil Aviation Organization ................................. 28,050

(d) Micronesian Shipping Commission $ 10,000

(e) FSM Capital Energy/Utilities ...$ 300,000
<table>
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<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>(f) Marine and aviation skills updating</td>
<td>50,000</td>
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<tr>
<td>2</td>
<td>(6) Coconut Development Authority (CDA).</td>
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<tr>
<td>3</td>
<td>(a) Copra Subsidy</td>
<td>50,000</td>
</tr>
<tr>
<td>4</td>
<td>(b) Asia Pacific Coconut Community (APCC)</td>
<td>-0-</td>
</tr>
<tr>
<td>5</td>
<td>(c) Pilot Plant Project</td>
<td>49,300</td>
</tr>
<tr>
<td>6</td>
<td>(7) Other Grants, Subsidies and Contributions.</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>(a) Kosrae Judiciary subsidy</td>
<td>30,000</td>
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<tr>
<td>8</td>
<td>(b) Pohnpei Judiciary subsidy</td>
<td>45,000</td>
</tr>
<tr>
<td>9</td>
<td>(c) Chuuk Judiciary subsidy</td>
<td>45,000</td>
</tr>
<tr>
<td>10</td>
<td>(d) Yap Judiciary subsidy</td>
<td>20,000</td>
</tr>
<tr>
<td>11</td>
<td>(e) COM Treaty Obligations</td>
<td>25,000</td>
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<tr>
<td>12</td>
<td>(f) Micronesian Legal Services Corporation</td>
<td>150,000</td>
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<td>13</td>
<td>(g) States Joint Law Enforcement, provided that $25,000 shall go to Kosrae</td>
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<td>14</td>
<td>State, $50,000 shall go to Pohnpei State, $50,000 shall go to Chuuk State</td>
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<td>15</td>
<td>and $25,000 shall go to Yap State</td>
<td>150,000</td>
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<tr>
<td>16</td>
<td>(h) Tuna Commission Membership</td>
<td>16,000</td>
</tr>
<tr>
<td>17</td>
<td>(i) Disaster Assistance Emergency Fund (DAEF) Matching</td>
<td>$200,000</td>
</tr>
</tbody>
</table>

14 of 19
Section 6. Section 9 of Public Law No. 14-80 is hereby amended to read as follows:

"Section 9. Capital and Human Resource Development. The sum of [§8,232,500] $8,555,333, 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, 2007, for the following capital improvements, development programs and projects and human resource development. The sum appropriated by this section shall be apportioned as follows:

(1) College of Micronesia-FSM. [§5,950,000] $6,272,833, or so much thereof as may be necessary, for the operations, programs and projects of the College during fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

(a) COM-FSM operations, PROVIDED THAT all funds appropriated herein shall be deemed to come from funds available under the amended..."
Compact for the Education Sector, provided further that, $52,833 of these funds shall be used only for fuel, utilities, communication, equipment and contractual services, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the Amended Compact of Free Association $[3,800,000] 3,852,833

(b) Fisheries and Maritime Institute 650,000

(c) COM-FSM State Campus Facility Improvement, PROVIDED THAT the sum appropriated herein shall be deemed to come from funds available under the amended Compact for Infrastructure Development Sector and, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the Amended Compact of Free Association 1,500,000

(d) COM-FSM Work Study Program, PROVIDED THAT the General Fund shall be reimbursed for any expenditures under this subsection from Supplemental Education Grant (SEG) funds for fiscal year 2007 once these
funds are made available ..................$ 270,000

(2) Department of Finance and Administration.

   (a) National Staff Upgrading ........ 50,000
   (b) Asian Development Bank MLFC Loan -0-

(3) Department of Economic Affairs.

   (a) FSM Tourism Promotion ........... 100,000
   (b) FSM Trade and FDI Project ........ 75,000
   (c) Diversification of Energy ........ 125,000
   (d) Crop Production Improvement ..... 15,000

(4) Department of Transportation,
Communication and Infrastructure.

   (a) Dry Docking of MS Voyager PROVIDED

THAT of the amount appropriated herein
$756,592 shall come from funds available under
the amended Compact for Infrastructure
Development Sector and, provided that, these
funds shall not be allotted or obligated until
such time as formal approval has been obtained
in accordance with the Amended Compact of Free
Association ................................. 880,000

   (b) Tuna Commission Headquarters

Supplement ................................. -0-

(5) Department of Justice.

   (a) FSM Patrol Boat Slipping ........... 250,000
   (b) Construction of 2 fuel tanks ...$ -0-
(6) **FSM Postal Services.**

(a) Pohnpei Post Office renovation . . . 50,000

(7) **Infrastructure Maintenance Fund (IMF).**

(a) IMF PROVIDED THAT $118,750 of the funds appropriated herein shall be deemed to come from funds available under the amended Compact for Infrastructure Development Sector and, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the Amended Compact of Free Association .................. 237,500

(8) **FSM Development Bank.**

(a) Escrow Account USDA Housing Program -0-

(9) **FSM Trust Fund.**

(a) FSM Trust Fund created under the Amended Compact of Free Association, provided that, 50% of any FY 2006 domestic revenue carryover shall also be deposited into the FSM Trust Fund .......................500,000"

Section 7. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: 11/6/06

Introduced by: /s/ Simiram Sipenuk

Simiram Sipenuk
(by request)