October 3, 2007

The Honorable Isaac V. Figir  
Speaker  
15th FSM Congress  
Palikir, Pohnpei, FM 96941

RE: C.A. No. 15-19

Dear Speaker Figir:

I write to inform you that I have signed the following Congressional Act into law as Public Law No. 15-11:

Congressional Act No. 15-19, "AN ACT TO APPROPRIATE $37,768,099 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008, TO PROVIDE FUNDING FOR THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDIES AND CONTRIBUTIONS, AND FOR OTHER PURPOSES."

However, I must express my disappointment with certain aspects of the Act. First, the amount of money appropriated to fund the operations of the FSM patrol boats is $700,000 less than what was requested. Our patrol boats provide a necessary function for this Nation and could, if their operations were properly funded, become a much more significant revenue-generating operation. I therefore ask that the Congress reconsider this request in future appropriations acts.

Next, it is concerning that the Congress increased its own employment ceiling by five positions while reducing the Executive's ceiling by the same number.

In Standing Committee Report No. 15-34, the point is made that the Executive made "little or no attempt" to integrate the objectives set forth in the Strategic Development Plan. This is a serious critique. While I agree there was not sufficient integration, the FY 2008 budget was formulated by the previous administration. I did not think it judicious to completely overhaul that budget. Rather, I considered it best to confine my revisions, as much as was possible, to the parts of the budget that needed to be amended in order to achieve my plan of reorganization.
The Honorable Isaac V. Figir  
October 3, 2007  
Page 2  

At the risk of over-reaching, I must point out that there is much room for improvement within your budget office. I base this comment upon statements made in Committee Reports and on personal observation. This is an issue that we should discuss in greater detail as we begin discussing the FY 2009 budget.

Having said all of that, I wish to express my recognition of the effort required on the part of Congress and its staff in meeting the September 30, 2007, statutory deadline. Additionally, I wish to thank the Congress in particular for its favorable action with regard to the Compact Review Committee and the Micronesia Petroleum Corporation. I am optimistic that we will see greater productivity and efficiency during this fiscal year.

Sincerely,

Manny Mori  
President

Cc: Chief Justice, FSM Supreme Court  
Secretary, Department of Justice  
Secretary, Department of Finance and Administration  
Legislative Counsel, CFSM  
Library, CFSM  
PIO, FSM
September 28, 2007

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

Dear Mr. President:

I have the honor to transmit herewith Congressional Act No. 15-19, "AN ACT TO APPROPRIATE $37,768,099 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008, TO PROVIDE FUNDING FOR THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDIES AND CONTRIBUTIONS, AND FOR OTHER PURPOSES.", which was passed by the Fifteenth Congress of the Federated States of Micronesia, Second Regular Session, 2007, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

Liwiana K. Ramon
Chief Clerk, Congress of the Federated States of Micronesia

Enclosures
An Act

TO APPROPRIATE $37,768,099 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2008, TO PROVIDE FUNDING FOR THE OPERATIONS OF ALL BRANCHES OF THE NATIONAL GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA, ITS AGENCIES, VARIOUS PROGRAMS, GRANTS, SUBSIDIES AND CONTRIBUTIONS, AND FOR OTHER PURPOSES.

INTRODUCED BY: SENATOR JOE N. SUKA (BY REQUEST)
DATE: SEPTEMBER 3, 2007

REFERRED TO: WAYS AND MEANS COMMITTEE

FIRST READING: SEPTEMBER 24, 2007
SECOND READING: SEPTEMBER 25, 2007

Liwiana K. Ramon
Chief Clerk, FSM Congress
PRESIDENTIAL COMM. NO. 15-19

CONGRESS OF THE FEDERATED STATES OF MICRONESIA
P.O. Box PS 3
Palikir, Sokehs
Pohnpei State, FM 96941.
Tel: (691) 320-2324 / 2338
Fax: (691) 320-5122

ACT NO. 15-19
(CONGRESSIONAL BILL NO. 15-53, C.D.1, C.D.2)

We hereby certify that on September 25 the foregoing act passed Second and Final Reading of the Fifteenth Congress of the Federated States of Micronesia, Second Regular Session, 2007, 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.

Isaac V. Figir
Speaker
Congress of the
Federated States of Micronesia

Liwiana K. Ramon
Chief Clerk
Congress of the
Federated States of Micronesia
AN ACT

To appropriate $37,768,099 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2008, to provide funding for the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, grants, subsidies and contributions, and for other purposes.

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

1. Section 1. Shall read as follows: The sum of $37,768,099 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, 2008, 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 for other purposes. The sum appropriated herein shall be apportioned as follows:

   9. Section 2. Operating expenses of the Executive Branch. The sum of $16,757,529 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, 2008, for the purpose of funding the operations of the Executive Branch of the National Government during the fiscal year 2008. The sum appropriated by this section shall be apportioned as follows:

   16. (1) Office of the President.

   17. $550,621 or so much thereof as may be necessary for the operations of the Office of
(5) Department of Transportation,

Communication and Infrastructure.

$1,499,024 or so much thereof as may be necessary, for the operations of the Department of Transportation, Communication and Infrastructure during the fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

Personnel $ 462,511
Travel 93,465
Contractual Services 865,048
OCE 74,000
Fixed Assets 4,000

(6) Department of Health and Social Affairs.

$996,048 or so much thereof as may be necessary, for the operations of the Department of Health and Social Affairs during the fiscal year 2008. Of the total funds appropriated herein, $823,971 shall be deemed to come from funds available under the amended Compact from the health sector, 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........................................ $ 441,570
Travel............................................. 121,749
Contractual Services......................... 297,385
OCE................................................ 133,344
Fixed Assets.................................... 2,000

(7) Department of Education.

$1,908,363 or so much thereof as may be
necessary, for the operations of the
Department of Education during the fiscal year
2008. Of the total funds appropriated herein,
$591,335 shall be deemed to come from the
funds available under the amended Compact from
the education sector, and $1,288,688
supplemental education grant (SEG) for fiscal
year 2007, 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......................................... $ 299,591
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<thead>
<tr>
<th></th>
<th>Travel</th>
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<th>Contractual Services</th>
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<th>OCE</th>
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<th>Fixed Assets</th>
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<td>5</td>
<td>(8) Department of Justice.</td>
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<td>6</td>
<td>$3,027,901 or so much thereof as may be</td>
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<td>necessary, for the operations of the</td>
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<td>8</td>
<td>Department of Justice during the fiscal year</td>
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<td>9</td>
<td>2008. Of the $868,959 appropriated for OCE</td>
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<td>herein, $500,000 shall be obligated for fuel</td>
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<td>11</td>
<td>cost of the FSM patrol boats, PROVIDED THAT</td>
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<td>such fund shall be used exclusively for patrol</td>
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<td>13</td>
<td>or surveillance operation. The sum</td>
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<td>appropriated herein shall be apportioned as</td>
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<td>16</td>
<td>Personnel</td>
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<td>1,910,006</td>
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<td>17</td>
<td>Travel</td>
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<td>91,039</td>
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<td>18</td>
<td>Contractual Services</td>
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<td>157,897</td>
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<td>OCE$</td>
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<td>868,959</td>
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<td>Fixed Assets</td>
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<td>21</td>
<td>(9) Office of the Public Defender.</td>
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<td>$708,932 or so much thereof as may be</td>
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<td>necessary, for the operations of the Office of</td>
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<td>the Public Defender during the fiscal year</td>
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<td>2008. The sum appropriated herein shall be</td>
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</table>
apportioned as follows:

Personnel ........................................ $ 499,599
Travel .............................................. 69,503
Contractual Services ............................ 38,150
OCE .................................................. 84,680
Fixed Assets ...................................... 17,000

(10) Office of Statistics, Budget, Overseas Development Assistance and Compact Management.

$1,108,351 or so much thereof as may be necessary, for the operations of the Office of Statistics, Budget, Overseas Development Assistance and Compact Management during the fiscal year 2008. Of the total funds appropriated herein, $46,798 shall be deemed to come from the funds available under the amended compact for capacity building, 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 ........................................ $ 604,011
Travel .............................................. 114,781
Contractual Services ............................ 252,000

$91,022 or so much thereof as may be necessary, for the operations of the Office of Environment and Emergency Management during the fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

- Personnel: $67,521
- Travel: $15,828
- Contractual Services: $0
- OCE: $7,673
- Fixed Assets: $0

(12) Office of National Archives, Culture and Historic Preservation.

$112,796 or so much thereof as may be necessary, for the operations of the Office of National Archives, Culture and Historic Preservation during the fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

- Personnel: $84,796
- Travel: $10,000
- Contractual Services: $0
- OCE: $10,000
1 Fixed Assets .................................. $ 8,000
2 Section 3. Operating Expenses of the Legislative

3 Branch. The sum of $3,060,151 or so much thereof as may
4 be necessary, is hereby appropriated from the General
5 Fund of the Federated States of Micronesia for the
6 fiscal year ending September 30, 2008, for the
7 operations of the Legislative Branch of the National
8 Government during fiscal year 2008. The sum appropriated
9 by this section shall be apportioned as follows:

10 Personnel .................................. $ 1,185,424
11 Travel ..................................... 549,627
12 Contractual Services ......................... 631,100
13 OCE ...................................... 667,000
14 Fixed Assets ................................. 27,000

15 (1) Speaker and Members.
16 $1,412,771 or so much thereof as may be
17 necessary, for the operations of the Office of
18 the Speaker and Members of the Congress of the
19 Federated States of Micronesia during fiscal
20 year 2008. The sum appropriated herein shall
21 be apportioned as follows:

22 Personnel .................................. $ 415,290
23 Travel ..................................... 439,881
24 Contractual Services ......................... 507,600
25 OCE ...................................... 50,000
(2) Staff Offices.

$1,157,380 or so much thereof as may be necessary, for the operations of the Congress staff offices during fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................... $ 770,134
Travel ............................................... 109,746
Contractual Services ......................... 123,500
OCE .................................................. 127,000
Fixed Assets ....................................... 27,000

(3) Congress Delegation Offices.

$490,000, or so much thereof as may be necessary, for the operations of the Congress delegation offices during fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

(i) Kosrae Delegation Office....... $ 70,000
(ii) Pohnpei Delegation Office..... 140,000
(iii) Chuuk Delegation Office..... 210,000
(iv) Yap Delegation Office....... 70,000

Section 4. Operating Expenses of the National Judiciary Branch. The sum of $1,073,741 or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia
1 for the fiscal year ending September 30, 2008, for the
2 operations of the Judiciary Branch of the National
3 Government during the fiscal year 2008. The sum
4 appropriated by this section shall be apportioned as
5 follows:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Personnel</td>
<td>$707,360</td>
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<tr>
<td>Travel</td>
<td>$120,000</td>
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<tr>
<td>Contractual Services</td>
<td>$109,900</td>
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<tr>
<td>OCE</td>
<td>$109,481</td>
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<tr>
<td>Fixed Assets</td>
<td>$27,000</td>
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</table>

11 Section 5. **Operating Expenses of the National Public Auditor.** The sum of $976,083, or so much thereof
as may be necessary, is hereby appropriated from the
14 General Fund of the Federated States of Micronesia for
15 the fiscal year ending September 30, 2008, for the
16 operations of the National Office of the Public Auditor
17 during the fiscal year 2008. Of the total amount of
18 funds appropriated herein, $174,357 shall be deemed to
19 come from funds available under the amended Compact for
20 Capacity Building, PROVIDED THAT, these funds shall not
21 be allocated or obligated until such time as formal
22 approval has been obtained in accordance with the
23 Amended Compact of Free Association. The sum
24 appropriated by this section shall be apportioned as
25 follows:
Personnel............................... $ 575,156
Travel ...................................... 182,027
Contractual Services ..................... 120,400
OCE ........................................ 91,000
Fixed Assets .............................. 7,500

Section 6. Operating Expenses of Agencies of the
National Government. The sum of $1,528,587 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, 2008, for the
operations of the following boards, commissions and
agencies during the fiscal year 2008. The sum
appropriated by this section shall be apportioned as
follows:

(1) National Oceanic Resource Management
Authority (NORMA).

$360,607, or so much thereof as may be
necessary, for the operations of NORMA for the
fiscal year 2008. The sum appropriated herein
shall be apportioned as follows:

Personnel............................... $ 193,207
Travel...................................... 60,000
Contractual Service ..................... 66,900
OCE ........................................ 40,500
Fixed Assets .............................. -0-
(2) Board of Regents (COM-FSM).

$58,000, or so much thereof as may be necessary, for the operations of the Board of Regents, COM-FSM during the fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................... $  -0-

Travel .............................................  41,000

Contractual Services .............................  10,000

OCE ..................................................  7,000

Fixed Assets .....................................  -0-

(3) Coconut Development Authority (CDA).

$95,042, or so much thereof as may be necessary, for the operations of the Coconut Development Authority during the fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................... $  70,043

Travel .............................................  7,422

Contractual Services .............................  6,000

OCE ..................................................  10,000

Fixed Assets .....................................  1,577

(4) FSM Banking Board.

$219,922, or so much thereof as may be necessary, for the operations of the FSM
Banking Board for the fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................... $ 99,313
Travel ............................................... 22,513
Contractual Services .............................. 68,100
OCE ...................................................... 17,996
Fixed Assets ........................................ 12,000

(5) FSM Postal Services.

$660,016 or so much thereof as may be necessary, for the operations of the National Postal Services during the fiscal year 2008. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................... $ 409,041
Travel ............................................... 36,623
Contractual Services .............................. 128,952
OCE ...................................................... 85,400
Fixed Assets ........................................ -0-

(6) National Fisheries Corporation (NFC).

$135,000, or so much thereof as may be necessary, for the operations of the National Fisheries Corporation during the fiscal year 2008. The sum appropriated herein shall be apportioned as follows:
1 NFC operations subsidy......................... $ 135,000
2 Air freight subsidy......................... -0-
3
4 Section 7. Special Programs. The sum of $406,775
5 or so much thereof as may be necessary, is hereby
6 appropriated from the General Fund of the Federated
7 States of Micronesia for the fiscal year ending
8 September 30, 2008, for the following special programs
9 during fiscal year 2008. The sum appropriated by this
10 section shall be apportioned as follows:

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<tbody>
<tr>
<td>11</td>
<td>(1) FSM Aquaculture Center.</td>
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<td>12</td>
<td>Personnel......................... $ 38,617</td>
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<td>Travel......................... 8,802</td>
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<td>14</td>
<td>Contractual Services......................... 9,474</td>
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<td>15</td>
<td>OCE......................... 22,389</td>
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<td>Fixed Assets......................... -0-</td>
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<td>17</td>
<td>(2) National Election Commissioner.</td>
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<td>Personnel......................... $ 179,850</td>
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<tr>
<td>19</td>
<td>Travel......................... 11,993</td>
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<td>20</td>
<td>Contractual Services......................... 28,000</td>
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<td>21</td>
<td>OCE......................... 66,650</td>
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<td>Fixed Assets......................... 31,000</td>
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<td>(3) National Authorizing Committee.</td>
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<td>$10,000, or as much thereof as may be</td>
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<td>necessary, for the operations of the National</td>
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<td>Authorizing Committee (ACP/EU) during fiscal</td>
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year 2008. All funds appropriated herein shall be expended for travel.

Section 8. Grants, Subsidies and Contributions. The sum of $5,115,095 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, 2008, for the following grants, subsidies and contributions during fiscal year 2008. Of the total amount of funds appropriated herein, $1,900,000 shall be deemed to come from funds available under the amended Compact for Capacity Building, PROVIDED THAT these funds shall not be allocated or obligated until such time as formal approval has been obtained with the Amended Compact of Free Association. The sum appropriated by this section shall be apportioned as follows:

(1) Office of the President.
   (a) Asia-Pacific Broadcasting Dev. (AIBD) $ 4,500
   (b) Asia-Pacific Broadcasting Union (ABU) 800
   (c) Pacific Island News Assn. (PINA) 350

(2) Department of Foreign Affairs.
   (a) Pacific Islands Forum Secretariat 46,000
   (b) Secretariat of the Pacific Community (SPC) 56,000
(c) UN Membership fees (UN) .......... $60,000
(d) UN Economic and Social Commission for Asia and the Pacific (ESCAP) .......... 5,000
(e) East-West Center .................. 5,000

(3) Department of Finance and Administration.
(a) National Authorizing Comm.
Membership Fee (Cotonou) ............... 10,000
(b) CTAOCO Membership Fee .......... 4,000
c) Maintenance fee for Financial
Management Information System .......... 60,000

(4) Department of Resources and Development.
(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) .......... 15,000
e) Pacific Asia Travel Association .... 5,000
(f) UN Environmental Program (UNEP) .. 600
(g) Western Forestry Leadership
Coalition ............................ 500
(h) Food Agriculture Organization (FAO) 4,700
(i) UN Framework Convention .......... 250
(j) National Association of State
Foresters ............................ 500
(k) National Environmental
<table>
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<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>Speech Contest</td>
<td>$15,000</td>
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<tr>
<td>2</td>
<td>(1) FAO/TCP Matching</td>
<td>$34,508</td>
</tr>
<tr>
<td>3</td>
<td>(m) Matching for SPC Projects</td>
<td>$60,000</td>
</tr>
<tr>
<td>4</td>
<td>(n) Quarantine Services Improvement</td>
<td>$50,000</td>
</tr>
<tr>
<td>5</td>
<td>Project</td>
<td></td>
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<tr>
<td>6</td>
<td>(o) 2nd National Environmental Conference</td>
<td>$13,558</td>
</tr>
<tr>
<td>7</td>
<td>(p) 18th SPREP Annual Meeting</td>
<td>$70,000</td>
</tr>
<tr>
<td>9</td>
<td>(5) Department of Health and Social Affairs</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>(a) UN Fund for Population</td>
<td>$3,000</td>
</tr>
<tr>
<td>11</td>
<td>Activity (UNFPA)</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>(b) Secretariat of the Pacific Regional Environmental Program (SPREP)</td>
<td>$7,375</td>
</tr>
<tr>
<td>13</td>
<td>(c) World Health Organization (WHO).</td>
<td>$4,000</td>
</tr>
<tr>
<td>15</td>
<td>(d) National Board of Nursing</td>
<td>$10,000</td>
</tr>
<tr>
<td>16</td>
<td>(e) Pacific Islands Health Officers Association</td>
<td>$20,000</td>
</tr>
<tr>
<td>17</td>
<td>Officers Association</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>(f) FSM Amateur Sports Association..</td>
<td>$20,000</td>
</tr>
<tr>
<td>19</td>
<td>(g) Association of Territorial Health Organization</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Health Organization</td>
<td>$2,000</td>
</tr>
<tr>
<td>21</td>
<td>(h) FSM Red Cross</td>
<td>$70,000</td>
</tr>
<tr>
<td>22</td>
<td>(i) UNESCO</td>
<td>$4,000</td>
</tr>
<tr>
<td>23</td>
<td>(j) NCSHPO</td>
<td>$2,760</td>
</tr>
<tr>
<td>24</td>
<td>(k) PARBICA</td>
<td>$100</td>
</tr>
<tr>
<td>25</td>
<td>(l) PIALA</td>
<td>$100</td>
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<tr>
<td>1</td>
<td>(m) WHC Membership Fee.</td>
<td>$54</td>
</tr>
<tr>
<td>2</td>
<td>(6) Department of Education.</td>
<td></td>
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<tr>
<td>3</td>
<td>(a) Aid to Non-Public Schools.</td>
<td>450,000</td>
</tr>
<tr>
<td>4</td>
<td>(b) Financial Assistance to FSM Students attending College of Marshalls and Palau Community College</td>
<td>50,000</td>
</tr>
<tr>
<td>5</td>
<td>(c) National Close-Up local.</td>
<td>64,000</td>
</tr>
<tr>
<td>6</td>
<td>(d) College of Micronesia Board (COM) Annual Meeting</td>
<td>5,000</td>
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<tr>
<td>7</td>
<td>(7) Department of Transportation, Communications and Infrastructure.</td>
<td></td>
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<tr>
<td>8</td>
<td>(a) Asia-Pacific Telecommunity (APT)</td>
<td>7,640</td>
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<tr>
<td>9</td>
<td>(b) International Telecommunications Union (ITU)</td>
<td>55,000</td>
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<tr>
<td>10</td>
<td>(c) International Civil Aviation Organization</td>
<td>28,050</td>
</tr>
<tr>
<td>11</td>
<td>(d) FSM Capital Energy/Utilities.</td>
<td>400,000</td>
</tr>
<tr>
<td>12</td>
<td>(e) Micronesian Shipping Commission (MSC)</td>
<td>10,000</td>
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<tr>
<td>13</td>
<td>(8) Coconut Development Authority (CDA).</td>
<td></td>
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<tr>
<td>14</td>
<td>(a) Copra Subsidy.</td>
<td>50,000</td>
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<tr>
<td>15</td>
<td>(b) Asia Pacific Coconut Community (APCC)</td>
<td>15,500</td>
</tr>
<tr>
<td>16</td>
<td>(9) Other Grants, Subsidies and Contributions.</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>(a) Kosrae Judiciary subsidy.</td>
<td>30,000</td>
</tr>
<tr>
<td>18</td>
<td>(b) Pohnpeii Judiciary subsidy.</td>
<td>45,000</td>
</tr>
</tbody>
</table>
(c) Chuuk Judiciary subsidy........... $ 45,000
(d) Yap Judiciary subsidy............. 30,000
(e) COM Treaty Obligations.......... 25,000
(f) Micronesian Legal Services
Corporation........................................... 150,000
(g) States Joint Law Enforcement,
PROVIDED THAT $25,000 shall go to Kosrae State, $50,000 shall go to Pohnpei State,
$50,000 shall go to Chuuk State and $25,000 shall go to Yap State ......................... 150,000
(h) Tuna Commission Membership..... 16,000
(i) Disaster Assistance Emergency Fund (DAEF) Matching.......................... 200,000
(j) Micare................................. 60,000
(k) MLFC Loan Payment................. 196,000
(l) FY 08 Single Audit.................. 329,250
(m) Micronesia Petroleum Corporation 50,000
(n) Compact Review Committee....... 50,000
(o) Acquiring financial management expertise for the Department of Administrative Services in Chuuk......................... 1,500,000
(p) Chuuk Financial Control Commission 400,000

Section 9. Capital and Human Resources Development. The sum of $8,850,138 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, 2008, for the
following capital improvements, development programs, and projects
and human resources development. The sum appropriated by this
section shall be apportioned as follows:

(1) College of Micronesia-FSM.

$7,070,852, or so much thereof as may be necessary, for
the operations, programs and projects of the College
during fiscal year 2008. 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 ................................. $ 3,800,000

(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 ................................. $ 2,350,852
(d) COM-FSM Student Assist./Work

2 Study Program $270,000

3 (2) Department of Finance and Administration.

(a) National Staff Upgrading $50,000

(3) Department of Resources and Development.

(a) FSM Tourism Promotion

(b) Diversification of Energy

(c) Crop Production Improvement

(d) FSM Promotion of Micronesian-

10 Owned Businesses

(e) Capacity Building for Trade Policy Formulation, Negotiation, & Implementation

(f) Privatization of Public Enters.

& Corp. Governance Reform

(g) Economic Policy & Statistics Capacity Building

(h) Development of Fisheries Stats.

(i) FSM Strategic Dev. Plan Update & Promotion

(4) Department of Transportation,

Communication and Infrastructure.

(a) FSM Multi-Purpose Bldg.

(b) Hauk Airport Extension $500,000

(c) Capitol Rd and Drainage Improve.

(d) Official Residences, Palikir
(e) Auditor's Office Extension... $ 0-

(5) Infrastructure Maintenance Fund (IMF).

(a) IMF ......................... 229,286

Provided that $114,643 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.

(6) President's Office.

(a) FSM Trust Fund ............... 1,000,000

(b) Extn of Presidents Conf. room .. 0-

(c) Contingency Fund ............. 0-

Section 10. Employment Ceilings. The maximum number of positions for each branch and agency of the National Government of the Federated States of Micronesia for fiscal year 2008 shall be as follows:

(1) Executive Branch 457
(2) Legislative Branch 60
(3) Judiciary Branch 31
(4) Public Auditor 25
(5) Agencies
(a) National Oceanic Resource Management Authority 11
(b) Coconut Development Authority 4
(c) FSM Postal Services 38
(d) FSM Banking Board 4
(6) Special Programs
(a) FSM Aquaculture Center 4
(b) Office of the National Election Director 11

Section 11. Reprogramming. Reprogramming of funds into or from the personnel budget line items shall not be permitted. The President may reprogram up to 10% to or from, whichever is less, from the funds appropriated to each department and office in section 2 (Operating expenses of the Executive Branch).
Reprogramming of funds within a department, office or agency shall be effected by the head of such department, office or agency by specifying in writing to the Secretary of Finance and Administration, FSM National Government, the accounts for which funding is either increased or decreased. The President shall report to Congress within one month of the last day of each financial quarter all amounts reprogrammed inter or intra a department, office or agency.

Section 12. Allotment and management of funds and lapse date.

1) General Provisions.
(a) All funds appropriated by this act shall be allotted, managed, administered and accounted for in accordance with applicable law, including, but not limited to, the Financial Management Act of 1979 and the amended Compact of Free Association between the United States Government and the Government of the Federated States of Micronesia and its related agreements.

(b) The allottees shall be responsible for ensuring that these funds, or so much thereof as may be necessary, are used solely for the purpose specified in this act, and that no obligations are incurred in excess of the sum appropriated.

(2) Allottees. The allottee of the funds appropriated by this act are as follows:

(a) Section 2 - the allottee of these funds shall be the President of the Federated States of Micronesia;

(b) Section 3 - the allottee of these funds shall be the Speaker of the Congress of the Federated States of Micronesia;

(c) Section 4 - the allottee of these funds shall be the Chief Justice of the Supreme Court of the Federated States of Micronesia;

(d) Section 5 - the allottee of these funds shall be the Public Auditor of the Federated States of Micronesia;
Micronesia;

(e) Sections 6 through 9 - the allottee of these funds shall be the President of the Federated States of Micronesia, EXCEPT THAT for the following subsections of sections 8 through 9 of this act:

   (i) section 8 subsection (9)(a) through (d) - the allottee of these funds shall be the Chief Justice of the respective state,

   (ii) section 9(1)(a) through (d) - the allottee of these funds shall be the President of the College of Micronesia-FSM.

(3) Lapse Date. The authority of the allottee to obligate funds appropriated by this act shall lapse as of September 30, 2008, EXCEPT the funds appropriated under section 9 of this act shall not lapse.
Section 13. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

October 13, 2007

Manny Mori
President
Federated States of Micronesia