

STANDING COMMITTEE REPORT NO. 15-134

RE: M.C. NO. 15-80/R&D/J

SUBJECT: GOODS AND SERVICES 2008-2009

SEPTEMBER 16, 2008

The Honorable Isaac V. Figir
Speaker, Fifteenth Congress
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Mr. Speaker:

Your committee on Resources and Development (R&D) to which was jointly referred M.C. No. 15-80, which requested the approval of:

"MEMORANDUM OF UNDERSTANDING ON THE GOODS AND SERVICES BETWEEN THE GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA AND THE OVERSEAS FISHERY (SIC) COOPERATION FOUNDATION OF JAPAN.",

begs leave to report as follows:

This is the agreement that governs the well-known "Goods and Services" grant that the FSM receives every year from Japan as part of the access fees paid by Japan to fish in the FSM's EEZ. This agreement signed on June 23, 2008 is for 2007-2008 even though the transmittal letter from NORMA dated June 24, 2008 mistakenly identified it to be for 2008-2009.

Your committee understands that this agreement triggers the second rotation of grant to the states with Chuuk State being the first state to start the second rotation based on the previous understanding of Congress that this kind of grant be given on a rotating basis. Your committee wishes to know the rationale behind the rotational basis of this kind of grant, whether to continue with the same or resort to another approach.

Your committee concurs with the report by the Committee on Ways and Means finding and recommends the approval of this agreement.

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Respectfully submitted,

/s/ Dion G. Neth
Dion G. Neth, chairman

/s/ Setiro Paul
Setiro Paul, vice chairman

/s/ Resio S. Moses
Resio S. Moses, member

/s/ Peter Sitan
Peter Sitan, member

Joe N. Suka, member

Joseph J. Urusemal, member

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