

STANDING COMMITTEE REPORT NO. 16-46

RE: C.R. NO. 16-36/R&D

SUBJECT: CONFIRMING THE NOMINATION OF MR.  
JOSEPH J. HABUCHIMAI TO THE FSM  
BANKING BOARD OF DIRECTORS

DECEMBER 3, 2009

The Honorable Isaac V. Figir  
Speaker, Sixteenth Congress  
Federated States of Micronesia  
Second Special Session, 2009

Dear Mr. Speaker:

Your Committee on Resources and Development (R&D), to which was referred C.R. No. 16-36, entitled:

"A RESOLUTION TO CONFIRM THE NOMINATION OF MR. JOSEPH J. HABUCHMAI TO SERVE AS A MEMBER OF THE FEDERATED STATES OF MICRONESIA BANKING AND INSURANCE BOARD, PURSUANT TO TITLE 29 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED.",

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title.

The nomination of Mr. Joseph J. Habuchmai was transmitted to Congress on September 17, 2009 through Presidential Communication No. 16-62. Biographical information concerning Mr. Habuchmai's qualifications was attached. A public hearing was held on December 01, 2009.

Presidential Communication 16-62 urges Congress to favorably consider this nomination to serve as a member of the FSM Banking and Insurance Board. The resume provided outlines Mr. Habuchmai's qualifications.

The FSM Banking and Insurance Board consists of three members appointed by the President with the consent of Congress pursuant to section 201 of title 29 of the FSM Code.

Mr. Habuchmai's educational background includes attendance at Concordia University and Concordia Teacher College between 1979 and 1984. His history of public service includes Weather Observer at Yap State Weather Bureau in 1974 to 1975, Audio Visual Office Machine Repair at Concordia Teachers College in 1977 to 1979, Research Assistant at East West in Honolulu, Hawaii on June 1979, Administrator/Coordinator for TTPI Census on June to December 1980, Accountant for Community College of Micronesia in Kolonia, Pohnpei in 1980- 1981, Instructor for the Community College of Micronesia in 1981

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to 1987, Assistant Professor for the College of Micronesia in 1987 to 1989, Associate Professor for the College of Micronesia in 1989 to 1996, Director of Academic Program for the College of Micronesia in 1996 to 2002, Lieutenant Governor for Yap State in 2003 to 2006, Professor for the College of Micronesia in 1006 to 2008 and currently the Vice President for Administrative Services of the College of Micronesia.

Mr. Habuchmai's record of community service and personal accomplishments, which were reflected in his resume is to be commended. It is abundantly clear that Joseph J. Habuchmai possesses the experience necessary to qualify him to be a member of the FSM Banking and Insurance Board.

During the public hearing on December 1, 2009, the nominee was given an opportunity to express his own personal views on his nomination. He indicated that he is very interested to sit on the Board, and expressed his willingness to serve on the Board to assist all our citizens, especially those that involved in the Banking business. He also indicated that he had discussed his nomination with his superior, and his superior has no problem on his nomination. Peltesar Petrus informed the Committee that the nominee, if confirmed will be the third member to sit on the Board. The two members (Alexander Narruhn and Reed Oliver) were previously confirmed by Congress. In addition, the committee wanted to know what are the qualifications that are required of a board member. The Banking Commissioner informed the committee that such requirements are provided in sections 201 and 203 of title 29. For instance, anyone that has shares in a company or has any relationship with a bank, like bank accounts, he or she needs to declare such relationship to the Board. Furthermore, the committee asked the nominee whether he is currently served on any other board. The nominee indicated that he previously served on some boards, but not anymore. Mr. Reed Oliver, a board member, thanked the committee for the opportunity to appear and offer testimonies on the nomination on behalf of the Board. He further informed the committee that since the responsibilities of the FSM Banking and Insurance Board increases, the law should be amended to include more members on the Board. The Committee thanked the President for his decision to nominate somebody from Yap to the Board.

The committee also inquired who is responsible to compile reports on loans issued or deposits, including other reports on banking transactions that may help the states. The Banking Commissioner

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indicated that the FSM Banking and Insurance Board transmit quarterly reports to the Statistic Office; however, due to lack of staff, the compilation of reports is behind. Currently, the ratio on loans and deposits is around 35%, which is an increase compare to previous years.

Your Committee believes that Joseph J. Habuchmai is qualified to serve on the Board of Directors of the FSM Banking and Insurance Board.

Based upon the information and comments received and discussions with the nominee, your Committee believes that Mr. Habuchmai is well suited to serve on the said Board.

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Your Committee on Resources and Development is, therefore, in accord with the intent and purpose of C.R. No. 16-36, and recommends its adoption.

Respectfully submitted,

/s/  
Roger S. Mori, chairman

/s/  
Tony H. Otto, vice chairman

/s/  
Dohsis Halbert, member

/s/  
Dion G. Neth, member

/s/  
Peter Sitan, member

/s/  
Joseph J. Urusemal, member

/s/  
Paliknoa K. Welly, member