A BILL FOR AN ACT

To further amend section 8 of Public Law No. 14-80, as amended by Public Laws Nos. 14-95, 14-104, 15-1, and 15-04, for the purpose of forgiving the remaining balance of the recovery loan assistance extended to Kosrae State, and for other purposes.

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

Section 1. Purpose. The purpose of this act is to absolve Kosrae State from repayment of the loan provided them by the National Government in 2007. Through Public Law No. 14-104, the National Government provided loan assistance to Kosrae State in the amount of $1,500,000 to alleviate the financial crisis the state was then facing. The balance currently outstanding is $1,310,000. Due to the current financial position of the State of Kosrae, it is prudent the National Government extend further assistance by forgiving the loan balance of $1,310,000.

Section 2. Section 8 of Public Law No. 14-80, as amended by Public Laws No. 14-95, 14-104, 15-01, and 15-04, is hereby further amended to read as follows:

"Section 8. Grants, Subsidies and Contributions. The sum of $5,461,704.62 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 ............................................... 207,585

(h) Activities in honor of the FSM’s 20th Independence Anniversary ........... 0

(2) **Department of Finance and Administration.**

(a) ACP Membership Fees .............. 40,000

(b) OCO Membership Fee .............. 2,000

(c) Maintenance fee for Financial Management Information System .............. 60,000

(d) FMIS Project ...................... 211,954

(provided that this amount shall be deemed to come from funds available under the Amended Compact for public sector capacity building)
(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 Coalition ....................................... –0-
(h) Seaframe Program ................................................................. –0-
(i) Food Agriculture Organization (FAO) ....................................... 4,700
(j) UN Framework Convention ...................................................... 250
(k) National Association of State Foresters ..................................... –0-
(l) National Environmental Speech Contest ..................................... –0-
(m) FA/TCP Matching ................................................................. 34,500
(n) Matching for SPC Projects ....................................................... 60,000
(o) Tourism activities, provided that, no funds shall be allotted until such time as
the Tourism Unit has submitted a plan for the use of the funds to the Standing Committee on
Resources and Development and received written approval of the plan from the Chairman of the Committee ......................... $ 50,000

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

   (a) UN Fund for Population Activity (UNFPA) ......................... 3,000

   (b) South Pacific Regional Environmental Program (SPREP) .......... 7,375

   (c) Aid to Non-Public Schools ........ 300,000

   (d) Financial Assistance to FSM Students attending College of Marshalls and Palau Community College ............... 50,000

   (e) World Health Organization (WHO) . 41,385

   (f) National Board of Nursing ....... 10,000

   (g) Pacific Islands Health Officers Association ....................... 20,000

   (h) National Close-Up Local Program . 64,000

   (i) FSM Amateur Sports Association .. 20,000

   (j) College of Micronesia Board (COM) 5,000

   (k) Association of Territorial Health Organization ...................... 2,000

   (l) FSM Red Cross ...................... 70,000

   (m) UNESCO ......................... 4,000

   (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.
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<tr>
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<th>(a) Asia-Pacific Telecommunity (APT) $</th>
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<tr>
<td>2</td>
<td>(b) International Telecommunications</td>
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<td>3</td>
<td>(c) International Civil Aviation</td>
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<td>4</td>
<td>(d) Micronesian Shipping Commission</td>
<td>10,000</td>
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<td>5</td>
<td>(e) FSM Capital</td>
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<td>6</td>
<td>Energy/Utilities</td>
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<td>(f) Marine and Aviation fact-finding</td>
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<td>8</td>
<td>mission and student assistance</td>
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<td>9</td>
<td>(6) Coconut Development Authority (CDA).</td>
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<td>10</td>
<td>(a) Copra Subsidy</td>
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<td>(b) Asia Pacific Coconut</td>
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<td>12</td>
<td>Community (APCC)</td>
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<td>13</td>
<td>(c) Pilot Plant Project</td>
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<td>(7) Other Grants, Subsidies and Contributions.</td>
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<td>15</td>
<td>(a) Kosrae Judiciary subsidy</td>
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<td>16</td>
<td>(b) Pohnpei Judiciary subsidy</td>
<td>45,000</td>
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<td>17</td>
<td>(c) Chuuk Judiciary subsidy</td>
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<td>18</td>
<td>(d) Yap Judiciary subsidy</td>
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<td>19</td>
<td>(e) COM Treaty Obligations</td>
<td>25,000</td>
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<td>20</td>
<td>(f) Micronesian Legal Services</td>
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<td>21</td>
<td>Corporation</td>
<td>150,000</td>
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<td>(g) States Joint Law Enforcement,</td>
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<td>provided that $25,000 shall go to Kosrae</td>
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(h) Tuna Commission Membership ........ 16,000

(i) Disaster Assistance Emergency Fund (DAEF) Matching ....................... 200,000

(k) Maritime Boundary Delimitation .. 43,500

(l) Yap Judiciary subsidy to be used solely to fund scholarships for citizens of Yap who are studying law ............. 10,000

(m) Passport Revolving Fund .......... 233,607.62

(n) State of Kosrae, PROVIDED THAT the amount appropriated herein shall take the form of a loan, the terms of which have been agreed between the President and the Governor of Kosrae, to help the State recover from its current financial crisis; the balance of the loan assistance provided by this subsection is hereby forgiven; the state of Kosrae is hereby absolved from its remaining obligations under any loan agreement entered into pursuant to this subsection ........ $ 1,500,000

(o) July 2007 Presidential Inauguration ......................... 74,000

(p) July 2007 Presidential
Inauguration – Congress funding to be divided as follows:

(i) Kosrae Delegation ............. $5,000
(ii) Yap Delegation ............... 7,000
(iii) Chuuk Delegation ............ 13,000
(iv) Pohnpei Delegation .......... 1,000
Total .................................. 26,000

(q) MiCare, to be used to cover 10% increase in premiums for members of health plan .................. 16,913
(r) Land Grant Treaty ............... 25,000
(s) Funeral expenses for former President Tosiwo Nakayama ............ 55,000
(t) MLFC Loan Payment ............. 90,000
(u) FSM Athletes to SP Games ........ 60,000"

Section 3. 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: 2/6/12  Introduced by: /s/ Wesley W. Simina
Wesley W. Simina