

STANDING COMMITTEE REPORT NO. 18-18

RE: P.C. No. 17-379/T&C

SUBJECT: FY2014 BUDGET REQUEST

MAY 30, 2012

The Honorable Dohsis Halbert  
Speaker, Eighteenth Congress  
Federated States of Micronesia  
First Regular Session, 2013

Dear Mr. Speaker:

Your Committee on Transportation and Communications, to which was referred Presidential Communication No. 17-379 regarding the National Government's Recommended FY2014 Budget, begs leave to report as follows:

Presidential Communication No. 17-379 was transmitted to the Congress with the National Government's Fiscal Year 2014 Recommended Budget ("Budget Book"). Pursuant to Rule 7, Section 6(b), of the Official Rules and Procedures of the Eighteenth Congress of the Federated States of Micronesia, your Committee has limited its review of the FY14 Budget Book to those portions of the recommended budget relating to matters under its jurisdiction:

Department of TC&I

1. Division of Civil Aviation;
2. Division of Communication;
3. Division of Administration;
4. Division of Marine Transportation; and
5. Division of Infrastructure
6. Program Management Unit

You Committee has reviewed the submitted FY14 budget request. The past two years the Committee on T&C of the 17<sup>th</sup> Congress has gone into details at budget hearings including personnel salary. Your Committee is confident that it has streamlined the budget of the

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department. This year your Committee observe that there is not much change from previous years in the operations budget of the department, which is summarized below:

	FY 12 Actual	FY 13 appropriation	FY 14 Request	Committee Recommendations
Personnel	\$1,181,684	\$1,358,121	\$1,435,988	\$1,435,988
Travel	\$ 1 52,203	\$ 265,944	\$ 317,988	\$ 317,988
Contractual Services	\$1,539,971	\$1,532,471	\$1,607,999	\$1,607,999
OCE	\$ 116,000	\$ 136,611	\$ 132,580	\$ 132,580
Fixed assets	\$ 123,188	\$ 123,188	\$ 125,000	\$ 125,000
<b>Total</b>	<b>\$3,113,046</b>	<b>\$3,416,335</b>	<b>\$3,619,555</b>	<b>\$3,619,555</b>

The increase in budget request for the department is \$203,220, which is a 6% increase in budget. Although there are a number of minor changes, most of the increase is in marine transportation, which reports an increase of approximately \$80,000 in POL and in the PMU which reports an increase of \$105,450 for salary for one data specialist and one professional engineer.

Your Committee believes that \$80,000 extra in steaming POL is reasonable in light of the increase in fuel price. Your Committee also supports the increase in personnel in the PMU. The PMU is fully funded out of Infrastructure Sector Grant and it has been the experience of your Committee that the PMU budget as submitted has already been discussed with OIA. For that reason your Committee recommends approval of the budget as submitted.

Should Congress decide to remain at the FY13 level, your Committee suggests that the travel line item request be cut to accommodate the decrease on a prorata basis among the various divisions.

Your Committee also recommends approval of the President's budget request for Grants and Subsidies in the following amounts.

Grants and subsidies	FY14 request	Committee Recommendations
Asia Pacific Telecommunity International telecommunication Union	\$ 11,000	\$ 11,000
	\$ 20,847	\$ 20,847

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ICAO	\$ 28,050	\$ 28,050
FSM Capital Energy	\$ 600,000	\$600,000
MSC	\$ 50,000	\$ 50,000
<b>Total</b>	<b>\$709,897</b>	<b>\$709,897</b>

Your Committee suggests that the \$600,000 for Capital Energy be given in advance for the purchase of cash power for the National Government, thus helping PUC with its cash flow.

The Capital and Human Resources portion of the budget represents a total of almost \$7.8 million dollars. Your Committee would like to concentrate its work on that part of the request, which will be the subject of a separate report.

<b>Capital and Human Resource; FY 14 request</b>	
Capital facilities rehab	\$ 800,000
dry docking MS Voyager	\$1,263,000
FSM Capital security fence	\$2,000,000
capital road bridge drainage	\$ 790,000
Computers	\$ 100,000
IT Consultant	\$ 78,000
Standby generator	\$1,250,000
Outer island airport	\$1,000,000
multipurpose building	\$ 600,000
<b>Total</b>	<b>\$7,881,000</b>

Your Committee on Transportation and Communications has carefully reviewed the President's Recommended FY 2014 budget for operations and all the supplemental information provided by the department. The recommended sums set forth above reflect your Committee's recommendations on the level of funding for the Department of T&C for FY2014.

Your Committee is in full accordance with the President's Recommended FY14 Budget, and subject to the concurrence of your Committee on Ways and Means, your Committee on Transportation and Communications recommends approval of the amounts as identified as Committee Recommendations.

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Respectfully Submitted,

/s/ Peter M. Christian  
Peter M. Christian, chairman

/s/ Victor V. Gouland  
Victor V. Gouland, vice chairman

/s/ Isaac V. Figir  
Isaac V. Figir, member

/s/ Dohsis Halbert  
Dohsis Halbert, member

/s/ Florencio S. Harper  
Florencio S. Harper, member

Paliknoa K. Welly, member

/s/ Wesley W. Simina  
Wesley W. Simina, member