STANDING COMMITTEE REPORT NO. 18-224

RE: C.B. NO. 18-220/W&M

SUBJECT: CONGRESS' AUTHORITY TO APPROPRIATE

SECTOR GRANTS FOR STATES.

SEPTEMBER 25, 2014

The Honorable Dohsis Halbert Speaker, Eighteenth Congress Federated States of Micronesia Fifth Regular Session, 2014

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred Congressional Bill 18-220, entitled:

"A BILL FOR AN ACT TO APPROPRIATE THE SUM OF \$5,421,600 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2015, FOR THE PURPOSE OF INFRASTRUCTURE IMPROVEMENTS IN THE STATES OF CHUUK AND KOSRAE, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

The intent and purpose of this act are expressed in its title.

Your Committee has reviewed Congressional Bill number 18-220, along with the legal opinion of the Attorney General received September 22, 2014 (A.G. Op. No. 7).

Your Committee remains skeptical as to whether Congress can appropriate sector grants for states. The Office of Legislative Counsel has issued a legal opinion disagreeing with the view of the Attorney General. The Office of Legislative Counsel noted that Public Law 13-72 should have been consulted when making the determination as to whether

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Congress is authorized to appropriate sector grants for the States.

Your Committee would like to point out that the legal opinion issued by the Attorney General does not address Public Law 13-72 in making its determination. Instead the A.G.'s opinion relies upon the Constitution of the Federated States of Micronesia in reaching the conclusion that Congress may appropriate funds for the States.

Your Committee notes that the urgency of the Weno Road project in Chuuk and Kosrae Hospital Redesign weighs heavy on the collective conscience of Congress and believes we should do what we can to expedite the process.

While your Committee is conflicted as to the authority of Congress to appropriate sector grants for the two projects, your committee shall defer to the Attorney General's opinion in taking action.

CONCLUSION

Your Committee has carefully reviewed Congressional Bill 18-220. Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 18-220, and recommends its passage on First Reading and that it be placed on the Calendar for Second and Final Reading in the form attached hereto as C.B. 18-220.

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Respectfully submitted,

/s/ Isaac V. Figir	/s/ Peter M. Christian
Isaac V. Figir, chairman	Peter M. Christian, vice chairman
/s/ Tony H. Otto	/s/ Yosiwo P. George
Tony H. Otto, member	Yosiwo P. George, member
<u>-</u>	
/s/ David W. Panuelo	/a/ Woalow W. Cimino
	/s/ Wesley W. Simina

David W. Panuelo, member Wesley W. Simina, member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member