



The President
Palikir, Pohnpei
Federated States of Micronesia

January 2, 2014

The Honorable Dohsis Halbert
Speaker
18th FSM Congress
Palikir, Pohnpei, FM 96941



PRESIDENTIAL COMM. NO. 18-170
FSM CONGRESS

I am returning the following congressional act, which I signed with reservation to become Public Law No. 18-26:

Congressional Act No. 18-32, entitled: "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$1,889,072 FROM THE GENERAL FUND OF THE FEDERTED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDINGN SEPTEMBER 30, 2014, BY AMENDING SECTION 1, 3, AND 8 OF PUBLIC LAW NO. 18-15, AND FOR OTHER PURPOSES."

I thank the Congress for approving many of the items in our supplemental budget request, such as dry-docking of the Caroline Voyager and the Compact of Free Association Historical Project. While I am also thankful for funding the overhaul of the CIA plane engine, I must continue to express my concerns regarding its continuous subsidy by the government because by now the CIA should have become self-sustaining.

This Congressional Act ignores the critical priorities of our nation in growing the economy and in preparing for the fiscal challenges in year 2023. For example, I requested Congress to provide funding for the private sector through the FSM Development bank. This funding is essential in order to help stimulate economic activities that will support growth of the private sector. This was unfortunately not favorably considered. I also requested for a Set Aside of funds in the amount of \$5,000,000 for the anticipated shortfall which was originally requested at \$10,000,000 in the FY2014 budget. Once again, this was not favorably considered along with a host of other requests. Failure to support a Set Aside fund (*although we have ample funding per the latest Secretary of Finance tracking report*), which was already explained in the transmittal letter of the FY2014 budget, not only fails to allow for a source of additional funding for 2023 but also lacks the flexibility to provide funding for targeted projects that will accelerate economic growth in the near term such as the airline "Fly Micronesia."


Finally, this act appropriates supplemental funding augmenting the budget for contractual services for each of the Congressional delegation offices by \$50,000, *which includes a provision that up to \$25,000 may be used for Member Representation at the discretion of each office*. Appropriating funds for contractual services but allowing up to 50% of the amount appropriated to be discretionarily utilized for another purpose obscures true intentions, and therefore, lacks transparency.

The Honorable Dohsis Halbert
January 2, 2014
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This congressional act represents an incomplete package because it fails to adequately support our economic priorities. Therefore, while I reluctantly signed the Act, I must remind Congress that we only have nine years left under the current Compact Agreement. It is becoming clearer that the anticipated shortage in the Trust Fund will exceed \$600,000,000. Failure to plan for this shortfall while ignoring activities that will stimulate economic growth could result in major cutbacks of basic government services such as health, education, security, utilities, etc. We cannot continue to ignore this looming financial disaster and must take steps now to assure the economic well-being of our citizens and future generations in order to avoid discontentment, chaos, and economic collapse.

With warm personal regards, I remain,

Sincerely,



Manny Mori
President

xc: Chief Justice, FSM Supreme Court
Secretary, Department of Justice
Director, Office of SBOC
Legislative Counsel, CFMS
Library, CFMS
FSM PIO



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3
Palikir, Sokehs
Pohnpei State, FM 96941
Tel: (691) 320-2324 / 2338
Fax: (691) 320-5122

PRESIDENTIAL COMM. NO. 18-170
FSM CONGRESS

Office of the Chief Clerk

December 11, 2013

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 18-32, "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$1,889,072 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 3, AND 8 OF PUBLIC LAW NO. 18-15, AND FOR OTHER PURPOSES", which was passed by the Eighteenth Congress of the Federated States of Micronesia, Second Special Session, 2013, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in black ink, which appears to read "Liwiana Ramon Ioanis", is written over the "Sincerely yours," text.

Liwiana Ramon Ioanis
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures



PRESIDENTIAL COMM. NO. 18-170
FSM CONGRESS

EIGHTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
SECOND SPECIAL SESSION
NOVEMBER 25 – DECEMBER 05, 2013

PUBLIC LAW No. 18-26

An Act

TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$1,889,072 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 3, AND 8 OF PUBLIC LAW NO. 18-15, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: ISAAC V. FIGIR

DATE: NOVEMBER 29, 2013

REFERRED TO: COMMITTEE ON WAYS AND MEANS

WITHDRAWN – DECEMBER 02, 2013

FIRST READING: DECEMBER 02, 2013

SECOND READING: DECEMBER 04, 2013

A handwritten signature in black ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



Office of the Speaker

CONGRESS OF THE FEDERATED STATES OF MICRONESIA

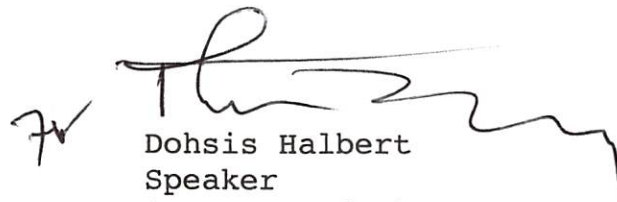
P.O. Box PS 3
Palikir, Sokehs
Pohnpei State, FM 96941
Tel: (691) 320-2324 / 2338
Fax: (691) 320-5122

PRESIDENTIAL COMM. NO. 18-170
FSM CONGRESS

ACT NO. 18-32

(CONGRESSIONAL BILL NO. 18-106, C.D.1, C.D.2,
C.D.3, C.D.4)

We hereby certify that on December 04 the foregoing act passed Second and Final Reading of the Eighteenth Congress of the Federated States of Micronesia, Second Special Session, 2013, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.


Dohsis Halbert
Speaker
Congress of the
Federated States of Micronesia



Liwiana Ramon Ioanis
Chief Clerk
Congress of the
Federated States of Micronesia

EIGHTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

SECOND SPECIAL SESSION, 2013

CONGRESSIONAL BILL NO. 18-106, C.D.1,
C.D.2, C.D.3, C.D.4

PUBLIC LAW No. 18-26

AN ACT

To appropriate a supplemental budget of \$1,889,072 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2014, by amending sections 1, 3, and 8 of Public Law No. 18-15, and for other purposes.

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

1 Section 1. Section 1 of Public Law No. 18-15 is hereby

2 amended to read as follows:

3 "Section 1. Title. The title of this act is as
4 follows: To appropriate the sum of \$47,055,074 from the
5 General Fund of the Federated States of Micronesia for
6 the fiscal year ending September 30, 2014, for the
7 purpose of funding the operations of all branches of
8 the National Government of the Federated States of
9 Micronesia, its agencies, various programs, grants,
10 subsidies and contributions and Capital and Human
11 Resources Development. Of the total amount of funds
12 appropriated herein, \$2,400,000 shall be deemed to come
13 from funds available under the Amended Compact from the
14 education sector; \$-0- shall be deemed to come from
15 funds available under the Amended Compact from the
16 health sector; \$-0- shall be deemed to come from funds
17 available under the Amended Compact from the
18 infrastructure sector; \$-0- shall be deemed to come
19 from funds available under the Amended Compact from the

PUBLIC LAW NO. 18-26

1 public sector capacity building; \$-0- shall be deemed
2 to come from funds available under the Amended Compact
3 from the enhanced reporting and accountability sector;
4 and \$1,112,158 shall be deemed to come from funds
5 available under the Supplemental Education Grant. The
6 sum appropriated herein shall be apportioned as
7 follows:"

8 Section 2. Section 3 of Public Law No. 18-15 is hereby
9 amended to read as follows:

10 "Section 3. Operating Expenses of the Legislative
11 Branch. The sum of \$3,505,228 or so much thereof as
12 may be necessary, is hereby appropriated from the
13 General Fund of the Federated States of Micronesia for
14 the fiscal year ending September 30, 2014, for the
15 operations of the Legislative Branch of the National
16 Government during fiscal year 2014. The sum
17 appropriated by this section shall be apportioned as
18 follows:

19 (1) Speaker and Members.

20 The sum of \$1,538,771, or so much thereof as may be
21 necessary, for the operations of the Office of the
22 Speaker and Members of the Congress of the Federated
23 States of Micronesia during fiscal year 2014. The sum
24 appropriated herein shall be apportioned as follows:

25 Personnel\$ 423,290

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1	Travel	\$ 594,881
2	Contractual Services.....	520,600
3	OCE	-0-
4	Fixed Assets	-0-

5 (2) Staff Offices.

6 The sum of \$1,276,457, or so much thereof as may be
7 necessary, for the operations of the Congress staff
8 offices during fiscal year 2014. The sum appropriated
9 herein shall be apportioned as follows:

10	Personnel	\$ 817,059
11	Travel.....	85,252
12	Contractual Services.....	218,146
13	OCE PROVIDED THAT up to \$10,000 may be used to	
14	pay expenses incurred during previous fiscal	
15	years.....	122,000
16	Fixed Assets.....	34,000

17 (3) Congress Delegation Offices.

18 The sum of \$690,000, or so much thereof as may be
19 necessary, for the operations of the Congress delegation
20 offices during the fiscal year 2014. Of the amounts
21 appropriated for contractual services within each
22 Delegation Office, up to a maximum of \$25,000 per
23 Member, at the Delegation Offices' discretion, may be
24 used for Member Representation. The sum appropriated is
25 apportioned as follows:

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(a) Kosrae Delegation Office

Travel	\$	10,000
Contractual Services		70,000
OCE		20,000
Fixed Assets		20,000
TOTAL		120,000

(b) Pohnpei Delegation Office

Travel		10,000
Contractual Services		150,000
OCE		30,000
Fixed Assets		-0-
TOTAL		190,000

(c) Chuuk Delegation Office

Travel		6,000
Contractual Services		210,000
OCE		20,000
Fixed Assets		24,000
TOTAL		260,000

(d) Yap Delegation Office

Travel		10,000
Contractual Services		80,000
OCE		25,000
Fixed Assets		5,000
TOTAL		120,000"

Section 3. Section 8 of Public Law No. 18-15 is hereby

1 amended to read as follows:

2 "Section 8. Grants, Subsidies and Contributions. The
3 sum of \$9,209,817, or so much thereof as may be
4 necessary, is hereby appropriated from the General Fund
5 of the Federated States of Micronesia for the fiscal
6 year ending September 30, 2014 for the following
7 grants, subsidies and contributions during fiscal year
8 2014. Of the total amount of funds appropriated
9 herein, \$-0- shall be deemed to come from funds
10 available under the Amended Compact from the education
11 sector. The sum appropriated by this section shall be
12 apportioned as follows:

13 (1) Office of the President.

14 (a) Asia-Pacific Broadcasting Dev.(AIBD) \$ 4,500
15 (b) Asia-Pacific Broadcasting Union (ABU) 800
16 (c) Pacific Island News Assn. (PINA) 350

17 (2) Department of Foreign Affairs.

18 (a) Pacific Is. Forum Secretariat. . 46,000
19 (b) Secretariat of the Pacific
20 Community (SPC)..... 56,000
21 (c) UN Membership Fee 70,000
22 (d) UN Economic and Social Commission
23 for Asia and the Pacific (ESCAP)..... 5,000
24 (e) East West Center 5,000
25 (f) Cotonou Membership Fee 12,000

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1	(g) 25 th Anniversary FSM-Japan	\$ 25,000
2	(h) Compact of Free Association	
3	Historical Project.....	150,000
4	(3) <u>Department of Finance and Administration.</u>	
5	(a) OCO Membership Fee	9,000
6	(b) Maintenance Fee for FMIS	55,000
7	(4) <u>Department of Resources and Development.</u>	
8	(a) Pacific Islands Development Program	15,000
9	(b) Forum Fisheries	38,918
10	(c) UNDP	30,000
11	(d) South Pacific Applied	
12	Geoscience Comm. (SOPAC).....	15,000
13	(e) Pacific Asia Travel Association	5,000
14	(f) Micronesian Challenge Endowment	50,000
15	(g) Western Forestry Leadership Coalition	530
16	(h) Food Agriculture Organization (FAO)	4,800
17	(i) Matching for SPC Projects	60,000
18	(j) Micronesian Challenge	10,000
19	(k) Micronesian Cruise Assoc	2,500
20	(l) International Animal Health	
21	Organization (OIE).....	23,000
22	(m) SPC Site Rental	10,000
23	(n) IRENA	250
24	(o) Micronesia Trade Cmte	30,000
25	(p) Convention on Biological	

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1	Diversity (CBD).....	\$	1,000
2	(5) <u>Department of Health and Social Affairs.</u>		
3	(a) UN Fund for Population Activity (UNFPA)		3,000
4	(b) World Health Organization (WHO)		4,000
5	(c) National Board of Nursing		
6	& Med Licensing.....		20,000
7	(d) Pacific Islands Health Officers		
8	Association (PIHOA).....		10,000
9	(e) FSM Amateur Sports Association .		20,000
10	(f) Association of Territorial		
11	Health Organization.....		7,000
12	(g) FSM Red Cross		70,000
13	(h) UNICEP (vaccines)		20,000
14	(6) <u>Department of Education.</u>		
15	(a) Aid for Non-Public School.		500,000
16	(b) Financial Assistance to FSM		
17	students attending CMI.....		25,000
18	(c) Financial Assistance to FSM		
19	students attending PCC.....		50,000
20	(d) National scholarship		1,000,000
21	(e) National Close-Up		70,000
22	(f) National Merit Scholarship		200,000
23	(g) COM Board annual meeting		5,000
24	(h) School Accreditation Program.. .		20,733
25	(i) Teacher Certification Project. .		110,339

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(7) Department of Transportation, Communication
and Infrastructure.

(a) Asia Pacific Telecommunity (APT) \$	11,000
(b) International Telecommunications Union (ITU)	20,847
(c) International Civil Aviation Organization.....	28,050
(d) FSM Capital Energy/Utilities ...	600,000
(e) Micronesian Shipping Comm.	50,000
(f) Caroline Island Air Engine and Propeller Overhaul.....	145,000
(g) Voyager Drydocking..	1,263,000

(8) Department of Justice.

(a) DOJ Fuel Subsidy	500,000
(b) DOJ Trafficking in Persons (TIP) prosecution/training.....	75,000
(c) Kosrae Joint Law Enforcement ...	25,000
(d) Pohnpei Joint Law Enforcement ..	50,000
(e) Chuuk Joint Law Enforcement	50,000
(f) Yap Joint Law Enforcement.	25,000

(9) Office of S.B.O.C.

(a) Asia Pacific Investment	250
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(10) Congress of the Federated States of Micronesia

(a) Update FSM Code	100,000
(b) IPU Conference	20,000

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1	(c) Climate Change Conferences \$	20,000
2	(d) Confolens Festival	50,000
3	(11) <u>Office of E.E.M.</u>	
4	(a) SPREP	10,184
5	(b) UNEP	760
6	(c) SPREP/Noumea Convention	1,764
7	(d) Waigani Convention	1,190
8	(e) UN Convention to Combat	
9	Desertification.....	120
10	(f) UN Framework Convention (UNFCC)	250
11	(g) Earth Day Activities	15,000
12	(h) 3 rd Annual EPA Directors' Meeting	20,000
13	(12) <u>Office of NACHP.</u>	
14	(a) UNESCO	4,000
15	(b) NCSHPO	2,760
16	(c) PARBICA	100
17	(d) PIALA	100
18	(e) WHC Membership Fee	54
19	(13) <u>Coconut Development Authority.</u>	
20	(a) Copra subsidy	100,000
21	(b) Asia Pacific Coconut Community (APCC)	14,500
22	(14) <u>Other Grants, Subsidies and Contributions.</u>	
23	(a) Kosrae Judiciary Subsidy	35,000
24	(b) Pohnpei Judiciary Subsidy.	55,000
25	(c) Chuuk Judiciary Subsidy	55,000

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1	(d) Yap Judiciary Subsidy	\$ 35,000
2	(e) COM Treaty Obligations	25,000
3	(f) Micronesian Legal Services Corporation	250,000
4	(g) Disaster Assistance Emergency	
5	Fund (DAEF) Matching.....	200,000
6	(h) MiCare	100,000
7	(i) MLFC Loan Payment	200,000
8	(j) FY12 Single Audit	329,250
9	(k) Former Presidents' allowance ...	53,700
10	(l) FSM Social Security	1,000,000
11	(m) Staff Housing	510,000
12	(n) Recruitment and repatriation ...	233,218
13	(o) Satisfy Judgment Lee v. FSM	55,000"

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PUBLIC LAW No. 18-26

1 Section 4. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its
3 becoming law without such approval.

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7 January 2, 2013⁴
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13 Manny Mori
14 President
15 Federated States of Micronesia
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