



6

The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 18-257
FSM CONGRESS

April 21, 2014

The Honorable Dohsis Halbert
Speaker
Eighteenth Congress of the Federated States of Micronesia
Palikir, Pohnpei FM 96941



Dear Speaker Halbert:

I am returning the following Congressional Act, which I have signed to become Public Law No. 18-54. However, I have item vetoed an item as explained below:

Congressional Act No. 18-58, entitled: "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$1,898,486 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 2, 3, 4, 8 AND 9 OF PUBLIC LAW NO. 18-15, AS AMENDED BY PUBLIC LAWS NOS. 18-26 AND 18-41, AND FOR OTHER PURPOSES."

First, may I say that I am pleased that Congress has approved our supplemental requests including some items which we did not seek. However, I do have the following comments/concerns:

1. There appears to be an error in Section 1 concerning the appropriation sum. It is listed as \$58,521,997 but we believe it should be listed as \$58,484,439 (taking the previous appropriation of \$56,585,943 and adding in the supplemental amount of \$1,898,486).
2. The appropriation set forth in subsection 5(7)(h), concerning the investment in the air service route for "Our Airline" for \$1,000,000 is not supported by any cost benefit analysis showing tangible benefits that justify the \$1,000,000 appropriation; for instance, how many passengers need to fly and at what price to recoup the \$1,000,000 subsidy? In addition, the proposed airline route that the National government is being

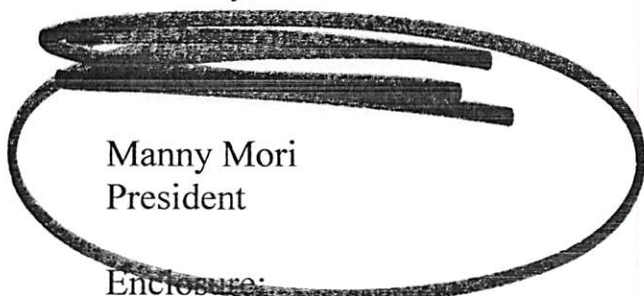
The Honorable Dohsis Halbert
April 21, 2014
Page 2

PRESIDENTIAL COMM. NO. 18-257
FSM CONGRESS

asked to subsidize only includes two of the four states, i.e., Kosrae and Pohnpei, leaving Chuuk and Yap completely out. Therefore, I have line item vetoed subsection 5(7)(h).

3. I am concerned over the structure of the Act itself. In some cases it limits my ability to veto an appropriation within a line item that I do not support because the line item contains other appropriations that I do support. In such cases, to utilize the line item veto would mean that all the appropriations within that line item would be vetoed. For instance, we are frequently giving ourselves representation funds as seen in Section 2, line 14, page 3 (Executive), and Section 3, line 18, page 9 (Congress). I cannot veto the increase in representation funds without vetoing the entire amount of Contractual Services. And the problem is further aggravated by the fact that there were no Committee Reports. We must work together to improve the structure of Congressional Acts to allow more flexibility in addressing the foregoing issue.

Sincerely,



Manny Mori
President

Enclosure:

Xc: Chief Justice, FSM Supreme Court
Secretary, Department of Justice
Director, SBOC
Legislative Counsel, CFSM
Library, CFSM
PIO FSM



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

Office of the Chief Clerk

PRESIDENTIAL COMM. NO. 18-257
FSM CONGRESS

April 11, 2014

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. 18-58, "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$1,898,486 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 2, 3, 4, 8 AND 9 OF PUBLIC LAW NO. 18-15, AS AMENDED BY PUBLIC LAWS NOS. 18-26 AND 18-41, AND FOR OTHER PURPOSES", which was passed by the Eighteenth Congress of the Federated States of Micronesia, Third Special Session, 2014, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

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

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

Enclosures



PRESIDENTIAL COMM. NO. 18-257
FSM CONGRESS

EIGHTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
THIRD SPECIAL SESSION
MARCH 24 – APRIL 02, 2014

PUBLIC LAW No. 18- 54

An Act

TO APPROPRIATE A SUPPLEMENTAL BUDGET OF \$1,898,486 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 2, 3, 4, 8 AND 9 OF PUBLIC LAW NO. 18-15, AS AMENDED BY PUBLIC LAWS NOS. 18-26 AND 18-41, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)

DATE: MARCH 31, 2014

REFERRED TO: COMMITTEE ON WAYS AND MEANS

WITHDRAWN – APRIL 01, 2014

FIRST READING: APRIL 01, 2014

SECOND READING: APRIL 02, 2014

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

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



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

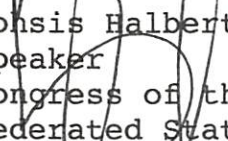
Office of the Speaker

PRESIDENTIAL COMM. NO. 18-257
FSM CONGRESS

ACT NO. 18-58

(CONGRESSIONAL BILL NO. 18-159, C.D.1, C.D.2,
C.D.3, C.D.4)

We hereby certify that on April 02 the foregoing act passed
Second and Final Reading of the Eighteenth Congress of the
Federated States of Micronesia, Third Special Session,
2014, 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.


Donsis 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

THIRD SPECIAL SESSION, 2014

CONGRESSIONAL BILL NO. 18-159, C.D.1,
C.D.2, C.D.3, C.D.4

~~PUBLIC LAW No. 18-54~~

AN ACT

To appropriate a supplemental budget of \$1,898,486 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2014, by amending sections 1, 2, 3, 4, 8 and 9 of Public Law No. 18-15, as amended by Public Laws Nos. 18-26 and 18-41, and for other purposes.

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

2 Section 1. Section 1 of Public Law No. 18-15, as amended by
3 Public Laws Nos. 18-26 and 18-41, is hereby further amended to
4 read as follows:

5 "Section 1. Title. The title of this act is as
6 follows: To appropriate the sum of \$58,521,997 from the
7 General Fund of the Federated States of Micronesia for
8 the fiscal year ending September 30, 2014, for the
9 purpose of funding the operations of all branches of the
10 National Government of the Federated States of
11 Micronesia, its agencies, various programs, grants,
12 subsidies and contributions and Capital and Human
13 Resources Development. Of the total amount of funds
14 appropriated herein, \$2,437,568 shall be deemed to come
15 from funds available under the Amended Compact from the
16 education sector; \$-0- shall be deemed to come from
17 funds available under the Amended Compact from the
18 health sector; \$-0- shall be deemed to come from funds
19 available under the Amended Compact from the

PUBLIC LAW No. 18-54

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

9 Section 2. Section 2 of Public Law No. 18-15, as amended by
10 Public Law No. 18-41, is hereby amended to read as follows:

11 "Section 2. Operating expenses of the Executive
12 Branch. The sum of \$17,699,045, or so much thereof as
13 may be necessary, is hereby appropriated from the
14 General Fund of the Federated States of Micronesia for
15 the fiscal year ending September 30, 2014, for the
16 purpose of funding the operations of the Executive
17 Branch of the National Government during the fiscal
18 year 2014. Of the total amount of funds appropriated
19 herein, \$-0- shall be deemed to come from funds
20 available under the Amended Compact from the education
21 sector; \$-0- shall be deemed to come from funds
22 available under the Amended Compact from the health
23 sector; \$-0- shall be deemed to come from funds
24 available under the Amended Compact from the
25 infrastructure sector; \$-0- shall be deemed to come

PUBLIC LAW No. 18-54

1 Fixed Assets\$ 103,000

2 (3) Department of Finance and Administration.

3 The sum of \$1,769,167, or so much thereof as may be
4 necessary, for the operations of the Department of
5 Finance and Administration during the fiscal year 2014.

6 The sum appropriated herein shall be apportioned as
7 follows:

8 Personnel\$ 1,138,698

9 Travel 203,922

10 Contractual Services..... 175,329

11 OCE 231,500

12 Fixed Assets 26,000

13 (4) Department of Resources and Development.

14 The sum of \$856,179, or so much thereof as may be
15 necessary, for the operations of the Department of
16 Resources and Development during the fiscal year 2014.

17 The sum appropriated herein shall be apportioned as
18 follows:

19 Personnel\$ 527,160

20 Travel 121,260

21 Contractual Services..... 54,307

22 OCE 120,352

23 Fixed Assets 33,100

24 (5) Department of Transportation, Communications and
25 Infrastructure.

~~PUBLIC LAW NO. 18-54~~

The sum of \$327,421 or so much thereof as may be necessary, for the operations of the Office of Environment and Emergency Management during the fiscal year 2014. The sum appropriated herein shall be apportioned as follows:

Personnel	\$ 169,786
Travel	70,735
Contractual Services.....	65,000
OCE	21,900
Fixed Assets	-0-

(12) Office of National Archives, Culture and Historic Preservation.

The sum of \$123,679, or so much thereof as may be necessary, for the operations of the Office of National Archives, Culture and Historic Preservation during the fiscal year 2014. The sum appropriated herein shall be apportioned as follows:

Personnel	\$ 94,479
Travel	14,200
Contractual Services.....	5,000
OCE	10,000
Fixed Assets	-0-

Section 3. Section 3 of Public Law No. 18-15, as amended by Public Laws Nos. 18-25 and 18-41, is hereby further amended to read as follows:

PUBLIC LAW No. 18-54

1 "Section 3. Operating Expenses of the Legislative
2 Branch. The sum of \$4,020,228 or so much thereof as
3 may be necessary, is hereby appropriated from the
4 General Fund of the Federated States of Micronesia for
5 the fiscal year ending September 30, 2014, for the
6 operations of the Legislative Branch of the National
7 Government during fiscal year 2014. The sum
8 appropriated by this section shall be apportioned as
9 follows:

10 (1) Speaker and Members.

11 The sum of \$1,838,771, or so much thereof as may be
12 necessary, for the operations of the Office of the
13 Speaker and Members of the Congress of the Federated
14 States of Micronesia during fiscal year 2014. The sum
15 appropriated herein shall be apportioned as follows:

16	Personnel	\$ 423,290
17	Travel	594,881
18	Contractual Services.....	820,600
19	OCE	-0-
20	Fixed Assets	-0-

21 (2) Staff Offices.

22 The sum of \$1,491,457, or so much thereof as may be
23 necessary, for the operations of the Congress staff
24 offices during fiscal year 2014. The sum appropriated
25 herein shall be apportioned as follows:

PUBLIC LAW No. 18-54

1	Personnel	\$ 817,059
2	Travel.....	135,252
3	Contractual Services.....	318,146
4	OCE PROVIDED THAT up to \$10,000 may be used to	
5	pay expenses incurred during previous fiscal	
6	years.....	162,000
7	Fixed Assets.....	59,000

8 (3) Congress Delegation Offices.

9 The sum of \$690,000, or so much thereof as may be
10 necessary, for the operations of the Congress delegation
11 offices during the fiscal year 2014. Of the amounts
12 appropriated for contractual services within each
13 Delegation Office, up to a maximum of \$25,000 per
14 Member, at the Delegation Offices' discretion, may be
15 used for Member Representation. The sum appropriated is
16 apportioned as follows:

17 (a) Kosrae Delegation Office

18	Travel	\$ 10,000
19	Contractual Services.....	70,000
20	OCE.....	20,000
21	Fixed Assets.....	20,000
22	TOTAL.....	120,000

23 (b) Pohnpei Delegation Office

24	Travel	10,000
25	Contractual Services.....	150,000

PUBLIC LAW No. 18-54

1	OCE.....	\$	30,000
2	Fixed Assets.....		-0-
3	TOTAL.....		190,000
4	(c) Chuuk Delegation Office		
5	Travel		6,000
6	Contractual Services.....		210,000
7	OCE.....		20,000
8	Fixed Assets.....		24,000
9	TOTAL.....		260,000
10	(d) Yap Delegation Office		
11	Travel	\$	10,000
12	Contractual Services.....		80,000
13	OCE.....		25,000
14	Fixed Assets.....		5,000
15	TOTAL.....		120,000"

16 Section 4. Section 4 of Public Law No. 18-15 is hereby
17 amended to read as follows:

18 "Section 4. Operating Expenses of the National
19 Judicial Branch. The sum of \$1,284,533, or so much
20 thereof as may be necessary, is hereby appropriated
21 from the General Fund of the Federated States of
22 Micronesia for the fiscal year ending September 30,
23 2014. The sum appropriated by this section shall be
24 apportioned as follows:

25	Personnel	\$	771,912
----	-----------------	----	---------

PUBLIC LAW No. 18-54

1	Travel	\$	168,015
2	Contractual Services		120,300
3	OCE		175,306
4	Fixed Assets		49,000"

5 Section 5. Section 8 of Public Law No. 18-15, as amended by
6 Public Laws Nos. 18-26 and 18-41, is hereby further amended to
7 read as follows:

8 "Section 8. Grants, Subsidies and Contributions. The
9 sum of \$12,723,198, or so much thereof as may be
10 necessary, is hereby appropriated from the General Fund
11 of the Federated States of Micronesia for the fiscal
12 year ending September 30, 2014 for the following
13 grants, subsidies and contributions during fiscal year
14 2014. Of the total amount of funds appropriated
15 herein, \$-0- shall be deemed to come from funds
16 available under the Amended Compact from the education
17 sector. The sum appropriated by this section shall be
18 apportioned as follows:

19 (1) Office of the President.

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

23 (2) Department of Foreign Affairs.

24	(a) Pacific Is. Forum Secretariat...		46,000
25	(b) Secretariat of the Pacific		

PUBLIC LAW No. 18-54

1	Community (SPC)	\$ 56,000
2	(c) UN Membership Fee	70,000
3	(d) UN Economic and Social Commission	
4	for Asia and the Pacific (ESCAP)	5,000
5	(e) East West Center	5,000
6	(f) Cotonou Membership Fee	12,000
7	(g) 25 th Anniversary FSM-Japan	25,000
8	(h) Compact of Free Association	
9	Historical Project.	150,000
10	(i) SPC Office Rental	45,000
11	(j) IOM/MRC	190,000
12	(k) Micronesian Presidents	
13	Summit — July 2014	10,000
14	(3) <u>Department of Finance and Administration.</u>	
15	(a) OCO Membership Fee	9,000
16	(b) Maintenance Fee for FMIS	55,000
17	(4) <u>Department of Resources and Development.</u>	
18	(a) Pacific Islands Development Program	15,000
19	(b) Forum Fisheries	38,918
20	(c) UNDP	30,000
21	(d) South Pacific Applied	
22	Geoscience Comm. (SOPAC)	15,000
23	(e) Pacific Asia Travel Association.	5,000
24	(f) Micronesian Challenge Endowment.	50,000
25	(g) Western Forestry Leadership Coalition	530

PUBLIC LAW No. 18-54

1	(k) Former Presidents' allowance...	\$ 53,700
2	(l) FSM Social Security.....	1,000,000
3	(m) Staff Housing.....	510,000
4	(n) Recruitment and repatriation....	233,218
5	(o) Satisfy Judgment Lee v. FSM.....	55,000
6	(p) WCPFC Membership Fee (NORMA)....	71,000
7	(q) National Election – Unpaid services	6,213
8	(r) Disaster response to grounded	
9	ship on Pohnpei reef	2,000,000
10	(s) CSCIP prior obligation (rental/	
11	lease agreements and others)	15,000
12	(t) Outstanding obligations of the DOJ	16,168"

13 Section 6. Section 9 of Public Law No. 18-15, as amended by
14 Public Law No. 18-41, is hereby amended to read as follows:

15 "Section 9. Capital and Human Resources Development.
16 The sum of \$19,845,792 or so much thereof as may be
17 necessary, is hereby appropriated from the General Fund of
18 the Federated States of Micronesia for the fiscal year
19 ending September 30, 2014, for the following capital
20 improvements, development programs, and projects and human
21 resources development. Of the total amount of funds
22 appropriated herein, \$2,437,568 shall be deemed to come
23 from funds available under the Amended Compact from the
24 education sector; \$-0- shall be deemed to come from funds
25 available under the Amended Compact from the health

sector; \$-0- shall be deemed to come from funds available under the Amended Compact from public capacity building sector; \$-0- shall be deemed to come from funds available under the Amended Compact from the infrastructure sector; \$-0- shall be deemed to come from funds available under the Amended Compact from the enhanced reporting and accountability sector; and \$799,666 shall be deemed to come from funds available under the Supplemental Education Grant. The sum appropriated by this section shall be apportioned as follows:

(1) College of Micronesia – FSM.

(a) College of Micronesia–FSM.....	\$ 3,800,000
(b) FSM Fisheries and Maritime Institute	755,110
(c) COM-FSM SEG.....	683,346

(2) Department of Finance & Administration

(a) Financial Advisor.....	103,650
(b) Tax Financial Advisor.....	53,800
(c) Tax Reform Project.....	144,000

(3) Department of Resources & Development

(a) Establishment of FSM Assn. Chamber of Commerce	67,000
(b) State Trade Fairs enhancing value addition	50,000
(c) SNLC.....	50,000
(d) FSM Agriculture Census.....	50,000

(4) Department of Transportation,
Communications and Infrastructure.

(a) Outer Island Airport Improvement
to be divided as follows: \$ 1,000,000

(i) Ta airport
improvement 300,000

(ii) Woleai airport
improvement..... 700,000

(b) Congress Chamber Repair..... 150,000

(c) Capital Rehabilitation..... 321,175

(5) Department of Justice

(a) FSS Micronesia – Slipping..... 750,000

(b) Patrol boat major maintenance
project 125,000

(6) Infrastructure Development/IMF

(a) Infrastructure Development
Projects -0-

(b) IMF..... -0-

(7) President's Office

(a) FSM Trust Fund..... 7,000,000

(b) Staff upgrading..... 100,000

(8) Office of SBOC

(a) Monitoring & Reconciliation
in the FSM States 32,500

(9) National Election.

1	(a) National Election (voter ID)...	\$ 25,000
2	(10) <u>Department of Health and Social Affairs</u>	
3	(a) Health Services Specialty	
4	Pathologist	50,000
5	(b) Environmental/water/food/	
6	lab test	78,000
7	(c) Medical Specialized Team.....	195,000
8	(d) Data Validation & Analysis.....	-0-
9	(e) Assistance to States on NCD.....	-0-
10	(f) Capital Suites & Apt. Rent	21,000
11	(11) <u>Department of Education</u>	
12	(a) Accreditation Intervention Project	148,521
13	(b) Data Verification Project.....	37,568
14	(12) <u>FSM Development Bank.</u>	
15	(a) Private Sector Capital.....	-0-
16	(13) <u>Insurance Board.</u>	
17	(a) Improve and strengthen statutory	
18	and regulatory framework.....	100,000
19	(14) <u>Coconut Development Authority.</u>	
20	(a) Hosting of 50 th APCC Session.....	22,000
21	(15) <u>FSM Postal Services</u>	
22	(a) Kosrae Building.....	75,000
23	(16) Video Project.....	30,900
24	(17) FSMTC.....	3,200,000
25	(18) AIP Matching.....	327,222

1 (19) Continental Shelf/Maritime Boundary

2 Task Force\$ 300,000"

3 Section 7. Section 13 of Public Law No. 18-15, as amended
4 by Public Law No. 18-41, is hereby amended to read as follows:

5 "Section 13. Allotment and management of funds and
6 lapse dates.

7 (1) General provisions.

8 (a) All funds appropriated by this act shall be
9 allotted, managed, administered and accounted for in
10 accordance with applicable law, including, but not
11 limited to, the Financial Management Act of 1979.

12 (b) The allottees shall be responsible for
13 ensuring that these funds, or so much thereof as may be
14 necessary, are used solely for the purposes specified
15 in this act, and that no obligations are incurred in
16 excess of the sums appropriated.

17 (2) Allottees. The allottees of the funds
18 appropriated by this act are as follows:

19 (a) Section 2 - the allottee of these funds
20 shall be the President of the Federated States of
21 Micronesia;

22 (b) Section 3 - the allottee of these funds
23 shall be the Speaker of the Congress of the Federated
24 States of Micronesia;

25 (c) Section 4 - the allottee of these funds

1 shall be the Chief Justice of the Supreme Court of the
2 Federated States of Micronesia;

3 (d) Section 5 – the allottee of these funds
4 shall be the Public Auditor of the Federated States of
5 Micronesia;

6 (e) Sections 6 through 9 – the allottee of these
7 funds shall be the President of the Federated States of
8 Micronesia; PROVIDED, HOWEVER, that for the following
9 subsections of sections 8 through 9 of this act:

10 (i) Section 8(6)(g) – the allottee shall be
11 the President of the College of Micronesia – FSM; and

12 (ii) Section 8, (13)(a) through (d) – the
13 allottee of these funds shall be the Chief Justice of
14 the respective State Supreme Court;

15 (iii) Section 8 (10)(a) through (d) – the
16 allottee of these funds shall be the Speaker of the
17 Congress of the Federated States of Micronesia; and

18 (iv) Section 9(1)(a) through (c) – the
19 allottee of these funds shall be the President of the
20 College of Micronesia-FSM;

21 (v) Section 8(4)(q)-the allottee of these
22 funds shall be the Governor of Yap State.

23 (3) Lapse date. The authority of the allottees to
24 obligate funds appropriated by this act shall lapse as
25 of September 30, 2014; PROVIDED, HOWEVER, that the

PUBLIC LAW No. 18-54

1 funds appropriated under section 9 of this act shall
2 not lapse.

3 Section 8. This act shall become law upon approval by the
4 President of the Federated States of Micronesia or upon its
5 becoming law without such approval.

6

7

8

9

April 17, 2014

10

11

12

13

Manny Mori
President
Federated States of Micronesia

14

15

16

17

18

19

20

21

22

23

24

25