



The President
Palikir, Pohnpei
Federated States of Micronesia

PRESIDENTIAL COMM. NO. 1862
FSM CONGRESS

August 15, 2013

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

RECEIVED
AUG 15 2013
FSM Congress
Speakers Office

Dear Speaker Halbert:

I transmit the following congressional acts, which I have signed into laws as follows:

Public Law No. 18-08, Congressional Act No. 18-07, entitled: "AN ACT TO FURTHER AMEND PUBLIC LAW NO. 14-140, AS AMENDED BY PUBLIC LAWS NOS. 15-01 AND 15-04, BY ADDING A NEW SECTION 14, FOR THE PURPOSE OF FORGIVING THE REMAINING BALANCE OF THE RECOVERY LOAN ASSISTANCE EXTENDED TO KOSRAE STATE, AND FOR OTHER PURPOSES."

Public Law No. 18-09, Congressional Act no. 18-08, entitled: "AN ACT TO AMEND PUBLIC LAW NO. 10-31 BY ADDING A NEW SECTION 9, FOR THE PURPOSE OF FORGIVING THE REMAINING BALANCE OF THE RECOVERY LOAN ASSISTANCE EXTENDED TO CHUUK STATE, AND FOR OTHER PURPOSES."

Having signed the foregoing congressional acts into public laws, I take this opportunity to thank you for passing these acts. At the same time, I also wish to express my disappointment because of our failure to institute and enforce the agreed-upon fiscal reforms for Chuuk State and Kosrae State before forgiving these loans. An automatic forgiveness of loans to the States disregards the conditions by which loan assistance was made in the first place.

In an MOU with the National Government, Chuuk State agreed to balance its budget beginning in FY 2008, meaning that its annual expenditures would not exceed gross revenue for a given fiscal year. Conditions of the MOU included: (1) restructuring the executive and legislative branches of the state government within five years through a shift from a bicameral to a unicameral legislature in order to produce a savings of approximately \$1.0 million; (2) installment of a public auditor; and, (3) hiring a special prosecutor.



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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Office of the Chief Clerk

PRESIDENTIAL COMM. NO. 1842
FSM CONGRESS

July 26, 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. 18-08, "AN ACT TO AMEND PUBLIC LAW NO. 10-31 BY ADDING A NEW SECTION 9, FOR THE PURPOSE OF FORGIVING THE REMAINING BALANCE OF THE RECOVERY LOAN ASSISTANCE EXTENDED TO CHUUK STATE, AND FOR OTHER PURPOSES.", which was passed by the Eighteenth Congress of the Federated States of Micronesia, First 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 blue ink, reading "Liwiana Ramon Ioanis".

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

Enclosures



PRESIDENTIAL COMM. NO. 1862
FSM CONGRESS

EIGHTEENTH CONGRESS OF THE
FEDERATED STATES OF MICRONESIA
FIRST SPECIAL SESSION
JULY 15 - 24, 2013

PUBLIC LAW No. 18-09

An Act

TO AMEND PUBLIC LAW NO. 10-31 BY ADDING A NEW SECTION 9, FOR THE PURPOSE OF FORGIVING THE REMAINING BALANCE OF THE RECOVERY LOAN ASSISTANCE EXTENDED TO CHUUK STATE, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: JOSEPH J. URUSEMAL AND WESLEY W. SIMINA

DATE: JULY 19, 2013

REFERRED TO: COMMITTEE ON WAYS AND MEANS

S.C.R. NO. 18-24 – JULY 23, 2013

FIRST READING: JULY 23, 2013

SECOND READING: JULY 24, 2013

Liwiana Ramon Ioanis
Chief Clerk, FSM Congress



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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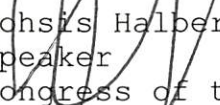
Office of the Speaker


PRESIDENTIAL COMM. NO. 18-62
FSM CONGRESS

ACT NO. 18-08

(CONGRESSIONAL BILL NO. 18-31)

We hereby certify that on July 24 the foregoing act passed Second and Final Reading of the Eighteenth Congress of the Federated States of Micronesia, First 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

The Honorable Dohsis Halbert
August 15, 2013
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PRESIDENTIAL COMM. NO. 18-62
FSM CONGRESS

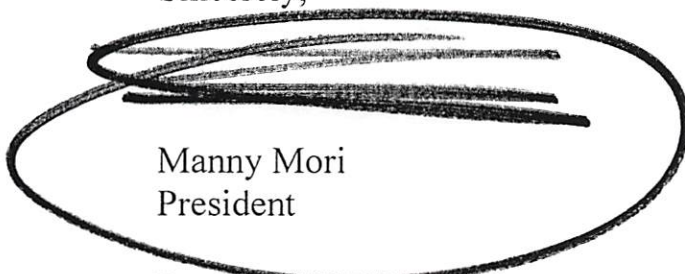
These conditions have not been fulfilled. For Kosrae State, similar financial reforms were discussed; however, its cash flow has not improved. The two States' outstanding debts may be erased from their respective books through these acts, but the needed reforms will remain without being resolved.

I wish to note that Congressional Act No. 18-08 fails to consider another loan made to Chuuk State pursuant to Public Law No. 17-68 in the amount of \$978,860 for FEMA reimbursement. There is a lack of intention for Chuuk State to repay the loan for FEMA, as evidenced by their failure to sign a promissory note.

I respectfully urge that Congress to seriously consider forgiving this loan as well.

With warm personal regards, I remain,

Sincerely,



Manny Mori
President

Enclosures:

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

Office of the President, P.O. Box PS 53, Palikir, Pohnpei, FM 96941

EIGHTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST SPECIAL SESSION, 2013

CONGRESSIONAL BILL NO. 18-31

PUBLIC LAW No. 18-09

AN ACT

To amend Public Law No. 10-31 by adding a new section 9, for the purpose of forgiving the remaining balance of the recovery loan assistance extended to Chuuk State, and for other purposes.

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

1 Section 1. Purpose. The purpose of this act is to absolve
2 Chuuk State from repayment of the loan provided them by the
3 National Government in 1997. Through Public Law No. 10-31, the
4 National Government provided loan assistance to Chuuk State in the
5 amount of \$3,761,987 to alleviate the financial crisis the state
6 was then facing. The balance currently outstanding is \$748,804.
7 Due to the current financial position of the State of Chuuk, it is
8 prudent the National Government extend further assistance by
9 forgiving the loan balance of \$748,804.

10 Section 2. Public Law No. 10-31 is hereby amended by adding
11 a new section 9 to read as follows:

12 "Section 9. The balance of the loan assistance provided
13 to Chuuk State through Public Law No. 10-31 is hereby
14 forgiven; the State of Chuuk is hereby absolved from its
15 remaining obligations under the loan agreement entered
16 into pursuant to section 4 of Public Law No. 10-31."

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PUBLIC LAW No. 18-09

1 Section 3. 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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August 15, 2013


Manny Mori
President
Federated States of Micronesia