May 28, 2014

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

Dear Speaker Halbert:

I am returning the following Congressional Act, which I signed to become Public Law No. 18-62. However, I have item vetoed an item as explained below:

Congressional Act No. 18-66, entitled: "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF $1,294,000 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 2, 3 AND 8 AND OF PUBLIC LAW NO. 18-15, AS AMENDED BY PUBLIC LAWS NOS. 18-26, 18-41 AND 18-54, TO CORRECT TECHNICAL ERRORS, AND FOR OTHER PURPOSES."

While I agree on the importance of seeking air service alternatives for our nation, I prefer that we wait for the Airline Task Force to conduct and submit a cost-benefit analysis to support the $1,000,000 subsidy, as explained in my transmittal of Public law No. 18-54. Absent this analysis, I am again compelled to line item veto the $1,000,000 appropriation for the airline subsidy. As a matter of fact, there is no committee report that explains the rationale for the airline subsidy and the strategy employed to recoup it. Also there is no justification given as to why two states could not be accommodated in the subsidized airline services. These are major considerations that require in-depth analysis before the National Government can knowingly commit its resources.

Also, there are typographical errors in the title of the Act and in section 8 thereof, which omits a reference to Public Law No. 18-54. Even though the errors do not constitute constitutional defects, Congress needs to rectify them as soon as possible.

Sincerely,

Manny Mori
President

xc: Chief Justice, FSM Supreme Court
Secretary, Department of Justice
Director, Office of SBOC
Legislative Counsel, CFSM
Library, CFSM
PIO, FSM
May 21, 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. 18-66, "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF $1,294,000 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 2, 3 AND 8 AND OF PUBLIC LAW NO. 18-15, AS AMENDED BY PUBLIC LAWS NOS. 18-26, 18-41 AND 18-54, TO CORRECT TECHNICAL ERRORS, AND FOR OTHER PURPOSES", which was passed by the Eighteenth Congress of the Federated States of Micronesia, Fourth Regular Session, 2014, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

\[Signature\]

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

Enclosures
An Act

TO APPROPRIATE A SUPPLEMENTAL BUDGET OF $1,294,000 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 2, 3 AND 8 AND OF PUBLIC LAW NO. 18-15, AS AMENDED BY PUBLIC LAWS NOS. 18-26, 18-41 AND 18-54, TO CORRECT TECHNICAL ERRORS, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: VICTOR GOULAND
DATE: MAY 16, 2014

REFERRED TO: COMMITTEE ON WAYS AND MEANS
WITHDRAWN — MAY 19, 2014
FIRST READING: MAY 19, 2014
SECOND READING: MAY 20, 2014

Liwiana Ramon Ioalii
Chief Clerk, FSM Congress
ACT NO. 18-66

(CONGRESSIONAL BILL NO. 18-166, C.D.1)

We hereby certify that on May 20 the foregoing act passed Second and Final Reading of the Eighteenth Congress of the Federated States of Micronesia, Fourth Regular 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.

Dohsis Halbert
Speaker
Congress of the
Federated States of Micronesia

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

To appropriate a supplemental budget of $1,294,000 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2014, by amending sections 1, 2, 3 and 8 and of Public Law No. 18-15, as amended by Public Laws Nos. 18-26, 18-41 and 18-54, to correct technical errors, and for other purposes.

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

Section 1. Section 1 of Public Law No. 18-15, as amended by Public Laws Nos. 18-26, 18-41 and 18-54, is hereby further amended to read as follows:

"Section 1. Title. The title of this act is as follows: To appropriate the sum of $58,784,711 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2014, for the purpose of funding the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, grants, subsidies and contributions and Capital and Human Resources Development. Of the total amount of funds appropriated herein, $2,437,568 shall be deemed to come from funds available under the Amended Compact from the education sector; $-0- shall be deemed to come from funds available under the Amended Compact from the health 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
$312,492 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) **Office of the President.**
The sum of $736,064, or so much thereof as may be
necessary, for the operations of the Office of the
President during the fiscal year 2014. The sum
appropriated herein shall be apportioned as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Personnel</td>
<td>$312,956</td>
</tr>
<tr>
<td>Travel</td>
<td>$143,324</td>
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<tr>
<td>Contractual Services</td>
<td>$186,000</td>
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<tr>
<td>OCE</td>
<td>$85,284</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$8,500</td>
</tr>
</tbody>
</table>

(2) **Department of Foreign Affairs.**
The sum of $4,233,234, or so much thereof as may be
necessary, for the operations of the Department of
Foreign Affairs during the fiscal year 2014. The sum
appropriated herein shall be apportioned as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$1,298,833</td>
</tr>
<tr>
<td>Travel</td>
<td>$265,004</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$2,239,565</td>
</tr>
</tbody>
</table>
Infrastructure.
The sum of $2,695,785, or so much thereof as may be necessary, for the operations of the Department of Transportation, Communications and Infrastructure during the fiscal year 2014. Of the total amount of funds appropriated herein, $-0- shall be deemed to come from funds available under the Amended Compact from the infrastructure sector. The sum appropriated herein shall be apportioned as follows:

Personnel ......................................... $  744,353
Travel ......................................................... 217,913
Contractual Services ................................. 1,534,874
OCE ............................................................. 73,645
Fixed Assets .................................................. 125,000

(6) Department of Health and Social Affairs.
The sum of $819,499, or so much thereof as may be necessary, for the operations of the Department of Health and Social Affairs during the fiscal year 2014. Of the total amount of funds appropriated herein, $-0- shall be deemed to come from funds available under the Amended Compact from the health sector. The sum appropriated herein shall be apportioned as follows:

Personnel .................................................. $  436,397
Travel ....................................................... 202,484
Contractual Services ................................. 72,950
1  OCE ................................................. $ 107,668
2  Fixed Assets ........................................ -0-
3  
4  (7) Department of Education.
5  The sum of $1,182,281, or so much thereof as may be
6  necessary, for the operations of the Department of
7  Education during the fiscal year 2014. Of the total
8  amount of funds appropriated herein, $-0- shall be
9  deemed to come from funds available under the Amended
10  Compact from the education sector; and $312,492 shall
11  be deemed to come from funds available under the
12  Supplemental Education Grant. The sum appropriated
13  herein shall be apportioned as follows:
14  Personnel................................................. $ 405,775
15  Travel...................................................... 147,238
16  Contractual Services................................. 519,752
17  OCE ....................................................... 89,333
18  Fixed Assets ........................................... 20,183
19  
20  (8) Department of Justice.
21  The sum of $2,954,008, or so much thereof as may be
22  necessary, for the operations of the Department of
23  Justice during the fiscal year 2014. The sum
24  appropriated herein shall be apportioned as follows:
25  Personnel ..................................................$ 2,185,029
26  Travel ..................................................... 163,306
27  Contractual Services................................. 214,103
(9) **Office of the Public Defender.**

The sum of $891,094, or so much thereof as may be necessary, for the operations of the Office of the Public Defender during the fiscal year 2014. The sum appropriated herein shall be apportioned as follows:

- Personnel $636,693
- Travel $72,401
- Contractual Services $55,350
- OCE $75,100
- Fixed Assets $51,550

(10) **Office of Statistics, Budget, Overseas Development Assistance and Compact Management.**

The sum of $1,110,634, or so much thereof as may be necessary, for the operations of the Office of Statistics, Budget, Official Development Assistance and Compact Management during the fiscal year 2014. The sum appropriated herein shall be apportioned as follows:

- Personnel $565,722
- Travel $122,455
- Contractual Services $265,117
- OCE $127,340
- Fixed Assets $30,000
(11) **Office of Environment and Emergency Management.**

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. Operating Expenses of the Legislative Branch. The sum of $4,264,228 or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2014, for the operations of the Legislative Branch of the National Government during fiscal year 2014. The sum appropriated by this section shall be apportioned as follows:

(1) Speaker and Members.

The sum of $2,062,771, or so much thereof as may be necessary, for the operations of the Office of the Speaker and Members of the Congress of the Federated States of Micronesia during fiscal year 2014. The sum appropriated herein shall be apportioned as follows:

- Personnel ............................................ $423,290
- Travel ................................................. 734,881
- Contractual Services ............................... 904,600
- OCE ..................................................... -0-
- Fixed Assets .......................................... -0-

(2) Staff Offices.

The sum of $1,511,457, or so much thereof as may be necessary, for the operations of the Congress staff offices during fiscal year 2014. The sum appropriated
herein shall be apportioned as follows:

Personnel ........................................... $ 817,059
Travel ............................................. 155,252
Contractual Services....................... 318,146
OCE PROVIDED THAT up to $10,000 may be used to
pay expenses incurred during previous fiscal
years ............................................ 162,000
Fixed Assets.................................. 59,000

(3) Congress Delegation Offices.

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

(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
1 Contractual Services $ 150,000
2 OCE 30,000
3 Fixed Assets -0-  
4 TOTAL 190,000
5 (c) Chuuk Delegation Office
6 Travel 6,000
7 Contractual Services 210,000
8 OCE 20,000
9 Fixed Assets 24,000
10 TOTAL 260,000

(d) Yap Delegation Office
12 Travel 10,000
13 Contractual Services 80,000
14 OCE 25,000
15 Fixed Assets 5,000
16 TOTAL 120,000

Section 4. Section 8 of Public Law No. 18-15, as amended by Public Laws Nos. 18-26 and 18-41, is hereby further amended to read as follows:

"Section 8. Grants, Subsidies and Contributions. The sum of $12,773,198, or so much thereof as may be necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2014 for the following grants, subsidies and contributions during fiscal year
2014. Of the total amount of funds appropriated herein, §0- shall be deemed to come from funds available under the Amended Compact from the education sector. The sum appropriated by this section shall be apportioned as follows:

(1) **Office of the President.**

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

(2) **Department of Foreign Affairs.**

(a) Pacific Is. Forum Secretariat... 46,000
(b) Secretariat of the Pacific Community (SPC) ......................... 56,000
(c) UN Membership Fee............. 70,000
(d) UN Economic and Social Commission for Asia and the Pacific (ESCAP) ......... 5,000
(e) East West Center................... 5,000
(f) Cotonou Membership Fee.......... 12,000
(g) 25th Anniversary FSM-Japan....... 25,000
(h) Compact of Free Association Historical Project...................... 150,000
(i) SPC Office Rental............... 45,000
(j) IOM/MRC......................... 190,000
(k) Micronesian Presidents Summit – July 2014 ......................... 10,000
(3) Department of Finance and Administration.
   (a) OCO Membership Fee .................. $ 9,000
   (b) Maintenance Fee for FMIS ............. 55,000

(4) Department of Resources and Development.
   (a) Pacific Islands Development Program 15,000
   (b) Forum Fisheries ...................... 38,918
   (c) UNDP ................................. 30,000
   (d) South Pacific Applied Geoscience Comm. (SOPAC) ....................... 15,000
   (e) Pacific Asia Travel Association ...... 5,000
   (f) Micronesian Challenge Endowment ... 50,000
   (g) Western Forestry Leadership Coalition 530
   (h) Food Agriculture Organization (FAO) 4,800
   (i) Matching for SPC Projects .......... 60,000
   (j) Micronesian Challenge ............... 10,000
   (k) Micronesia Cruise Assoc ............ 2,500
   (l) International Animal Health
   Organization (OIE) ..................... 23,000
   (m) SPC Site Rental ..................... 10,000
   (n) IRENA ................................ 250
   (o) Micronesia Trade Cmte .............. 30,000
   (p) Convention on Biological Diversity (CBD) ......................... 1,000
   (q) FSM performers to the Confolens festival ....................... 75,000
(r) Tourism /air services promotion $10,000

(5) Department of Health and Social Affairs.

(a) UN Fund for Population Activity (UNFPA) $3,000

(b) World Health Organization (WHO).

(c) National Board of Nursing

& Med Licensing ........................................ 20,000

(d) Pacific Islands Health Officers

Association (PIHOA) ................................. 10,000

(e) FSM Amateur Sports Association.. 20,000

(f) Association of Territorial

Health Organization ............................... 7,000

(g) FSM Red Cross ................................. 70,000

(h) UNICEF (vaccines) ......................... 20,000

(6) Department of Education.

(a) Aid for Non-Public School........ 500,000

(b) Financial Assistance to FSM

students attending CMI .......................... 25,000

(c) Financial Assistance to FSM

students attending PCC ......................... 50,000

(d) National scholarship................. 1,000,000

(e) National Close-Up......................... 70,000

(f) National Merit Scholarship........ 200,000

(g) COM Board annual meeting.......... 5,000

(h) School Accreditation Program.... 20,733

(i) Teacher Certification Project... 110,339
(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) General Operation of CIA $145,000
(g) Voyager Drydocking $1,263,000
(h) Investment in air service route

(Our Airline) $1,000,000

(i) FSM airline task force $75,000

(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

(10) Congress of the Federated States of Micronesia
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<th></th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>(a) Update FSM Code</td>
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<tr>
<td>2</td>
<td>(b) IPU Conference</td>
<td>20,000</td>
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<td>3</td>
<td>(c) Climate Change Conferences</td>
<td>20,000</td>
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<tr>
<td>4</td>
<td>(d) Confolens Festival</td>
<td>100,000</td>
</tr>
<tr>
<td>5</td>
<td>(11) Office of E.E.M.</td>
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<tr>
<td>6</td>
<td>(a) SPREP</td>
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<td>7</td>
<td>(b) UNEP</td>
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<td>8</td>
<td>(c) SPREP/Noumea Convention</td>
<td>1,764</td>
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<tr>
<td>9</td>
<td>(d) Waigani Convention</td>
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<td>10</td>
<td>(e) UN Convention to Combat Desertification</td>
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<td>11</td>
<td>(f) UN Framework Convention (UNFCC)</td>
<td>250</td>
</tr>
<tr>
<td>12</td>
<td>(g) Earth Day Activities</td>
<td>15,000</td>
</tr>
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<td>13</td>
<td>(h) 3rd Annual EPA Directors' Meeting</td>
<td>20,000</td>
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<tr>
<td>14</td>
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<tr>
<td>15</td>
<td>(12) Office of NACHP</td>
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<td>16</td>
<td>(a) UNESCO</td>
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<td>(b) NCSHPO</td>
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<td>18</td>
<td>(c) PARBICA</td>
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<td>19</td>
<td>(d) PIALA</td>
<td>100</td>
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<tr>
<td>20</td>
<td>(e) WHC Membership Fee</td>
<td>54</td>
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<td>21</td>
<td>(13) Coconut Development Authority</td>
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<tr>
<td>22</td>
<td>(a) Copra subsidy</td>
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<td>23</td>
<td>(b) Asia Pacific Coconut Community (APCC)</td>
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<tr>
<td>24</td>
<td>(14) Other Grants, Subsidies and Contributions</td>
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<td>25</td>
<td>(a) Kosrae Judiciary Subsidy</td>
<td>35,000</td>
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<td></td>
<td>Description</td>
<td>Amount</td>
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<tr>
<td>1</td>
<td>(b) Pohnpei Judiciary Subsidy</td>
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<tr>
<td>2</td>
<td>(c) Chuuk Judiciary Subsidy</td>
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<td>3</td>
<td>(d) Yap Judiciary Subsidy</td>
<td>$35,000</td>
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<td>4</td>
<td>(e) COM Treaty Obligations</td>
<td>$25,000</td>
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<td>5</td>
<td>(f) Micronesian Legal Services Corporation</td>
<td>$250,000</td>
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<td>(g) Disaster Assistance Emergency Fund (DAEF) Matching</td>
<td>$200,000</td>
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<tr>
<td>7</td>
<td>(h) MiCare</td>
<td>$100,000</td>
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<tr>
<td>8</td>
<td>(i) MLFC Loan Payment</td>
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<td>9</td>
<td>(j) FY12 Single Audit</td>
<td>$329,250</td>
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<tr>
<td>10</td>
<td>(k) Former Presidents' allowance</td>
<td>$53,700</td>
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<tr>
<td>11</td>
<td>(l) FSM Social Security</td>
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<td>12</td>
<td>(m) Staff Housing</td>
<td>$510,000</td>
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<tr>
<td>13</td>
<td>(n) Recruitment and repatriation</td>
<td>$233,218</td>
</tr>
<tr>
<td>14</td>
<td>(o) Satisfy Judgment Lee v. FSM</td>
<td>$55,000</td>
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<tr>
<td>15</td>
<td>(p) WCPF Membership Fee (NORMA)</td>
<td>$71,000</td>
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<tr>
<td>16</td>
<td>(q) National Election – Unpaid services</td>
<td>$6,213</td>
</tr>
<tr>
<td>17</td>
<td>(r) Disaster response to grounded ship on Pohnpei reef</td>
<td>$2,000,000</td>
</tr>
<tr>
<td>18</td>
<td>(s) CSCIP prior obligation (rental/lease agreements and others)</td>
<td>$15,000</td>
</tr>
<tr>
<td>19</td>
<td>(t) Outstanding obligations of the DOJ</td>
<td>$16,168</td>
</tr>
</tbody>
</table>

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

May 28, 2014

Manny Mori
President
Federated States of Micronesia