July 25, 2014

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

Dear Speaker Halbert:

I transmit the following Congressional Act, which I have signed to become Public Law No. 18-75, but with serious reservations as explained in this letter:

Congressional Act No. 18-91, entitled: "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF $587,101 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTION 1, 2 AND 3 OF PUBLIC LAW NO. 18-15, AS AMENDED BY PUBLIC LAWS NOS. 18-26, 18-14, 18-54 AND 18-62, AND FOR OTHER PURPOSES."

As with previous Congressional Acts, there are no committee reports to explain all the additional funds being allocated resulting in a lack of transparency and fiscal responsibility, especially in light of the severe decrease in funding facing the FSM in 2023. For instance, without such committee reports or public hearings, there is no justification for Congress increasing its own budget less than a month after the last Session (CA 18-62 passed on 6/12/2014 and CA 18-91 passed on 7/11/2014...just 29 days later). On that basis, I prefer to item veto the defective line items. But the supplemental budget does not accord the President any chance to veto the defective line items because doing so means that the fund balances remaining in the line items are cancelled, which could cause severe disruption to the operation of the national government.

Once again I urge Congress to hold public hearings on all appropriations and provide committee reports in order to provide transparency into our Government by providing justification for all expenditures as well as clear directions to the Executive Branch for implementation purposes. Without a public hearing or a committee report, appropriation ends up becoming questionable as illustrated by Congressional Act No. 18-91.

Sincerely,

Manny Mori
President

xc: Chief Justice, FSM Supreme Court
Secretary, Department of Justice
Director, Office of SBO
Legislative Counsel, CFSM
Library, CFSM
PIO, FSM
July 15, 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. 18–91, "AN ACT TO APPROPRIATE A SUPPLEMENTAL BUDGET OF $587,101 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 2 AND 3 OF PUBLIC LAW NO. 18–15, AS AMENDED BY PUBLIC LAWS NOS. 18–26, 18–41, 18–54 AND 18–62, AND FOR OTHER PURPOSES. ", which was passed by the Eighteenth Congress of the Federated States of Micronesia, Fourth Special Session, 2014, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

[Signature]

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

Enclosures
An Act

TO APPROPRIATE A SUPPLEMENTAL BUDGET OF $587,101 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2014, BY AMENDING SECTIONS 1, 2 AND 3 OF PUBLIC LAW NO. 18-15, AS AMENDED BY PUBLIC LAWS NOS. 18-26, 18-41, 18-54 AND 18-62, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: FLORENCIO S. HARPER (BY REQUEST)
DATE: JULY 9, 2014

REFERRED TO: COMMITTEE ON WAYS AND MEANS
WITHDRAWN – JULY 10, 2014
FIRST READING: JULY 10, 2014
SECOND READING: JULY 11, 2014

Liwiana Ramonioanis
Chief Clerk, FSM Congress
We hereby certify that on July 11 the foregoing act passed Second and Final Reading of the Eighteenth Congress of the Federated States of Micronesia, Fourth 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.

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 $587,101 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2014, by amending sections 1, 2 and 3 of Public Law No. 18-15, as amended by Public Laws Nos. 18-26, 18-41, 18-54 and 18-62, 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, as amended by
2 Public Law No. 18-26, 18-41 18-54 and 18-62, is hereby further
3 amended to read as follows:

   "Section 1. Title. The title of this act is as
5 follows: To appropriate the sum of $59,335,812 from the
6 General Fund of the Federated States of Micronesia for
7 the fiscal year ending September 30, 2014, for the
8 purpose of funding the operations of all branches of the
9 National Government of the Federated States of
10 Micronesia, its agencies, various programs, grants,
11 subsidies and contributions and Capital and Human
12 Resources Development. Of the total amount of funds
13 appropriated herein, $2,437,568 shall be deemed to come
14 from funds available under the Amended Compact from the
15 education sector; $-0- shall be deemed to come from
16 funds available under the Amended Compact from the
17 health sector; $-0- shall be deemed to come from funds
18 available under the Amended Compact from the
infrastructure sector; $315,000 shall be deemed to come from funds available under the Amended Compact from the public sector capacity building; $0- shall be deemed to come from funds available under the Amended Compact from the enhanced reporting and accountability sector; and $1,112,158 shall be deemed to come from funds available under the Supplemental Education Grant. The sum appropriated herein shall be apportioned as follows:"

Section 2. Section 2 of Public Law No. 18-15, as amended by Public Law No. 18-41 and 18-62, is hereby amended to read as follows:

"Section 2. Operating expenses of the Executive Branch. The sum of $18,122,428, 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 purpose of funding the operations of the Executive Branch of the National Government 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 education sector; $0- shall be deemed to come from funds available under the Amended Compact from the health sector; $315,000 shall be deemed to come from funds available under the Amended Compact from the infrastructure sector; $0- shall be deemed to come
1 from funds available under the Amended Compact from the
2 enhanced reporting and accountability sector; and
3 $312,492 shall be deemed to come from funds available
4 under the Supplemental Education Grant. The sum
5 appropriated by this section shall be apportioned as
6 follows:
7
7 (1) Office of the President.
8
8 The sum of $788,165, or so much thereof as may be
9 necessary, for the operations of the Office of the
10 President during the fiscal year 2014. The sum
11 appropriated herein shall be apportioned as follows:
12 Personnel .............................................. $ 312,956
13 Travel .................................................. 167,324
14 Contractual Services................................. 206,000
15 OCE ...................................................... 93,385
16 Fixed Assets ........................................... 8,500
17
17 (2) Department of Foreign Affairs.
18
18 The sum of $4,283,234, or so much thereof as may be
19 necessary, for the operations of the Department of
20 Foreign Affairs during the fiscal year 2014. The sum
21 appropriated herein shall be apportioned as follows:
22 Personnel .................................................. $ 1,298,833
23 Travel ..................................................... 315,004
24 Contractual Services................................. 2,239,565
25 OCE ......................................................... 326,832
26 Fixed Assets ........................................... 103,000

3 of 11
(3) Department of Finance and Administration.

The sum of $1,775,449, or so much thereof as may be necessary, for the operations of the Department of Finance and Administration during the fiscal year 2014. The sum appropriated herein shall be apportioned as follows:

Personnel........................................... $ 1,138,698
Travel ............................... 203,922
Contractual Services..................... 175,329
OCE ........................................ 231,500
Fixed Assets ................................. 26,000

(4) Department of Resources and Development.

The sum of $856,179, or so much thereof as may be necessary, for the operations of the Department of Resources and Development during the fiscal year 2014. The sum appropriated herein shall be apportioned as follows:

Personnel........................................... $ 527,160
Travel ............................... 121,260
Contractual Services..................... 54,307
OCE ........................................ 120,352
Fixed Assets ................................. 33,100

(5) Department of Transportation, Communications and Infrastructure.

The sum of $3,010,785, 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, $315,000 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 Services1.............................. 1,534,874
OCE .................................................. 73,645
Fixed Assets........................................... 125,000
PMU Operations........................................ 315,000

(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
OCE ..................................................... 107,668
Fixed Assets .......................................... $0-

(7) Department of Education.
The sum of $1,182,281, or so much thereof as may be necessary, for the operations of the Department of Education 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 education sector; and $312,492 shall be deemed to come from funds available under the Supplemental Education Grant. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................ $ 405,775
Travel ................................................ 147,238
Contractual Services......................... 519,752
OCE .................................................... 89,333
Fixed Assets ........................................ 20,183

(8) Department of Justice.

The sum of $2,954,008, or so much thereof as may be necessary, for the operations of the Department of Justice during the fiscal year 2014. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................ $ 2,185,029
Travel ................................................ 163,306
Contractual Services......................... 214,103
OCE .................................................... 266,770
Fixed Assets ........................................ 124,800

(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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$636,693</td>
</tr>
<tr>
<td>Travel</td>
<td>72,401</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>55,350</td>
</tr>
<tr>
<td>OCE</td>
<td>75,100</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>51,550</td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$565,722</td>
</tr>
<tr>
<td>Travel</td>
<td>122,455</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>265,117</td>
</tr>
<tr>
<td>OCE</td>
<td>127,340</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>30,000</td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$169,786</td>
</tr>
<tr>
<td>Travel</td>
<td>$70,735</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$65,000</td>
</tr>
<tr>
<td>OCE</td>
<td>$21,900</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$0</td>
</tr>
</tbody>
</table>

(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:

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel</td>
<td>$94,479</td>
</tr>
<tr>
<td>Travel</td>
<td>$14,200</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>$5,000</td>
</tr>
<tr>
<td>OCE</td>
<td>$10,000</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>$0</td>
</tr>
</tbody>
</table>

Section 3 of Public Law No. 18-15, as amended by Public Laws Nos. 18-26, 18-41, 18-54 and 18-62, is hereby further amended to read as follows:

"Section 3. Operating Expenses of the Legislative Branch. The sum of $4,434,228 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 $2,202,771, or so much thereof as may be
necessary, for the operations of the Office of the
Speaker and Members of the Congress of the Federated
States of Micronesia during fiscal year 2014. The sum
appropriated herein shall be apportioned as follows:
Personnel ..............................................$ 423,290
Travel ................................................. 734,881
Contractual Services ......................... 1,044,600
OCE ...................................................... -0-
Fixed Assets ........................................ -0-

(2) Staff Offices.
The sum of $1,541,457, or so much thereof as may be
necessary, for the operations of the Congress staff
offices during fiscal year 2014. The sum appropriated
herein shall be apportioned as follows:
Personnel ..............................................$ 817,059
Travel ................................................. 185,252
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

(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

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>$10,000</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>70,000</td>
</tr>
<tr>
<td>OCE</td>
<td>20,000</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>20,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>120,000</td>
</tr>
</tbody>
</table>

(b) Pohnpei Delegation Office

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>10,000</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>150,000</td>
</tr>
<tr>
<td>OCE</td>
<td>30,000</td>
</tr>
<tr>
<td>Fixed Assets</td>
<td>0</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>190,000</td>
</tr>
</tbody>
</table>

(c) Chuuk Delegation Office

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Travel</td>
<td>6,000</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>210,000</td>
</tr>
<tr>
<td>OCE</td>
<td>20,000</td>
</tr>
</tbody>
</table>
CONGRESSIONAL BILL NO. 18-199, C.D.2, C.D.3

1. Fixed Assets $24,000
2. TOTAL $260,000

3. (d) Yap Delegation Office
4. Travel $10,000
5. Contractual Services $80,000
6. OCE $25,000
7. Fixed Assets $5,000
8. TOTAL $120,000

9. Section 4. This act shall become law upon approval by the
10. President of the Federated States of Micronesia or upon its
11. becoming law without such approval.

16. [Signature]
17. 2014
18. [Signature]
19. Manny Mori
20. President
21. Federated States of Micronesia

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