

STANDING COMMITTEE REPORT NO. 20-76

RE: PRESIDENTIAL COMMUNICATION NO. 20-211

SUBJECT: FY 2019 RECOMMENDED BUDGET/EXAFF

SEPTEMBER 17, 2018

The Honorable Wesley Simina
Speaker, Twentieth Congress
Federated States of Micronesia
Fifth Regular Session, 2018

Dear Mr. Speaker:

Your Committee on External Affairs to which was jointly referred Presidential Communication No. 20-211 transmitting the National Government's proposed fiscal year 2019 budget, begs leave to report as follows:

Presidential Communication No. 20-211 was transmitted to Congress with the *National Government Fiscal Year 2019 Recommended Budget* ("Budget Book"). Pursuant to Rule 7, Section 5(b), of the Official Rules of Procedure of the Twentieth Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the proposed budget relating to matters under its jurisdiction. These are:

1. FSM Consulate Office, Hawaii
2. FSM Consulate Office, Guam
3. FSM Consulate Office, Portland
4. FSM Embassy, Tokyo, Japan
5. UN Mission, New York
6. FSM Embassy, Suva, Fiji
7. FSM Embassy, Washington, D.C.
8. FSM Embassy, Beijing, China
9. Department of Foreign Affairs:
 - a. Office of the Secretary;
 - b. Asia Pacific Africa & Multilateral Affairs;

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- c. American and European Affairs.
- 10. Office of Veteran's Affairs;
- 11. Grants, subsidies and contributions:
 - a. The Forum Secretariat;
 - b. Secretariat for the Pacific Community;
 - c. United Nations Economic and Social Commission for Asia and Pacific (ESCAP);
 - d. UN Membership fee;
 - e. East-West Center;
 - f. ACP Cotonou Membership;
 - g. SPC Office Rental;
 - h. Diplomatic Relations (China-FSM);
 - i. Hosting of Pacific Island Forum
 - j. SIS Program;
 - k. IOM Membership fees (2012 -2017);
 - l. Pacific Island Forum arrears; and
 - m. SPC Hosting Grant
- 12. Capital and Human Resources Development
 - a. Acting Capacity role
 - b. FSM Embassy in Suva, Fiji residences

This report and all previous and subsequent reports by your Committee should be treated as policy for this Nation as defined by Congress. It is your Committee's intent that any commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies and offices in the obligations and expenditures of their respective budgets and implementation of their programs.

Your Committee conducted a series of public hearings following the convening of the Fourth Regular Session of the Twentieth Congress on May 11, 2018, and continued during the Fifth Special Session of the Twentieth Congress on August 2 to 7, 2018. The mark up meeting of the Committee was held on Wednesday, August 8, 2018, a day after the adjournment of the Fifth Special Session of the Twentieth Congress. The report and recommendations that follow are based upon the information contained in the *Budget Book* and the input provided by the Secretaries, Ambassadors, Consuls General, staff of the Division of Budget and staff of the various departments during those hearings.

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DISCUSSION OF THE PROPOSED FY 2019 BUDGET

The figures shown in the charts below for the Department of Foreign Affairs include the total amount appropriated in FY 2018; the FY 2019 amount requested, and the amount transmitted as recommended for FY 2019. The last column is the amount recommended by your Committee for FY 2019.

The FY18 OVERALL appropriated figures in the five categories were pursuant to Public Law No. 20-94. The significant increase of \$118,718 (FY18 appropriated of \$1, 558,196 minus FY19 recommended of \$1,676,914 under the Personnel Category is to accommodate the salaries for First Secretaries in some overseas missions.

DEPARTMENT OF FOREIGN AFFAIRS – OVERALL

	FY 2018 Apppr.	FY 2019 Proposed	FY19 Recomm	Committee Recommends
Personnel	\$1,558,196	\$1,645,023	\$1,676,914	\$1,676,914
Travel	\$337,508	\$348,703	\$348,703	\$322,264
Contract.Serv.	\$2,561,652	\$2,769,543	\$2,769,543	\$2,752,488
OCE	\$298,672	\$335,282	\$335,282	\$336,007
Fixed Assets	\$121,006	\$106,408	\$106,408	\$106,408
Total	\$4,565,881	\$5,204,959	\$5,236,850	\$5,194,081
No. Employees	39	42	42	42

The FY18 appropriation was \$4,565,881. For FY19 budget, your Committee recommends \$5,194,081. **The increase is \$628,200.**

I. FSM Consulate, Hawaii

	FY 2018 Appro.	FY 2019 Proposed	FY19 Recom	Committee Recommends
Personnel	\$127,211	\$125,882	\$128,110	\$128,110
Travel	\$12,732	\$12,732	\$12,732	\$12,732
Contract.Serv.	\$212,982	\$216,434	\$216,434	\$216,434
OCE	\$31,950	\$34,950	\$34,950	\$34,950
Fixed Assets	\$0	\$32,000	\$32,000	\$32,000
Total	\$345,094	\$421,998	\$424,226	\$424,226

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No. Employees	4	4	4	4
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The total increase for the FSM Consulate, Hawaii office from FY18 appropriation to FY19 recommended is \$39,351.

Personnel – The recommended amount of \$128,110 is for four employees inclusive of fringe benefits, which is a \$899 increase, as compared to the FY18 appropriation. The slight increase is on fringe benefit. Your Committee recommends **\$128,110**.

Travel – An amount of \$12,732 was appropriated in fiscal year 2018. For FY 2019, the same amount is requested and recommended. Your Committee recommends **\$12,732**.

Contractual Services– The amount appropriated in FY 2018 was \$212,732. The request for FY 2019 is 216,434, which is a \$3,452 increase. This is not a significant increase so your Committee recommends **\$216,434**.

Other Current Expenses– An amount of \$31,950 was appropriated in FY18. For FY 2019, there is a slight increase of \$3,000 so the request is \$34,950. The increases are for POL and stamps. The cost for mailing of passport increases. Your Committee recommends **\$34,950**.

Fixed Assets–. In FY 2018, there was no appropriation. For FY19 the request is 32,000 for computers (\$2,000) and a vehicle (\$30,000). Your Committee recommends **\$32,000**.

II. FSM Consulate, Portland, Oregon

	FY 2018 Appro.	FY 2019 Proposed	FY19 Recom	Committee Recommends
Personnel	\$	\$142,091	\$144,606	\$144,606
Travel	\$	\$15,000	\$15,000	\$15,000
Contract.Serv.	\$	\$269,601	\$269,601	\$269,601
OCE	\$	\$20,000	\$20,000	\$20,000
Fixed Assets	\$	\$5,000	\$5,000	\$5,000
Total	\$	\$451,692	\$454,207	\$454,207
No. Employees		5	5	5

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On November 18, 2017, the FSM Consulate in Portland was established, which is the third FSM Consul General in the United States. The Office provides consular services to eight jurisdictions: Oregon, California, Washington, Arizona, Idaho, Utah, Nevada, and New Mexico. Consul General Joe Enlet was confirmed by the FSM Congress to lead that office.

In Public Law No. 20-54, the FSM Congress appropriated an amount of \$333,000 for the operations of the office in the later part of fiscal year 2017 and fiscal year 2018.

Personnel - For FY19, an amount of \$142,091 is proposed, but an amount of \$144,606 was recommended for five employees. Three positions were filled. At the mark-up hearing, your Committee recommended the budget for five employees. The Consul General's (Joe Enlet) salary is \$41,861. The Foreign Service Officer's (Dominic Maluchmai) salary is 28,709. The other Foreign Service Officer's salary is 21,327. The Administrative Assistant's (Bruce Kileng) salary is 19,381. The Accountant's salary is 14,466. An amount of \$18,862 is recommended for fringe benefits of five employees. Your Committee recommends **\$144,606**.

Travel - An amount of \$7,000 is to fund the Consul General's participation in the Annual Budget hearing in Pohnpei. Another \$8,000 is to fund the Consul General for another trip to Pohnpei. Your Committee recommends **\$15,000**.

Contractual Services - An amount of \$269,601 is requested for the following:

- CAM	2,000
- COAP/Rep fund	15,000
- Contractual services	15,000
- Health and Dental Insurance	105,169
- Insurance/maintenance (Office/Car)	7,000
- Office lease/space	27,432

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- Staff housing 98,000
Total 269,601

At the mark-up meeting, your Committee recommends \$269,601.

OCE – The Consulate Office requested \$20,000 for Supplies and Materials. Your Committee recommends **\$20,000**.

Fixed Assets – The Consulate Office requested \$5,000 to purchase computer software for new staff. Your Committee recommends **\$5,000**.

III. FSM Embassy, Suva, Fiji

	FY 2018 Appro.	FY 2019 Proposed	FY19 Recom	Committee Recommends
Personnel	\$98,452	\$130,182	\$131,942	\$131,942
Travel	\$35,000	\$41,444	\$41,444	\$41,444
Contract. Serv	\$90,650	\$111,650	\$111,650	\$111,650
OCE	\$30,510	\$47,900	\$47,900	\$47,900
Fixed Assets	\$54,000	\$0	\$0	\$0
Total	\$308,612	\$331,176	332,936	\$332,936
No. Employees	3	3	3	3

Personnel – An amount of \$98,452 is reflected in the "Budget Book", as the amount appropriated in FY18. In Standing Committee Report No. 20-18, your Committee had recommended \$130,182 for three positions (Ambassador, DCM and First Secretary positions).

The amount requested for FY19 is \$131,942 for the same three positions, and was transmitted as recommended. At the hearing, your Committee was informed that the First Secretary position is filled (Mr. Kalwin S. Ehmes).

On August 8, 2018, at the mark-up hearing, your Committee recommends **\$131,942**.

Travel – The Embassy's FY 2018 appropriated amount for travel was \$35,000. The FY 2019 request is \$41,444, an increase of

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\$6,444, as compared to FY 2018 appropriation. Of the \$41,444 requested, \$9,630 for travel within Fiji, \$14,000 to attend the annual Pacific Island Forum in PNG, \$10,000 to attend the annual congressional budget hearing, and \$7,814 to attend conference on budget matters. After the mark-up meeting, your Committee recommends \$41,444.

Contractual Services - The Embassy's contractual services appropriation for FY18 was \$90,650. For FY 2019, there is a request of \$111,650, which was recommended. The specifics of the FY18 appropriation and FY19 recommended are as follows:

	<u>FY18</u>	<u>FY19</u>
1. City rate	\$ 3,450	3,450
2. Education allowance	\$ 2,000	2,000
3. Local staff benefits	\$18,200	18,200
4. Medical insurance	\$5,000	10,000
5. Property, Security insurance/maint.	\$15,500	25,500
6. Rep. Fund/COAP	\$13,000	15,000
7. Special Services contracts	\$32,500	32,500
8. Subscriptions	\$ 1,000	5,000
Total -----	\$90,650	111,650

Your Committee recommends \$111,650.

Other Current Expenses - The amount appropriated this fiscal year 2018 was \$30,510. For FY 2019, the Embassy requested amount is \$47,900. The differences in the Embassy's FY18 appropriation and FY19 recommended are as follows:

	<u>FY18</u>	<u>FY19</u>
1. Communication	9,000	10,000
2. Library Materials	360	400
3. POL	7,200	9,000
4. Postage/Postal fee	720	800
5. Printing/Reproduction	1,800	2,000
6. Promotion/Reproduction	1,530	1,700
7. Subscription	0	1,000
7. Supplies & Materials	3,600	6,000
8. Utilities	6,300	11,000
9. Vehicle repair/maintenance	0	6,000

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Total ----- 30,510 47,900

Your Committee recommends 47,900.

Fixed Assets - For FY 2018, an amount of \$54,500 was appropriated. The breakdown is as follows: \$6,900 for fixtures, \$2,500 for a laptop, \$2,000 for a microwave oven, \$2,200 for a water dispenser and \$40,900 for vehicles. No request for FY19 so your Committee recommends \$0.

IV. FSM Consulate Office, Guam

	FY 2018 Appro.	FY 2019 Proposed	FY19 Recom	Committee Recommends
Personnel	\$124,363	\$119,601	\$121,718	\$121,718
Travel	\$13,200	\$13,200	\$13,200	\$13,200
Contract.Serv.	\$96,860	\$85,000	\$85,000	\$85,000
OCE	\$29,430	\$36,200	\$36,200	\$36,200
Fixed Assets	\$5,000	\$11,902	\$11,902	\$11,902
Total	\$268,853	\$265,903	\$268,020	\$268,020
No. Employees	4	4	4	4

Personnel - The amount appropriated in FY18 was \$124,363. The requested amount for FY 2019 is \$119,601, but \$121,718 was recommended. The salaries for four employees are as follows: the Consul General is \$41,861, the Foreign Service Officer I (Johnny Silbanuz) is \$21,327, another Foreign Service Officer I (W-III Williander) is \$21,327, the Administrative Assistant (Linda Timothy) is \$21,327. The correct amount for fringe benefits is \$15,876. Your Committee recommends \$121,718.

Travel - The amount of \$13,200 appropriated in FY 2018 is being requested for FY 2019. Your Committee recommends \$13,200.

Contractual Services - The significant decreases are reflected in the short-term contracts for two temporary staff and insurance for residence and vehicle based upon the estimated

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cost after the office was completed. Following is a comparison of FY18 appropriation and FY19 recommended:

	<u>FY18</u>	<u>FY19 Recom</u>
1. Equipment rental	2,000	1,500
2. Janitorial services	2,800	3,000
3. Office equipment/repair	10,000	10,000
4. Rep-fund/COAP	15,000	15,000
5. Short-term contracts	17,760	9,000
6. Staff housing	36,000	36,000
7. Subscription	300	500
8. Insurance (residence & vehicle)	13,000	10,000
Total -----	96,860	85,000

Your Committee recommends \$85,000.

Other Current Expenses - An amount of \$29,430 was appropriated in FY 2018. The FY19 proposed and recommended is \$36,200.

At the mark-up meeting, your Committee learned that the FSM Petroleum Corporation occupied the third floor of the building. Your Committee learned that the United States Department of State has not approved the arrangement for the FSM Petroleum Corporation to occupy the building. Based on this issue, several diplomatic privileges are not applicable to staff of the FSM Petroleum Corporation who occupied the facility. Consequently, the Committee recommends that the FSM Petro Corp needs to move out from the building. Your Committee recommends \$36,200.

Fixed Assets - In FY 2018, an amount of \$5,000 was appropriated. For FY 2019, the office requested \$11,902 for office furniture and fixtures. Your Committee recommends \$11,902.

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V. FSM Embassy, Washington, DC

	FY 2018 Appro.	FY 2019 Proposed	FY19 Recom	Committee Recommends
Personnel	\$206,900	\$206,900	\$210,563	\$210,563
Travel	\$63,158	\$89,597	\$89,597	\$63,158
Contract.Ser	\$374,160	\$391,215	\$391,215	\$374,160
OCE	\$42,750	\$42,025	\$42,025	\$42,750
Fixed Asset	\$10,000	\$45,000	\$45,000	\$45,000
Total	\$696,968	\$779,737	\$783,400	\$735,631
No. Employee	5	5	5	5

Personnel – An amount of \$206,900 was appropriated in FY2018. The requested amount for FY19 is \$206,900, but the Budget Review Committee recommended \$210,563 for five employees including their fringe benefits. The slight increase is on fringe benefits. The Ambassador's (Akillino Susaia) salary is 70,000. The Deputy Chief of Mission's (Jackson Soram) salary is 41,861. The First Secretary's (Raleigh Welly) salary is \$28,709. The Administrative Specialist's (vacant) salary is \$23,518. The Secretary's salary is \$19,010. The fringe benefit is \$27,465. Your Committee recommends **\$210,563**.

Travel – An amount of \$63,158 was appropriated in FY18. The Embassy's FY19 requested amount is \$89,597. Your Committee considered this as significant and only recommended the FY18 level. Your Committee recommends **\$63,158**.

Contractual Services – In FY 2018 an amount of \$374,160 was appropriated. The request for FY 2019 is 391,215, an increase of \$17,055, as compared to FY18 appropriation.

The differences in the FY18 appropriation, the FY19 requested amount and the FY19 recommended are detailed herein:

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	FY18	FY19Reg	FY19Rec
1. Contractual Services (Personnel)	89,960	48,160	48,160
2. Maintenance (Equip/Rental)	10,000	10,000	10,000
3. Health Insurance	75,000	121,921	121,921
4. Messenger serv.,contr./subscrip.	2,000	2,000	2,000
5. Property security/insurance	10,000	10,000	10,000
6. Rep-Fund/COAP	21,000	21,000	21,000
7. Staff housing	166,200	178,134	178,134
Total -	374,160	391,215	391,215

At the mark up meeting, your Committee noted significant increases in several line items. It is your Committee's decision to approve the FY18 amount with the understanding that there will always a time to supplement the budget should there is dire need to do so. Your Committee recommends the FY18 level, which is **\$374,160**.

Other Current Expenses - An amount of \$42,750 was appropriated in fiscal year 2018. A lesser amount of \$42,025 is requested for FY 2019 and was transmitted. Your Committee recommends the FY18 level of **\$42,750**.

Fixed Assets - There was \$10,000 appropriated in FY 2018. For FY 2019, the requested amount is \$45,000, which was transmitted as recommended. The \$10,000 is for office equipment and another \$35,000 for a vehicle. Your Committee recommends **\$45,000**.

VI. UN Mission, New York

	FY 2018 Appro.	FY 2019 Proposed	FY19 Recom	Committee Recommends
Personnel	\$126,403	\$159,898	\$167,159	\$167,159
Travel	\$33,978	\$45,042	\$45,042	\$45,042
Contract.Serv.	\$537,870	\$593,545	\$593,545	\$593,545
OCE	\$35,000	\$35,980	\$35,980	\$35,980
Fixed Assets	\$0	\$5,000	\$5,000	\$5,000
Total	\$733,251	\$839,465	\$846,726	\$846,726
No. Employees	2	3	3	3

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Personnel – The FY 2018 appropriation was \$126,403 to fund two employees and their fringe benefits. For FY19, an amount of \$159,898 was proposed, but EBRC recommended \$167,159 to fund three employees. The salary for the Ambassador (Jane Chigiyal) is \$70,000. The salary for the Deputy Permanent Representative (Jeem Lippwe) is \$41,861. An amount of \$33,495 is proposed for a First Secretary position. The fringe benefit for three employees is \$21,803. The total sum for three employees and fringe benefits is \$167,159. Your Committee recommends \$167,159.

Travel – An amount of \$33,978 was appropriated in FY 2018. For FY 2019, an amount of \$45,042 is requested and recommended, an increase of \$11,064. Your Committee recommends \$45,042.

Contractual Services – In FY 2018, an amount of \$537,870 was appropriated. For this FY 2019 request, the UN Mission is requesting \$593,545 and was recommended. These are the specific line items appropriated in FY18 and requested and recommended for FY19:

<u>FY18</u>	<u>FY19 requests</u>	
• \$8,000	8,000	- CAM
• 9,000	9,000	- for car/office insurance;
• \$75,000	75,000	- for healthcare insurance coverage for FSM diplomats and their eligible dependents;
• \$177,696	178,700	- for office lease;
• \$87,301	93,339	- for professional services;
• \$800	800	- purchase stamp
• \$25,000	25,000	- for representative fund/COAP;
• \$3,730	3,730	- Richo copier;
• \$150,633	199,266	- for staff housing; and
• \$710	710	- stamp machine.
<u>Total: 537,870</u>	<u>593,545</u>	

At the hearing, your Committee inquired the status of the UN Mission's and FSM Embassy, Washington's effort to merge their medical insurance. According to them, they will secure a

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private insurance company. The amount in contractual services for FY19 request has an increase of \$55,675, as compared to the compare FY18 appropriation. The increase is to accommodate the housing for the new First Secretary. Your Committee recommends \$593,545.

Other Current Expenses – The FY18 appropriation was \$35,000. For FY19, the proposed is \$35,980. Your Committee recommends \$35,980.

Fixed Assets – There was no amount requested for FY 2018. For FY 2019, an amount of \$5,000 is requested for Office furniture and fixture. Your Committee recommends \$5,000.

VII. FSM Embassy, Tokyo, Japan

	FY 2018 Appro.	FY 2019 Proposed	FY19 Recom	Committee Recommend:
Personnel	\$261,484	\$273,288	\$278,125	\$278,125
Travel	\$15,776	\$19,994	\$19,994	\$19,994
Contract.Ser	\$576,802	\$599,557	\$599,557	\$599,557
OCE	\$59,740	\$60,935	\$60,935	\$60,935
Fixed Asset	\$0	\$6,000	\$6,000	\$6,000
Total	\$913,802	\$959,774	\$964,611	\$964,611
No. Employee	3	3	3	3

Personnel – The amount appropriated in FY 2018 was \$261,484 and this amount is for three employees, the Ambassador, DCM and a new First Secretary. For FY 2019, the request is \$273,288, but EBRC recommended \$278,125. The salary for the Ambassador (John Fritz) is \$95,000. The salary for the DCM (Roger Mori) is \$81,575. The proposed salary for a new First Secretary is \$65,273. An amount of \$36,277 is set aside for fringe benefits. The total sum for three employees plus fringe benefits is \$278,125.

Your Committee recommends \$278,125.

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Travel - The appropriated amount for travel in FY18 was \$15,776. The request for FY 2019 is \$19,994. Your Committee recommends **\$19,994**.

Contractual Services- In FY 2018, an amount of \$576,802 was appropriated. For FY 2019, the requested amount is \$599,557, which was recommended.

Herein is a comparison of the \$576,802 appropriated in FY 2018 and the \$599,557 FY 2019 recommended amount:

	<u>FY18 appr</u>	<u>FY19 BRC</u>
• Consultant services	\$31,000	51,000
• Education Allowance	\$25,000	25,000
• Maintenance contract	\$9,654	9,654
• Office lease/staff housing	\$339,600	339,600
• Property/Offc. Equipment/	\$8,800	8,800
• Rep. Fund/COAP	\$25,000	25,000
• Special Services contract	\$137,748	140,503
	<u>576,802</u>	<u>599,557</u>

Your Committee recommends **\$599,557**.

Other Current Expenses - An amount of \$59,740 was appropriated in FY 2018. For FY19, an amount of \$60,935 is requested and recommended. Your Committee recommends **\$60,935**.

Fixed Assets- There was no funding appropriated under this category in FY 2018. For FY19, an amount of \$6,000 is requested to purchase office furniture and fixture for the First Secretary. Your Committee recommends **\$6,000**.

VIII. FSM Embassy, Beijing, China

	<u>FY 2018 Appro.</u>	<u>FY 2019 Proposed</u>	<u>FY19 Recom</u>	<u>Committee Recommends</u>
Personnel	\$126,403	\$159,466	\$161,656	\$161,656
Travel	\$25,283	\$35,270	\$35,270	\$35,270
Contract.Serv.	\$473,328	\$472,541	\$472,541	\$472,541
OCE	\$21,292	\$21,292	\$21,292	\$21,292

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Fixed Assets	\$1,506	\$1,506	\$1,506	\$1,506
Total	\$647,812	\$690,075	\$692,265	\$692,265
No. Employees	2	3	3	3

Personnel - An amount of \$164,252 was recommended in FY 2018 for three employees, the Ambassador, DCM and a First Secretary with the fringe benefits, which was reflected in SCR No. 20-18. But, in SCR No. 20-25, the Committee on Ways and Means did not honor the increase, and \$126,403 was reflected as the FY18 appropriated amount. So that is why the figure \$126,403 was reflected as the FY18 appropriation.

Your Committee learned that Mr. Francis Anefal is the new First Secretary. The request for FY19 is \$159,466, but BRC increases it to \$161,656. The salary for the Ambassador (Carl Apis) is \$70,000. The salary for the DCM (Vince Sivas) is \$41,861. The First Secretary's salary (Francis Anefal) is 28,709. There is \$21,086 set aside for fringe benefits. So the total for three employees and fringe benefits is \$161,656.

With the adjustment in the FY18 appropriation and the FY19 proposed, your Committee recommends \$161,656.

Travel - The amount appropriated in FY 2018 was \$25,283. The FY 2019 request for travel is \$35,270, which was recommended. Your Committee recommends \$35,270.

Contractual Services - In FY 2018, an amount of \$473,328 was appropriated. The request for FY 2019 is \$472,541. This is a decrease of \$787, as compared to the FY18 appropriation. With this minor decrease, your Committee recommends \$472,541.

Other Current Expenses - An amount of \$21,292 was appropriated in FY 2018. The request for FY 2019 is the same amount and was recommended. Your Committee recommends \$21,292.

Fixed Assets - There was no funding under this category in the FY 2018 budget. For FY19, an amount of \$1,506 is requested and recommended. An amount of \$1,000 is for office equipment

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and \$506 is for office furniture and fixtures. Your Committee recommends \$1,506.

IX(a). OFFICE OF THE SECRETARY

	FY 2018 Appro.	FY 2019 Proposed	FY19 Recom	Committee Recommend:
Personnel	\$122,890	\$122,890	\$124,992	\$124,992
Travel	\$89,156	\$89,156	\$89,156	\$89,156
Contract.Ser	\$30,000	\$30,000	\$30,000	\$30,000
OCE	\$29,430	\$30,000	\$30,000	\$30,000
Fixed Asset	\$0	\$0	\$0	\$0
Total	\$256,529	\$352,046	\$352,046	\$272,046
No. Employee	5	5	5	5

Personnel – The amount appropriated in FY18 was \$122,890. The same amount is requested for FY19, and was recommended. The funding is for five employees. The salary for the Secretary (Lorin Robert) is \$40,000. The salary for the Deputy Secretary (Samson Pretrick) is \$25,000. The salary for the Information Specialist (Kenmore Salvador) is \$16,304. The salary for the Executive Secretary (Juleen Sale) is \$9,044. The salary for the Administrative Officer II (Donna Amaraich) is \$14,723. A sum of \$15,761 is set aside for fringe benefits and \$4,160 for those eligible for COLA. The total for five employees plus fringe benefits and COLA is \$124,992.

Your Committee recommends \$124,992.

Travel - The Office's FY 2018 budget was \$89,156. The FY19 proposed budget is the same, and was recommended. Your Committee recommends \$89,156.

Contractual Services - An amount of \$30,000 was appropriated in FY 2018, and was requested for FY 2019. Your Committee recommends \$30,000.

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Other Current Expenses - An amount of \$30,000 was appropriated in FY 2018. For FY19, \$31,000 is being requested and recommended. Your Committee recommends \$31,000.

Fixed Assets - In FY 2018, no amount appropriated. For FY19 there is no request. Your Committee recommends \$0.

IX(b). ASIA PACIFIC AFRICA & MULTILATERAL AFFAIRS

Personnel - The FY 2018 appropriation was \$112,787 for six employees. For FY19, the same amount is being requested and BRC recommended it. The new Assistant Secretary for Multi-Lateral Affairs is Brendy Carl. The new DAS/AA under APAMA is Berlino Martin. Your Committee recommends \$112,787.

IX(c). AMERICAN & EUROPEAN AFFAIRS

Personnel - An amount of \$92,038 was appropriated in FY 2018. For FY19, the Office requested \$92,038, but BRC recommended \$93,373. This amount is to fund five employees. The new DAS for A&EA is Kehlen Halbert. Currently, there is a Foreign Service Office position that vacated when Mr. Kehlen Halbert filled the DAS position. Your Committee recommends \$93,373.

X. Office of Veteran's Affairs

The Office of Veteran's Affairs is a newly established office pursuant to Public Law No. 19-63. The budget for the Office is under the jurisdiction of your Committee on External Affairs.

At the hearing on Saturday, August 4, 2018, your Committee was informed that for two fiscal year (FY17 and FY18), the hiring of staff to fill the Office may materialized in two weeks time. Leo Falcam, Jr., the Acting Director of the Office of Veteran's Affairs, explained that so far the Office has expended around \$40,000 of its budget. There were laptops and computers purchased, but no vehicle. Your Committee asked if the Office will be up and running in

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fiscal year 2019, and was told that it may be the first quarter of fiscal year 2019. Chief of Staff also stated that it is very difficult to work with the United States Office of Veterans Affairs because some confidential issues.

	Appro. FY17	Appro. FY18	Recom FY19	Comm. Recommends
Personnel	\$79,240	\$79,240	\$79,240	\$79,240
Travel	\$42,225	\$42,225	\$42,225	\$42,225
Contract.Ser	\$50,000	\$50,000	\$50,000	\$50,000
OCE	\$18,000	\$18,000	\$18,000	\$18,000
Fixed Asset	\$25,000	\$50,000	\$50,000	\$50,000
Total	\$214,465	\$239,465	\$239,465	\$239,465
No. Employee	3	3	3	3

Personnel – In the FY17 budget, your Committee appropriated funding for three positions, one Director and two additional staff. The amount was \$79,240. For this FY2018, the same amount was appropriated. The same amount is requested and recommended for FY19. Your Committee recommends **\$79,240**.

Travel – In the FY17 budget, an amount of \$42,225 was appropriated. In FY18, the same amount is appropriated. For FY19, the same amount is requested and recommended. Your Committee recommends **\$42,225**.

Contractual Services – In the FY 2017 budget, an amount of \$50,000 was appropriated. The same amount is appropriated in FY 2018. The same amount is requested and recommended for FY19. Your Committee recommends **\$50,000**.

Other Current Expenses – In the FY 2017 budget, an amount of \$18,000 was appropriated. The same amount is appropriated in FY 2018. For FY19, the same amount is requested and recommended. Your Committee recommends **\$18,000**.

Fixed Assets – In the FY 2017 budget, an amount of \$25,000 was appropriated for a vehicle and office equipment. In FY 2018, an amount of \$50,000 is appropriated. For FY19, the

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same amount is requested and recommended. Your Committee recommends \$50,000.

XI. Grants, Subsidies and Contributions

In addition to the operations budget, your Committee recommends the following Grants, Contributions and Subsidies for the Department. Basically, some of these requests are membership dues for international organizations:

Organization	FY18 Appropri.	FY19 Proposed	FY19 EBRC	Committee Recommends
The Forum Secretariat	\$46,000	\$57,000	57,000	\$57,000
Secretariat for Pacific Community	\$56,000	\$65,000	65,000	\$65,000
ESCAP	\$5,000	\$5,000	5,000	\$5,000
UN Membership fee	\$50,000	\$50,000	50,000	\$50,000
East-West Center	\$5,000	\$5,000	5,000	\$5,000
ACP Cotonou Membership fees	\$15,000	\$17,000	17,000	\$17,000
SPC Office Rental	29,670	\$29,670	\$29,670	\$29,670
Diplomatic Relations between FSM and China (PRC)	\$0	\$0	\$0	\$0
Hosting Pacific Island Forum	\$0	\$0	\$0	\$0
SIS Program	\$10,000	\$10,000	\$10,000	\$10,000
PIF arrears	\$98,864	\$0	\$0	\$0
IOM Membership fees (2012-2017)	\$500	\$600	\$600	\$600
SPC Hosting Grant	\$0	\$20,000	\$20,000	\$20,000
Total	\$316,034	\$259,270	\$259,270	\$259,270

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XII. Capital & Human Resources Development

	FY18 appro.	FY19 Proposed	FY19 Recom	Committee Recom
1. Acting capacity role	\$36,000	\$0	\$0	\$0
2. FSM Embassy in Suva, Fiji residences	\$200,000	\$300,000	\$300,000	\$300,000
Total	236,000	\$300,000	\$300,000	\$300,000

In FY18, an amount of \$36,000 was appropriated to pay certain individuals that were in acting capacity roles, as well as assignments undertaken by certain individuals that should have been compensated. In FY18, an amount of \$200,000 was appropriated to fund the renovation of the DCM residence in Suva, Fiji.

Your Committee on External Affairs has carefully reviewed the President's Recommended FY 2019 Budget and all information provided by the Executive and the entities under your Committee's jurisdiction. The recommended sums set forth above reflect your Committee's recommendations on the level of funding for the designated activity, program or project for FY 2019.

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Subject to the conditions and limitations set forth herein and the availability of funds as determined by your Committee on Ways and Means, your Committee on External Affairs recommends approval of the amounts listed above.

Respectfully submitted,

/s/ Paliknoa K. Welly
Paliknoa K. Welly, chairman

/s/ Dion G. Neth
Dion G. Neth, vice chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, member

/s/ Isaac V. Figir
Isaac V. Figir, member

/s/ Victor Gouland
Victor Gouland, member

/s/ David W. Panuelo
David W. Panuelo, member

/s/ Robson U. Romolow
Robson U. Romolow, member