

SPECIAL COMMITTEE REPORT NO. 21-06

RE: COMMITTEE TO WAIT ON THE PRESIDENT

NOVEMBER 26, 2019

The Honorable Wesley W. Simina  
Speaker, Twenty-First Congress  
Federated States of Micronesia  
Third Special Session, 2019

Dear Mr. Speaker:

Your Committee to Wait on the President was duly appointed on November 25, 2019, consisting of Aren Palik, Dion Neth, Isaac V. Figir and Derencio Konman. Aren Palik was designated as the Chairman.

Your Committee thanked the President, Vice President and key members of the Executive branch for the opportunity to meet. The Chairman reported that Congress was in session, organized and ready to transact business. The Committee received an agenda for the meeting from the President. The Committee advised the President that his agenda mirrored, for the most part, the Congress priorities for this session.

First on the President's agenda was action on the nominations for the remainder of the cabinet positions still vacant. The President strongly endorsed his nominations and requested they be confirmed this session so his administration can conduct its work with all its leadership in place. If the current nominees are confirmed the President stated there would be nominations for the new vacancies in our overseas missions. The President requests that the new foreign service premium be passed by Congress. This is a stop gap measure that will at least give some relief to our overseas foreign service members. The cost estimate for the additional funding necessary under the new foreign service premium will be approximately \$300,000. The boards submitted have action taken on them this session.

SPECIAL COMMITTEE REPORT NO. 21-06

RE: COMMITTEE TO WAIT ON THE PRESIDENT

NOVEMBER 26, 2019

The second item on the President's agenda was a supplemental budget of approximately \$1.8 million. The latest revenue projection is \$3.6 million. The President stated that there are several large items regarding the overseas mission properties that will wait for the next session of Congress. He is asking for funding for items such as \$200,000 for the Department of Justice to assist in the Yap murder trial of the Yap State attorney. He is also requesting funding for additional funding for the patrol boats to conduct additional trips that had been recently added to this year's schedule. Also, a request for a new consultant to work on climate change issues, as well as, fees to join INTERPOL. Your Committee raised a point that several positions funded for this FY20 in climate change had not yet been filled and it was hoped that this would be done shortly so a strong showing could be made to access the Green Climate Fund.

The Committee raised a question regarding the funds appropriated for Arnold & Porter working with JCRP. It appears that clarification regarding the already appropriated funding is coming from the Department of Justice. Most of the members of JCRP are here in Chuuk and it was suggested that the billing and payments be reviewed by them at the first opportunity. There had been a single quarter of fees appropriated (\$170,000) to ensure continued service from the law firm, but this needs to be reviewed as soon as possible.

There is currently legislation before Congress regarding the insurance board. The Committee presented its concerns that this legislation may be over broad for the needs of the captive insurance industry. Some of the discussion included suggestions that the captive insurance section, including regulation and governance be separated from the rest of the insurance sections. Several concerns and ideas were put forth and it was determined that more discussion and oversight was needed on this matter.

The President then turned to the area of health and requested that all health grants before Congress be acted on this session. He stated that a few are yet to be transmitted. The World Bank and ADB projects in the annual rotation are on track and, in fact, are ahead of schedule. The President encouraged his cabinet to keep up the momentum.

SPECIAL COMMITTEE REPORT NO. 21-06

RE: COMMITTEE TO WAIT ON THE PRESIDENT

NOVEMBER 26, 2019

As the next item the President said he was pleased to provide details of his upcoming trip to the People's Republic of China. This trip is the result of an invitation from China. He will be requesting assistance for three specific areas: road infrastructure, funding for the trust fund and the building of PATS as a regional vocational training center.

There were a few remaining items put forward by the President. He was pleased with the first formal engagement between the JCRP and the U.S. negotiation team. A summary of this meeting will be available shortly. It was also mentioned that the Department of Health & Social Affairs has developed a policy on drug resistance and that would be sent Congress soon. Other matters that may need funding later this fiscal year were also discussed.

Your Committee kindly requests that additional questions and comments regarding this report be addressed to the Committee during discussion period during session.

Respectfully submitted,

/s/ Aren B. Palik  
Aren B. Palik, chairman

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

/s/ Dion G. Neth  
Dion G. Neth, member

/s/ Derensio S. Konman  
Derencio S. Konman