

SPECIAL COMMITTEE REPORT NO. 22-04

RE: COMMITTEE TO WAIT ON THE PRESIDENT

NOVEMBER 16, 2021

The Honorable Wesley W. Simina
Speaker, Twenty-Second Congress
Federated States of Micronesia
Second Special Session, 2021

Dear Mr. Speaker:

Your Committee to Wait on the President was duly appointed on November 15, 2021, consisting of members Ferny S. Perman, Isaac V. Figir, Aren B. Palik, and Robson U. Romolow. Senator Ferny S. Perman was designated as the Chairman.

The Committee met with the President on November 15, 2021, at approximately 12:30 p.m., virtually via Zoom, with Senator Ferny S. Perman present in person in Pohnpei and the other members and the President present via Zoom. The President welcomed those members of Congress present and thanked them for attending. Chairman Perman greeted the President and key members of the Executive Branch on behalf of Congress, and expressed appreciation for the opportunity to meet. Chairman Perman reported that Congress was in session and was ready to transact business.

The President began the substantive portion of the meeting by presenting an agenda of action items that the Executive Branch would like to see prioritized during this session and several topics for informational purposes. The President's agenda is as follows:

- Funding for the Chief of Staff;
- Pending Nominations;
- COVID-19 Update;

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- Supplemental Budget;
- Pending Legislations; and
- Grants Pending;

Chairman Perman continued by informing the President and his cabinet members that Congress is in session, starting today for five days. He informed the President that there were some issues that Congress wanted the Committee to Wait to raise with the President, and such issues will be discussed after the President finishes with his agenda items.

Funding for the Chief of Staff

The President stated that the funding for the position of the Chief of Staff was taken out by Congress based on the fact that the current Chief of Staff is funded by the JCRP funding. The President clarified that the Chief of Staff is partially sourced by the JCRP funding; therefore, the funding for the position needs to be reinstated.

Pending Nominations:

The pending nominations include the nomination of Mr. Salomon Saimon to the position of Chief Justice of the FSM Supreme Court, the nomination of Mr. Maker Palsis to the position of National Election Commissioner in Kosrae, and the nomination of Mr. John Chugen to the position of National Election Commissioner in Yap. The President also stated that there might be some members of Boards that terms might expire, and for Congress to expect to take action when he transmits them.

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COVID-19 Update

The President began the discussion on the COVID-19 update by informing the Committee that 70% of adults in the FSM are fully vaccinated. He also stated that the FSM received the Pediatric vaccines for 5 to 11 year olds, and the States of Yap and Kosrae have already started vaccinations, but the states of Pohnpei and Chuuk will start in the coming weeks.

The President stated that the tentative dates for the next repatriation flight to Kosrae is November 15th, which is today; for Yap is November 28th; for Chuuk is November 29th; and for Pohnpei is December 1st. He mentioned that all others will be after the new year.

There was a general discussion about the seven to eleven years old vaccination, and the President indicated that the States of Yap and Kosrae already started vaccinations, but the five to 11 years old vaccinations just arrived.

Supplemental Budget

The President stated that he had met with Secretary Carlson Apis who informed him of \$600,000 needed to purchase two airplanes to replace the crashed ones in Mwokilloa and Ta islands. Congress already appropriated \$250,000 to purchase an islander, and Caroline Islands Air needs to supplement the already appropriated funding to purchase the two islander planes.

The Department of Climate Change and Emergency Management needs funding also (\$50,000 to \$300,000) to pay one or two consultants to assist the FSM in writing proposals or concept notes to access the Green Climate Fund (GCF) and other climate funding. The President informed the Committee that the FSM needs to be accredited with the GCF so it can request higher funding on its own.

The Department of Foreign Affairs needs around \$17,040 for the SPC expanded office space rental, and another amount of \$17,547 for the UN Multi-Country Interim Office lease.

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Pending Legislation

The President provided a list of important pending legislation that included bills addressing the following:

Cybercrimes; non-communicable diseases, passport extension, bunkering and provisioning, penalties for violating prohibited plastic materials, enhance the Secretary of Finance and Administration's tax enforcement capacity, Rome Statute of the International Criminal Court, safe release of sharks, maritime surveillance revolving fund, fisheries policy, maternity leave, and non-government organization.

The President highlighted the importance of the cybercrime legislation. He stated that Kiribati has already passed similar legislation and he spoke with them regarding its importance. He stated that while Congress initially funded the Cyber Crimes Unit with \$80,000, it may take as much as \$500,000 to fully fund that unit. The President stressed the importance of this legislation once again and asked Congress to take action.

The President also mentioned the legislation to enhance the Secretary of Finance and Administration's tax collection powers. He mentioned several initiatives that he has started and will pursue to enhance the tax collection rates as well, such as strengthening the enforcement of high-risk import businesses. He stated that this may not be a popular position, but it is in the best interest of the nation.

The President indicated that there is a need to amend the maternity leave legislation to include exempt positions.

Grants Pending:

The President indicated that there is a \$200,000 grant for the Office of the Special Education under the Department of Education, and \$500,000 from Office of Insular Affairs for the FY 2021 Single Audit. He requested Congress to take action on these grants.

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FSM Congress Issues to Raise with President:

Recall of Japanese Ambassador:

In regards to the "recall" of the Ambassador of Japan, the President stated that when he attended the farewell gathering of the Ambassador, he was told that it is a retirement issue that when you reach a certain age (65 years), one needs to return. In the case with the Japanese Ambassador, it is a retirement issue, and that is why the Ambassador was recalled.

The President also informed the Committee of the new policy by the United States on how long a diplomat can serve in overseas mission offices. The President indicated that it is now a policy that a diplomat in our overseas offices must be there for four years with the exception of the Ambassador and the Deputy Ambassador. So he had tasked the Secretary of the Department of Foreign Affairs to look into this new diplomatic policy regarding our overseas offices.

Chuuk Repatriation:

The President stated that there was an issue with the contract between the FSM National Government and the owner of Blue Lagoon Resort (the quarantine facility in Chuuk). The owner requested a higher amount, but we managed to negotiate a reasonable amount for thirty-three days (33 days) for \$99,000. The amount can cover several repatriations in Chuuk. The first repatriation group to Chuuk has arrived in Chuuk already. There were twenty individuals, but when they were tested before their departure, one was tested positive. So only nineteen individual are currently in the quarantine facility. They will be in the facility for fourteen days, and at the ten day mark, they will be tested again. The next repatriation is November 29, which will be within the 33 days duration in the contract. The Committee was told that the next repatriation group to Chuuk will be around forty individuals.

Update on the Woleai, Ta and Onoun airstrips:

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The contractor for the Woleai airport is ABCOR. The original funding is around \$5 million. According to Secretary Carl, the Department has sent a letter to ABCOR to start the contract soon. In the letter, Secretary Carl indicated that if the contractor is not able to commence soon, the FSM will terminate the contract. But, the Secretary informed the Committee that Larry Adams told them he is waiting to secure a captian to take their materials. Nevertheless, if there is no movement, the President stated that he has no option, but to terminate the contract because there were several contracts for ABCOR, but they took more time to finish these contracts. So it is an obligation for ABCOR, and President does not want to rely solely to a contractor that failed to meet its contractual obligations.

For Ta airstrip, the Secretary informed the Committee that the contract is up for bid. The Department already issued a rebidding proposal, and hopefully they can secure a contract soon. The funding that is still available for TA airstrip is less than \$2 million, and is still available.

Onoun airstrip discussion came about because Congress foresees that it is a potential airstrip that in case of emergency, a plane can land there. Secretary Apis indicated that there is a possibility to inspect the Onoun airstrip during the upcoming special function to be held there this month.

FSMTC and FSM Congress contract:

According to Secretary Carl, he is working with Suda Rayel on the contract. What they are trying to ensure is that the contract not to be inconsistent with the current National Government's contract with FSM Telecom. Chairman Perman stated that the preference of Congress is to have a separate line. Secretary Amor stated that if the contract between FSMTC and Congress is a duplication of effort, the FSM might loose some World Bank funding.

Eastern Micronesian Cable (EMC):

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The President stated that Kiribati, Nauru and Kosrae had agreed to continue with the implementation of the EMC project. The President stated that the framework used by World Bank on the EMC project will be used. Australia is willing to provide funding for this EMC project, and the funding is around \$46 million. On the fiber-to-home project, there is already funding for it. The states of Yap, Chuuk and Kosrae are ready for the fiber-to-home project; however, Pohnpei has not come on board with the project. Nevertheless, if Pohnpei so decided to start, the funding can still be available.

FSM and PIF:

Senator Romolow raised the issue on the membership of the FSM to the Pacific Island Forum (PIF), and his understanding was that the FSM has withdrawn from the PIF. The President stated that during the Micronesian President Summit (MPS), there were certain reforms that PIF is considering, for instance, one is to figure out a way to have those members that withdrew their membership to come back. According to President Panuelo, if one of the Micronesian country wishes to join the PIF again, all have to go in as a group.

Funding - Low Income, Stimulus, Congress appropriation:

Secretary Amor stated that next month, the \$2.5 million appropriation will be utilized. The Secretary did not discuss in detail the balance of the Low Income and the Stimulus fundings.

Chairman Perman shared some concerns raised during the first day of session: He stated that there were some letters from members of Congress that were not answered, and members wish to know if there is at least a response from the executive, even though the response may contain negative responses. In addition is the processing of Project Control Documents. This is an ongoing issue that needs to be resolved.

Senator Romolow requested the President to expedite the payment for the vessel. According to Senator Romolow, the vessel is in limbo because they cannot start servicing the

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islands until there is payment issued. In regard to this issue, the President had tasked the Secretary of the Department of Justice and the Secretary of the Department of TC&I to expedite the procurement process to expedite payment. The President wants to make sure that once everything is final, it is clear who has ownership of the vessel.

Conclusion

On behalf of the Committee, Chairman Perman thanked the President. The Committee stated that it would share the President's agenda with members of Congress. The meeting concluded with mutual agreement to move forward on the above issues in a timely and cooperative manner.

The Committee kindly requests that members of Congress address any further questions regarding this report to the members of the Committee during discussion of this report at session.

Respectfully submitted,

/s/ Ferny S. Perman
Ferny S. Perman, chairman

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

/s/ Aren B. Palik
Aren B. Palik, member

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