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COMMITTEE ON
EXTERNAL AFFAIRS

STANDING COMMITTEE REPORT NO. 21-65

RE: PRESIDENTIAL COMMUNICATION NO. 21-253

SUBJECT: FISCAL YEAR 2021 BUDGET/EXTERNAL AFFAIRS

SEPTEMBER 18, 2020

The Honorable Wesley W. Simina
Speaker, Twenty-First Congress
Federated States of Micronesia
Fifth Regular Session, 2020

Dear Mr. Speaker:

Your Committee on External Affairs, to which was referred Presidential Communication No. 21-253 regarding the National Government's Recommended FY2021 Budget, begs leave to report as follows:

Presidential Communication No. 21-253 was transmitted to Congress with the *National Government Fiscal Year 2021 Recommended Budget* ("Budget Book"). Pursuant to Rule 7, Section 3(b), of the Official Rules of Procedure of the Twenty-First Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the recommended budget relating to matters under its jurisdiction as follows:

A. Department of Foreign Affairs--Central Administration
    1. Office of the Secretary
    2. Division of Asia, Pacific, Africa & Multilateral Affairs

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3. Division of America & European Affairs
B. Department of Foreign Affairs--Overseas Missions
1. FSM Consulate Office Guam
2. FSM Consulate Office Hawaii
3. FSM Embassy Washington D.C.
4. FSM Embassy Fiji
5. FSM Embassy Japan
6. UN Mission New York
7. FSM Embassy China
8. FSM Consulate Office Portland
C. Office of Veteran's Affairs
D. Grants, Subsidies and Contributions
E. Capital & Human Resources Development

This report, and all previous and subsequent reports of your Committee, shall be treated as reflecting the policies of the Federated States of Micronesia, as defined by the Congress. It is the intent of your Committee that any commentary found herein should be treated as policy for the guidance of departments, agencies and entities.

The findings of your Committee are as follows:

I. Introductory Comments

Your Committee notes that the FY2021 Budget Book was transmitted to the Twenty First Congress on April 1, 2020. The FY21 budget was transmitted by the President and has been introduced by the Twenty First Congress of the Federated States of Micronesia as C.B. No. 21-178. The items and funding in C.B. No. 21-178 for all matters under the jurisdiction of your Committee mirror exactly the President's Budget Book of April 1, 2020. During your Committee's review of the Budget Book it has noted some

inaccuracies, and these are detailed in the relevant portions of the report below.

During the first eight months of 2020 the Committee received information and documents from the Department of Foreign Affairs, including all of its overseas missions, the Department of Justice, the Department of Finance and Administration, the Office of Personnel, and the Office of the President. Due to the unprecedented pandemic outbreak of Coronavirus the ability of the Committee, at this time, to conduct face to face public hearings and have meetings with the departments, regarding the FY21 budget, has been thwarted. Therefore, your Committee has conducted a number of hearings remotely over the internet. It will continue to review documents during the coming months, and it is hoped conduct further public hearings in person later this year, and if necessary, amend this report.

The Committee would like to note at the onset its overarching principles guiding this report. First, currently funding from domestic revenues must be examined closely due to decreases in revenues from sources such as taxation on tourism revenue. Second, as the pandemic is expected to continue straining travel for several months to come the Congress has determined a reduction in the proposed FY21 travel budgets of seventy percent, with the intention of reviewing this when the situation improves. Third, a strong preference is given to maintaining and completing current projects and programs rather than embarking on new projects at this time. Fourth, and finally, after several hearings the Committee understands temporary adjustments have been approved and made to accommodate the most critical cost of living changes. These are reflected in the President's Budget Book. However, a formal, global study for the Foreign Service Premium will be done at the earliest possible time. The Committee accepts the personnel listings

reflected in the President's Budget Book at this time. But, your Committee strongly urges the Department of Foreign Affairs and the Office of Personnel to examine each and every position in the overseas mission offices as a part of complete review of the Foreign Service Premium review at the earliest possible time.

Your Committee notes that it remains very concerned about the plight of our citizens unable to return home. Separate hearings and meetings continue to be conducted and any recommendations on this issue with budget implications will be addressed in a subsequent report.

1. DEPARTMENT OF FOREIGN AFFAIRS--CENTRAL ADMINISTRATION

A. Office of the Secretary

	FY20 Appropriated	FY21 Dept. Proposed	FY21 President Recommend	FY21 Committee Recommend
Personnel	213,042	133,042	133,042	133,042
Travel	104,156	156,838	156,838	31,246
Contractual	30,000	46,000	30,000	30,000
OCE	31,000	43,000	31,000	31,000
Fixed Assets	5,000	126,000	35,000	35,000
Total	383,198	502,880	383,880	260,288

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Personnel: The Department and President propose a significant reduction in the number of employees in the Office of the Secretary. This is a more than 30% cost reduction from $213,042 FY20 to $133,042 FY21. The Committee is satisfied with the explanations from the Department of Foreign Affairs and the Office of Personnel as to the changes at the home office administration section at this time. **Therefore, the Committee recommends $133,042 in Personnel for the Office of Secretary for FY21.**

Travel: The Department and President propose a more than 50% increase in travel, for even fewer employees, from FY20 $104,156 to FY21 $156,838. Only one trip is domestic, the remaining 16 proposed trips are international. As stated in the above introduction your Committee is guided by the understanding that travel should be decreased by seventy percent from previous years levels. The Committee determined that the reduced travel budget should support travel by the Department for staff returning to the Nation, and to the extent necessary, domestic travel. Should international conferences go forward during the coming fiscal year your Committee notes that they will be mostly hosted virtually and the Committee does support our Nation's participation. However, funding support for this, if necessary at all, would take the form of increasing technical support and equipment. **In accordance with the reasons set forth above, your Committee recommends the Travel budget for the Office of the Secretary for FY21 at $31,246.**

Contractual: The FY21 budget recommended by the President is the same as appropriated for this fiscal year FY20 at $30,000, however, the Department proposed $46,000. The Committee heard from the Department on their proposed increase in this category. It is felt by the Department that the quality of hosting of the international dignitaries is not the level that it should be.

Your Committee understands that the ability to host especially the top level dignitaries is very important, however, given that little travel will be done during at least the first half of the coming fiscal year this funding request is not urgent at this time. **As stated in this paragraph, your Committee concurs with the President's recommended budget for Contractual Services for the Office of the Secretary for FY21 at $30,000.**

OCE: The President recommends this category be maintained with the same budget for FY21 at $31,000. The Department had proposed an increase to $43,000 for the coming fiscal year. During the hearings it was confirmed by the Department that the current operating costs for the offices are anticipated to be the same for next year and this fiscal year's funding level is sufficient. The dramatic increase proposed by the Department was to be used for fuel for the four new vehicles for the Office. The President entertained the request for one of these vehicles. Your Committee notes how swiftly the travel and conference situation has changed since early this year and does not envision the need for more than one new vehicle, as a replacement in the fleet, at the Department for the coming fiscal year. The Committee agrees with the President in the assessment of this category. **Therefore, for the reasons stated above, your Committee recommends $31,000 for the category of OCE for the Office of the Secretary for the FY21.**

Fixed Assets: The Department proposed four vehicles and additional new computers for the coming fiscal year FY21 totaling $126,000. The President recommended $35,000 for FY21 for this category compared to $5,000 for this current FY20. Your Committee reiterates that currently there is not a need to increase the total number of vehicles at the Department. It does acknowledge, in line with the President's recommendation, that one additional vehicle may be necessary as an older vehicle

may need to be retired. Your Committee strongly believes that computers and related technical equipment are important for the coming fiscal as the need to work remotely has increased. **Therefore, your Committee recommends $35,000 for the category of Fixed Assets of the Office of the Secretary for FY21.**

After making a detailed review of the information available to it at this time your Committee recommends funding for the Office of the Secretary of $260,288 for FY21.

2. Division of Asia, Pacific, Africa & Multilateral Affairs

The Department and President recommend the same budget and number of employees in this Division for this coming FY21. The recommendation is to maintain $114,670 and the six positions which are currently serving to remain unchanged. The Committee agrees and does not see any reason to deviate from these recommendations. **Therefore, your Committee recommends funding of $114,670 for FY21 for the Division of Asia, Pacific, Africa & Multilateral Affairs to be used for Personnel in its entirety.**

3. Division of American & Europe Affairs

This Division is recommended by the President to maintain the same budget for FY21 at $95,097 with the five positions currently serving to remain unchanged. Your Committee is satisfied with the work of this Division, and concurs with the Department and the President. **At this time, your Committee recommends funding of $95,097 for FY21 for the Division of American & Europe Affairs to be used for Personnel in its entirety.**

4. FSM Consulate Office Guam

	FY20 Appropriated	FY 21 Depart. Recommend	FY21 Pres. Recommend	FY21 Comm. Recommend
Personnel	164,372	164,372	186,606	186,606
Travel	24,000	24,000	24,000	7,200
Contractual	141,870	146,120	141,870	141,870
OCE	59,600	75,300	59,600	75,300
Fixed Assets	51,000	30,000	-0-	-0-
Total	440,842	439,792	412,076	410,976

Personnel: The Department has recommended status quo on the personnel budget for FY21. The Committee should note that the current FY20 personnel budget is inclusive of the increased positions recommended by your Committee and approved and appropriated for this current fiscal year. The President recommends an increase in salary for the Consul General and three of the Foreign Service Officers, which increases his recommendation to $186,606 for FY21. The Committee will note throughout this report that ongoing issues remain with the Foreign Service Premium regulation revisions and evaluation process. During the hearing the Guam mission stated that while it appreciated some adjustment in the salaries of positions at its office salaries should be evaluated and adjusted for all of its permanent positions. Your Committee could not agree more. It appears that even where changes have been made to the regulations they are not uniform even for staff in the same

mission. The Office of Personnel, Department of Justice, Department of Foreign Affairs and Office of the President all agreed that the FSP final study and revisions should be a priority. At this time your Committee only has the current salary levels and current regulations before it. It reluctantly accepts the recommendations by the Department and President at this time, and awaits the proper global study and new regulations. **For the reasons noted above, your Committee recommends $186,606 for Personnel for the Consulate Office in Guam for FY21.**

Travel: The President recommends the same travel budget as this current fiscal year at $24,000. The Committee intends to recommend a seventy percent reduction in the travel budgets for the coming fiscal year as the Coronavirus pandemic has drastically decreased the ability to travel safely. Decreases in funding for this category are a prudent way to exercise fiscal disciple without sacrificing core operations. The calculation would amount to $7,200 as the reduced number. During the hearing the Guam Consul General stated she agreed that the impact of the virus greatly reduced her capacity to do outreach with our citizens and to travel on their behalf. Your Committee appreciates the work that this mission has done in the past, and it hopes that funding and public health considerations will improve soon to allow it to entertain adjustments in this category. **As stated above, your Committee recommends $7,200 for the Travel category for the Consulate Office in Guam for FY21.**

Contractual: The President recommends this category at the same funding level, which is $141,870 for FY21. The Guam Consul was again forthright in her assessment that this budget did not need increase in the coming fiscal year as her ability to do conferences has been curtailed. All parties are satisfied with the current funding level, **and therefore, the Committee**

recommends $141,870 for FY21 for the category of Contractual for the Consulate Office in Guam.

OCE: In this category the Department has recommended an increase from $59,600 to $75,300 for FY21, however, the President recommends maintaining the $59,600. The Guam mission was very articulate regarding its needs for more funding to support telecommunications costs and internet, including the hosting of our members during remote sessions of Congress. Even before the global pandemic overtook the territory costs had been increasing. The Committee is strongly states here that these are the very types of situations that justify entertaining additional funding requests after the President's Budget Book has been transmitted. The concern that your Committee has is many of the overseas missions are facing additional funding needs. These needs have been evaluated and found necessary. **It is for the reasons stated above that your Committee recommends $75,300, at this time, for the category of OCE for FY21 for the Consulate Office in Guam.**

Fixed Assets: This current fiscal year vehicles were purchased for the Consulate Office. The Department of Foreign Affairs proposed to buy another vehicle for FY21, however, the President recommends not. **Your Committee concurs with the President and recommends -0- for the category of Fixed Assets for the Consulate Office in Guam for FY21.**

Your Committee makes the recommendations for the Consulate Office in Guam based on the funding limitations and public health situation our Nation is currently experiencing. As stated several times throughout this narrative the Committee holds this mission in high esteem and will do its utmost to review and revisit this budget during the coming fiscal year.

The Committee recommends an operations budget for the Consulate Office in Guam for FY21, at this time, of $410,976.

5. FSM Consulate Office in Hawaii

	FY20 Appropriated	FY21 Depart. Recommend	FY21 Pres. Recommend	FY21 Comm. Recommend
Personnel	149,437	149,437	179,236	179,236
Travel	22,732	28,018	22,732	6,820
Contractual	230,934	257,081	230,934	257,081
OCE	41,788	41,788	41,788	64,788
Fixed Assets	5,000	5,000	5,000	5,000
Total	449,891	481,324	479,690	512,925

Personnel: The President recommends an increase of $29,799 in this category to $179,236 due to recent revisions in the Foreign Service Premium. Your Committee made inquiries during its hearing regarding why some, but not all, of the positions in this Consulate Office were recommended for an increase. The Committee also notes, with concern, that of the positions that have been recommended for increase the percentage change varies between positions. A difference in this regard should be based on merit performance or education. The Office of Personnel repeated its stance that temporary measures regarding the FSP have been made as an urgent necessity, however, no criteria for these revisions was given to the Committee. Much of the discussion and questioning during the hearing revolved around the lack of a Consul General in place in Hawaii. This is very

regrettable. It was explained to the Committee that the current Consulate Office staff are all the same grade, and this makes it even more difficult to provide leadership. Questions regarding additional expenses once a new Consul General is confirmed are premature at this point as no new nomination has been received from the President at this time. The Committee takes note of the concerns raised regarding the FSP, and as those offices and departments responsible for this regulation were present at the hearing, and it hopes to have more information regarding the issue shortly. **For these reasons, your Committee accepts the President's recommendations as the most reasonable one at this time, and concurs with the recommendation of $179,236 for the category of Personnel for the Consulate Office in Hawaii for FY21.**

Travel: The Department proposed an increase in travel, however, the President recommended travel remain the same for the coming fiscal year at $22,732. During the hearing the Hawaii Consulate Office confirmed at this time there is no travel. The current restrictions prohibit most social interaction and even travel between the islands in the state are difficult. The Committee does not see a hardship in reducing the travel budget in line with the percentage reduction proposed for all overseas missions. This new amount is $6,820. **As stated above, your Committee recommends $6,820 in the category of Travel for the Consulate Office in Hawaii for FY21.**

Contractual: The Department proposed an increase in this category, however, the President recommends maintaining the $230,934 for FY21. The Committee noted that there is less housing recommended for this coming fiscal year. The Hawaii mission stated that there was an oversight in calculation and there would be a shortfall in contractual for the parking contract without an increase. There is also the consideration

that once a new Consul General is confirmed the issue of housing may need to be revisited. The Hawaii mission also stated that additional funding is needed for part time staff. Your Committee understands that there are organization and staffing issues at this mission that need urgently to be resolved. Given the current budget constraints and the uncertainty the Committee would like to reserve this issue to examine early in the new fiscal year when all the needs can be assessed and calculated. **For these reasons, the Committee concurs with the President and recommends $257,081 for FY21 for the category of Contractual for the Consulate Office in Hawaii.**

OCE: The President recommends that this category be funded at the same level as in previous fiscal years at $41,788 for the coming FY21. During the hearing the Hawaii mission stated that they needed additional funding for office supplies and utilities that were not anticipated during the initial budget process nine months ago. The mission stated that a total of $20,000 was needed for utilities and a total of $3,000 for supplies. This category should be increased. Your Committee has commented several times over the years that annual increases in this category should be factored into the budget process. It finds this request reasonable and necessary. **For the reasons noted throughout this section the Committee expects that a review will be needed mid fiscal year, however, at this time concurs with President in recommending $64,788 in the category of OCE for the Consulate Office in Hawaii for FY21.**

Fixed Assets: The President recommends $5,000 for computers for FY21, which is the same as the current fiscal year. During the hearing a request for new office furniture and computers was made to accommodate new staff and the Consul General. This request should be submitted in detail with an exact funding request. **The Committee concurs with the President and**

recommends $5,000 in the category of Fixed Assets for FY21 for the Consulate Office in Hawaii.

After reviewing the information before it, your Committee has taken requests for new, additional funding under advisement, and recommends $512,925 for FY21 for operations of the Consulate Office in Hawaii.

6. FSM Embassy, Washington D.C.

	FY20 Appropriated	FY21 Depart Recom.	FY21 Pres. Recommend	FY21 Comm. Recommend
Personnel	210,563	210,563	240,513	240,513
Travel	63,685	64,449	63,685	19,100
Contractual	374,160	402,888	374,160	402,888
OCE	68,200	74,200	68,200	74,200
Fixed Assets	10,000	15,000	10,000	10,000
Total	726,608	767,100	756,588	746,701

Personnel: The Department has proposed the same positions at the same salary for the coming FY21, however, the President recommends an almost $30,000 increase in certain positions to $240,513. At the hearing our Ambassador to the United States stated he was thankful for the increases proposed for salaries, however, he noted that the President's Budget Book and internal memos on this issue conflicted. Further, our embassy commented that they had not seen any analysis regarding cost of living

done for these recommended increases, since there is no FSP report. Members of your Committee made inquiries in particular regarding how the increases proposed for our ambassadors was arrived at. This question was not answered at the hearing. The Office of Personnel did offer that this will be one of the areas that will be reviewed in detail during the final, formal study. While not satisfied with this approach the Committee accepts the personnel and salary listings as presented by the Executive branch for this budget session. **For the reasons stated above, your Committee concurs with the President's recommendation at this time and recommends $240,513 for Personnel for the FSM Embassy to the U.S. in Washington D.C. for the FY21.**

Travel: The Department has proposed a slight increase in this category, however, the President recommends the status quo at $63,685 for FY21. During the budget hearings your Committee confirmed with the Ambassador that travel, even within the United States, had been largely curtailed. Most of the in person meetings had been cancelled or moved to virtual hosting. With these answers the Committee feels comfortable in recommending a reduction in the travel budget. As stated several times in this report your Committee will continue to monitor all issues impacting the budget for the Department of Foreign Affairs.

During discussions on travel the Committee inquired as to how many of our citizens had contracted the Coronavirus and how many had died. The embassy stated that since numbers were self reported they were probably low currently 60 our citizens had contracted the virus and 11 had died. Your Committee agreed that this important matter would be taken up in separate hearings and meetings, but asked that any status reports available also be sent to Congress.

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With consideration of the above information, your Committee recommends $19,100 for the Travel category for FY21 for the FSM embassy to the U.S. in Washington D.C.

Contractual: The Department requested an increase of approximately $30,000 in this category, however, the President has recommended maintaining the $374,160 for FY21. The Committee heard from the embassy that housing, health and property insurance rates increase periodically and this issue must be reviewed. In particular in the case of the Washington D.C. area housing costs have increased and need to be addressed. Your Committee continues to encourage the Department of Foreign Affairs and the Office of Personnel to examine all of the needs of our people serving overseas. Housing, insurance, transportation, education for dependent children, utilities stipends, and all of the benefits should be examined along with the Foreign Service Premium. It should be the Department and the Executive branch that makes an analysis of each location to determine what is necessary rather than having each overseas mission advocate separately at budget hearings for changes in these many items. **Your Committee recommends $402,880 in the Contractual category for FY21 for the FSM embassy to the U.S. in Washington D.C.**

OCE: The Department proposed a $6,000 increase in this category, but the President recommended maintaining the $68,200 for FY21. The Committee reiterates its position as stated regarding the previous overseas missions' budgets for office and staff necessities that increase in cost annually. It must be acknowledged that these expenses are vital. **Therefore, your Committee recommends the $74,200 for the OCE category for FY21 for the FSM embassy to the U.S. in Washington D.C.**

Fixed Assets: The Department has proposed an increase for furniture, however, the President has recommended maintaining the $10,000 for computers only for FY21. **Your Committee concurs with the President and recommends $10,000 for the category of Fixed Assets for the FSM embassy to the U.S. in Washington D.C. for FY21.**

As noted in the above section briefings regarding the impact of the Coronavirus on our citizens in the U.S. are ongoing. Additional activities and expenses regarding support of our citizens due to the pandemic will be taken up in a separate report if necessary.

After a detailed review of the proposed budget of the FSM embassy to the U.S. in Washington D.C., your Committee recommends $746,701 for operations for FY21.

7. FSM Embassy Fiji

	FY20 Appropriated	FY21 Depart Recommend	FY21 Pres. Recommend	FY21 Comm. Recommend
Personnel	131,942	131,942	159,820	159,820
Travel	37,971	42,070	37,971	11,390
Contractual	168,650	170,650	168,650	170,650
OCE	50,900	53,900	50,900	57,900
Fixed Assets	5,750	70,000	5,750	5,750
Total	395,213	468,562	423,091	405,510

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Personnel: The Department proposed to keep the positions and salaries the same for FY21, however President recommended increasing the salaries for all positions to total $159,820 for the coming fiscal year under the temporary adjustment to the Foreign Service Premium. All witnesses seem satisfied with this recommendation at this time. There were not specific discussions regarding the salaries of the individuals posted at this overseas mission during the hearing. Most of the concerns raised by your Committee were regarding vacancies and the ability to conduct business while these gaps exist. The Department of Foreign Affairs, Office of President and Office of Personnel all spoke regarding the added difficulty of recruitment during the pandemic. The Fiji Consulate Office updated the Committee on the status of our students. From comments during the hearing it appears that our 56 students remain healthy and supported during this difficult time. **Your Committee is satisfied with the President's recommendation and concurs with the proposed $159,820 for the Personnel category for the FSM embassy in Fiji for FY21.**

Travel: The Department proposed an increase in travel for FY21, however, the President recommends maintaining the $37,971 for this coming FY21. During the hearing the Committee heard that flights are still very reduced to and from Fiji. The country has been declared Coronavirus free and the government there is maintaining restrictions to keep it so. Your Committee emphasized that while it will be cutting travel budgets it wanted to ensure that staff could travel to and from FSM when available and appropriate. It was confirmed by the witnesses at the hearing that at this time even this travel is not available. **Therefore, your Committee recommends $11,390, at this time, for the category of Travel for the FSM embassy in Fiji for FY21.**

Contractual: The Department recommends $2,000 more for this category, but the President recommends maintaining the $168,650 for FY21. The Committee did not receive any information at the hearing that would lead it to a finding contrary to the President regarding funding for this category. **Your Committee recommends $170,650 for the Contractual category for the FSM embassy in Fiji for FY21.**

OCE: The President recommends maintaining funding for this category at the same level as in previous years at $50,900. Your Committee heard from this overseas mission and agrees that it is experiencing pressure from the rising operations costs. The Committee believes a modest increase is necessary in line that proposed for other missions for the coming fiscal year. **For this reason, the Committee recommends $57,900 for the OCE category for the FSM embassy in Fiji for FY21.**

Fixed Assets: The Committee recommends $5,750 for FY21 for the category of FIxed Assets for the FSM embassy in Fiji.

With due consideration for the information received during the budget process, your Committee recommends $405,510 for operations for the FSM embassy in Fiji for FY21.

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8. FSM Embassy, Japan

	FY20 Appropriated	FY21 Depart. Recommend	FY21 Pres. Recommend	FY21 Comm. Recommend
Personnel	278,125	278,125	278,125	278,125
Travel	20,393	20,393	20,393	6,000
Contractual	661,548	661,548	661,548	661,548
OCE	62,154	62,154	62,154	66,154
Fixed Assets	-0-	-0-	-0-	-0-
Total	1,022,220	1,022,220	1,022,220	1,011,827

The President recommends maintaining the same budget for this overseas mission at $1,022,220 for FY21. Our Ambassador to Japan stated during the hearing that he was satisfied with operations budget as recommended by the President for FY21, apart from the need for an additional $4,000 in utilities due to increasing costs in that area. Your Committee agrees that necessary small increases in these areas are essential. The Ambassador further commented that it was his understanding that adjustments to the Foreign Service Premium will be made at a later date. While your Committee appreciates the Ambassador's willingness not to request additional funding at this time his comments highlight the concerns with the FSP revisions and implementation. Witnesses from the various overseas missions have different understandings of what is happening with this issue. Communication also needs to improve between all of the affected parties. Most of the hearing regarding the Japan embassy centered on the ongoing efforts to secure a new embassy

building. Review of several new building options is underway. The embassy is working with the real estate agency, however, there is currently no certainty as to cost for this endeavor. Your Committee is reducing the travel category in line with the across the mission guidance. This reduction would see the category of Travel for FY21 at $6,000. This will be reviewed as the situation evolves.

As there is agreement regarding maintaining the previous year's operations budget and the Committee finds no reason to deviate from the President's recommendation apart from the reduction in travel. Your Committee, therefore, recommends an operations budget for the FSM embassy In Japan at $1,011,827 for FY21.

9. UN Mission-New York

	FY20 Appropriated	FY21 Depart. Recommend	FY21 Pres. Recommend	FY21 Comm. Recommend
Personnel	162,373	162,373	197,511	197,511
Travel	44,689	46,446	44,689	13,400
Contractual	596,975	621,033	596,975	631,033
OCE	35,980	42,900	35,980	57,900
Fixed Assets	5,000	5,000	5,000	-0-
Total	845,017	877,752	883,755	889,884

Personnel: The President recommends increases for all positions at this overseas mission, for a total of $197,511 for FY for Personnel. Your Committee continues to be disturbed by the

conflicting statements and understanding of the witnesses on the issue of the Foreign Service Premium. The New York mission stated at the hearing that they were also confused by conflicting statements as to the FSP. At this time the Department of Justice, Office of Personnel and Department of Foreign Affairs commented on the analysis done for the temporary measures and what the status of the final, permanent Foreign Service Premium recommendations are. Again, your Committee strongly urged the relevant parties to work together to issue a clear, detailed final report with guidelines. As with the other overseas missions the Committee accepts that salaries, and likely benefits, will have to be adjusted during the upcoming fiscal year. **For the reasons stated above, your Committee recommends $197,511 for the category of Personnel for the FSM UN mission in New York for FY21.**

Travel: The President recommends maintaining the same budget for travel for FY21 for this mission. During the hearing the New York mission confirmed that trips and meetings have been rescheduled at least until next year. Restrictions to prevent the spread of the Coronavirus remain strict. With these comments the Committee is comfortable with the guidance to decrease funding for travel. **For this reason, the Committee recommends $13,400 for the category of Travel for the FSM UN mission to New York for FY21.**

Contractual: The Department has proposed an approximately $23,000 increase for the category, however, the President has recommended maintaining the $596,975 for FY21. When the Committee inquired as to what the additional expenses were that the mission was seeking funding for it was advised that securing appropriate health insurance is an urgent issue for this mission, and overtime for the mission's driver. Your Committee agrees that the health and security of our citizens serving

overseas is a top priority. However, the Department of Foreign Affairs, Office of Personnel and other relevant offices and departments need to articulate a standard for health care insurance policies for all our overseas missions so that all enjoy the same appropriate level of coverage. Your Committee did not receive specific information as to why the President did not recommend this increase, and defers to him until new information is received. As to the overtime for the driver for the mission an additional $10,000 is necessary to pay for overtime for this individual. The Committee sees this as a very modest request for a necessity and will include it in its recommendation. **Your Committee recommends $631,033 for the category of Contractual for the FSM UN mission in New York for FY21.**

OCE: The Department has proposed an increase in this category, however, the President did not agree with this proposal and transmitted a budget recommendation the same as in previous years. This overseas mission brings up issues regarding the allowance for education for dependents accompanying mission staff overseas. During the hearing the Committee heard from the New York mission regarding the challenges they face with the increasing costs of education. Your Committee notes here that further work needs to be done regarding this benefit as students will be studying remotely or in a different mode during the next year. The new delivery forms for education may make some things less expense, but may well increase costs for some parts of instruction. The Committee requests that this area be reviewed for all of its overseas missions to determine what level of funding support will be necessary for this academic year. The Committee does agree that, as in the case of the other overseas missions that additional funding is necessary. **Therefore, your Committee recommends $57,900 for the OCE category for the FSM UN mission in New York.**

Fixed Assets: President recommends the same funding for this category as in previous years at $5,000 for FY21. The Committee does not see an immediate need for additional fixed assets at this time. **Your Committee recommends -0- for the Fixed Assets category for the FSM UN mission in New York for FY21.**

In consideration of the above information, your Committee, therefore, recommends an operations budget for the FSM UN mission in New York at $889,844 for FY21.

10. FSM Embassy China

	FY20 Appropriated	FY21 Depart. Recommend	FY21 Pres. Recommend	FY21 Comm. Recommend
Personnel	161,656	161,656	181,472	181,472
Travel	50,000	50,000	50,000	15,000
Contractual	472,541	482,541	472,541	482,541
OCE	21,541	22,000	21,541	22,000
Fixed Assets	1,506	11,506	11,506	11,506
Total	707,244	727,703	737,060	712,519

Personnel: The President has recommended an increase for all positions to total $181,472 for this category for FY21. The Committee repeats its same comment that the increases proposed are uneven and it is not clear what they are based on. However, the Office of Personnel stands by the opinion that this is the best temporary guideline available at this time. Your Committee, again, will accept this for the purposes of this

budget session, but subject to review as soon as new information is available. The students remaining in China are doing well. Most are online studying remotely and some will even return to direct instruction later this year. Our students still remain in their dormitories and receive their monthly stipends. The Committee is satisfied that our citizens are safe and supported. **Your Committee concurs with the President, and recommends $181,472 for the category of Personnel for the FSM embassy in China for FY21.**

Travel: The President recommends keeping the travel budget at $50,000 for FY21. The Committee believes that all necessary and appropriate travel during the next fiscal year can be accomplished on a reduced travel budget. The Committee requests that necessary travel inside China to support our citizens be prioritized for the next year. **In keeping with the overall guidance to reduce travel funding, your Committee recommends $15,000 for the category of Travel for FY21 for the FSM embassy in China.**

Contractual: The Department proposed a $10,000 increase in this category for FY21, but the President recommends maintaining $472,541 for FY21. The Committee agrees with mission, as it has with all others, that the salaries and benefits for our citizens serving overseas deserve more review. In China the particular concern at this time is the cost of dependent education. The Committee notes this concern and directs this comment, again, to the relevant departments and offices present at the hearings to provide comments and solutions as soon as possible. **Your Committee concurs with the President, and recommends $482,541 for the category of Contractual for the FSM embassy in China for FY21.**

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RE: PRESIDENTIAL COMMUNICATION NO. 21-253

SUBJECT: FISCAL YEAR 2021 BUDGET/EXTERNAL AFFAIRS

SEPTEMBER 18, 2020

OCE: The President recommends maintaining the same budget for OCE for FY21, the Department proposed an additional $500 for utilities for diplomats, but this was not included. The discussion of which positions are entitled an allowance for utilities, and amount that should be for each overseas mission, is recurring. This benefit must be standardardized. At this time the Department of Foreign Affairs and the Office of Personnel have not articulated a relevant guideline. Therefore, the Committee relies on the recommendation of the President. **Based on the commentary above, your Committee recommends $22,000 for FY21 for the category of OCE for the FSM embassy in China.**

Fixed Assets: There is a total of $11,506 recommended by the President for FY21 for this category for furnishings. The Committee has seen first hand the number of students and citizens that utilize the FSM embassy in China. Your Committee supports this embassy's efforts to support our students and sees the necessity of the modest request. **Your Committee concurs with the President's recommendation of $11,506 for FY21 for the category of Fixed Assets for the FSM embassy in China.**

Your Committee on External Affairs reiterates it will continue to coordinate with the Committee on Education, and all other relevant committees to ensure that our students who are studying overseas are fully supported during these challenging times.

After extensive review and hearings your Committee recommends $712,519 for operations for FY21 for the FSM embassy in China.

STANDING COMMITTEE REPORT NO. 21-65

RE: PRESIDENTIAL COMMUNICATION NO. 21-253

SUBJECT: FISCAL YEAR 2021 BUDGET/EXTERNAL AFFAIRS

SEPTEMBER 18, 2020

11. FSM Consulate Office-Portland, Oregon

	FY20 Appropriated	FY21 Depart. Recommend	FY21 Pres. Recommend	FY21 Comm. Recommend
Personnal	175,917	175,917	196,024	196,024
Travel	40,102	61,148	40,102	12,030
Contractual	318,369	416,293	318,369	435,656
OCE	31,950	36,950	36,950	51,950
Fixed Assets	5,000	39,200	9,200	9,200
Total	571,338	729,508	600,645	704,860

Personnel: The President recommends an increase in salaries of $20,107, with a total recommended budget for this category of $196,024 for FY21. During the hearing the Portland Consulate Office was another overseas mission that commented that they received conflicting information regarding the ongoing process of revising the Foreign Service Premium. The Committee notes this comment as the same as challenge as other missions have communicated. The Consul General stated that he and his staff continue to work remotely as the office remains closed due to a staff member testing positive for the Coronavirus. The Consulate Office is facing challenges both from the virus infection and community turmoil, however, is functioning to the best of its ability. **Your Committee concurs with the President and recommends $196,024 for the category of Personnel for FY21 for the Consulate Office in Portland, Oregon.**

STANDING COMMITTEE REPORT NO. 21-65

RE: PRESIDENTIAL COMMUNICATION NO. 21-253

SUBJECT: FISCAL YEAR 2021 BUDGET/EXTERNAL AFFAIRS

SEPTEMBER 18, 2020

Travel: The President recommends maintaining the current fiscal year travel budget at $40,102 for FY21. Particularly for this mission the necessity and appropriateness of travel is very limited at this time. Your Committee believes that critical domestic travel can be accomplished on a much smaller budget for the time being. **Subject to review later in the fiscal year, your Committee recommends $12,030 for the category of Travel for the Consulate Office in Portland, Oregon for FY21.**

Contractual: The President recommends the same funding for all items in this category for FY21 with a total recommended at $318,369. These are standard insurance and cleaning/maintenance contracts. The Committee heard from the mission that the Portland Consulate Office also has an issue with an increase in health insurance. The Committee strongly supports all efforts to keep our citizens serving the government healthy, and has received detailed information regarding the policy and needs at this mission. It is clear from this information that the total costs of the insurance is $136,764, and the budget recommendation should reflect this. Also, with the increase in staff at this mission housing costs need to reflect the size of the mission. The additional cost for this item is $63,535. Although this is substantial our citizens serving overseas must be secure and provided for, and so the Committee accepts this urgent request. **In consideration of the above comments, your Committee recommends $435,656 for the category of Contractual for FY21 for the Consulate Office in Portland, Oregon.**

OCE: The President recommends increase this category by $5,000 to $36,950 for FY21. The items of communications and utilities are at issue here. As discussed above this mission is now conducting its work remotely. It also covers a large area and must be accessible to our citizens in the western part of the United States. This increase was evaluated and approved by the

President and the Committee defers to his decision. **The Committee recommends $51,950 for FY21 for the Consulate Office in Portland, Oregon.**

Fixed Assets: The President recommends $4,200 increase for computers, equipment and office furniture for the Portland Office with a total recommended of $9,200 for FY21. The same comments from the previous section are relevant. This mission office is working remotely and needs equipment and computers to accommodate this changed situation. **Your Committee concurs with the President, and recommends $9,200 in the category of Fixed Assets for the Consulate Office in Portland, Oregon for FY21.**

The Committee understands that adjustments may be necessary later in the fiscal year to the budget of this mission. However, at this time, your Committee recommends $704,860 for the operations budget for FY21 for the Consulate Office in Portland, Oregon.

12. Office of Veteran's Affairs

The President recommends that the Office of Veteran's Affairs maintain the same budget as previous years at $189,465. The categories remain proposed for the same levels: Personnel at $79,240; Travel at $42,225; Contractual at $50,000; OCE at $18,000 and Fixed Assets -0-. Since the establishment of the Office of Veteran's Affairs your Committee has been very concerned that no personnel have been hired and it is not functioning. Your Committee is aware that the President and the Executive branch as a whole are engaged in several extraordinary activities, and have had the added strain of providing guidance for the Nation regarding prevention and mitigation of the Coronavirus. The Committee had only had a limited opportunity to meet with the relevant witnesses on this matter and has

determined to fund this important office with the understanding that a plan for opening a fully functional operation be forthcoming shortly. Your Committee finds no reason for an exemption of the Office of Veteran's Affairs from the guidance on reduction in travel funding. It, therefore, recommends the travel category be reduced to $12,668 for FY21.

With the intention of conducting a full public hearing with the relevant witnesses at the earliest possible opportunity the Committee recommends continued funding for the Office of Veteran's Affairs for FY21. The recommendation is as follows: Personnel: $79,240; Travel: $12,668, Contractual: $50,000; OCE $18,000 and Fixed Assets -0-. The Committee recommends a total operations budget for FY21 for the Office of Veteran's Affairs at $159,908.

13. Grants, Subsidies & Contributions

The President recommends $259,270 for FY21 with the items in this category remaining unchanged from previous years as follows:

- Pacific Island Forum Secretariat: $57,000
- Secretariat of the Pacific Community (SPC): $65,000
- United Nations Economic and Social Commission for the Asia and Pacific: $5,000
- UN Membership Fee:$50,000
- East West Center: $5,000
- Cotonou Membership Fee (ACP): $17,000
- SPC Office Space: $29,670
- SIS Program: $10,000
- IOM Membership Fee: $600
- SPC Host Grant: $20,000

STANDING COMMITTEE REPORT NO. 21-65

RE: PRESIDENTIAL COMMUNICATION NO. 21-253

SUBJECT: FISCAL YEAR 2021 BUDGET/EXTERNAL AFFAIRS

SEPTEMBER 18, 2020

Your Committee accepts these continued memberships and fees as necessary to our Nation's development and growth. **Therefore, your Committee recommends $259,270 for Grants, Subsidies and Contributions for the Department of Foreign Affairs for FY21.**

Conclusion

Your Committee has carefully reviewed the President's FY2021 budget and all of the information provided by the Executive and all entities under its 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 all of the Fiscal Year 2021.

Subject to the conditions and limitations set forth herein, and subject to the concurrence of your Committee on Ways & Means, your Committee on External Affairs recommends approval of the amounts and sources of funds identified as Committee Recommendations.

STANDING COMMITTEE REPORT NO. 21-65

RE: PRESIDENTIAL COMMUNICATION NO. 21-253

SUBJECT: FISCAL YEAR 2021 BUDGET/EXTERNAL AFFAIRS

SEPTEMBER 18, 2020

Respectfully submitted,

Paliknoa K. Welly, chairman

Tiwiter Airtos, vice chairman

Isaac V. Figir, member

Victor V. Gouland, member

Esmond E. Moses, member

Dion G. Neth, member

Robson U. Romolow, member

STANDING COMMITTEE REPORT NO. 21-65

RE: PRESIDENTIAL COMMUNICATION NO. 21-253

SUBJECT: FISCAL YEAR 2021 BUDGET/EXTERNAL AFFAIRS

SEPTEMBER 18, 2020

Respectfully submitted,

Paliknoa K. Welly, chairman

Tiwiter Airtos, vice chairman

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Robson U. Romolow, member

STANDING COMMITTEE REPORT NO. 21-65

RE: PRESIDENTIAL COMMUNICATION NO. 21-253

SUBJECT: FISCAL YEAR 2021 BUDGET/EXTERNAL AFFAIRS

SEPTEMBER 8, 2020

Respectfully submitted,

Paliknoa K. Welly, chairman

Tiwiter Airtos, vice chairman

Isaac V. Figir, member

Victor V. Gouland, member

Esmond B. Moses, member

Dixon G. Neth, member

Robson U. Romolow, member