



CONGRESS OF THE FEDERATED STATES OF MICRONESIA

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COMMITTEE ON
TRANSPORTATION AND
COMMUNICATIONS

STANDING COMMITTEE REPORT NO: 24-18

RE: P.C. 23-573/T&C

SUBJECT: FY 2026 BUDGET

SEPTEMBER 13, 2025

The Honorable Esmond B. Moses
Speaker, Twenty-Fourth Congress
Federated States of Micronesia
Second Regular Session, 2025

Dear Mr. Speaker:

Your Committee on Transportation and Communication, to which was jointly referred Presidential Communication No. 23-573, begs leave to report as follows:

Presidential Communication No. 23-573 concerns the National Government's proposed budget for fiscal year 2026 as set forth in the National Government Fiscal Year 2026 Proposed Budget ("Budget Book"). Pursuant to rule 7, section 4(b) of the Official Rules of Procedure of the Twenty-Fourth 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:

- I. Department of Transportation, Communications and Infrastructure
 - a. Operations
 - i. Administration
 - ii. Marine Transportation
 - iii. Civil Aviation
 - iv. Communication
 - v. Infrastructure
 - vi. Project Management Unit

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II. Grants, Subsidies and Contributions:

a. Department of Transportation, Communications and Infrastructure

- i. Asia Pacific Telecommunity (APT);
- ii. International Telecommunication Union (ITU);
- iii. International Civil Aviation Organization;
- iv. Micronesian Shipping Commission;
- v. FSM Capital Energy (Utilities);
- vi. Fuel & Provisioning of Caroline Voyager & Navigator; and
- vii. FSM NG Computer Network Bandwidth Contract

b. Other Grants, Subsidies and Contributions:

- i. Caroline Islands Air subsidy
- ii. Open Access Entity

III. Capital and Human Resources Development

a. Department of Transportation, Communications and Infrastructure

- i. Operation & Dry-docking of Government operated vessels;
- ii. FSM National Government Computer Network (Internet and Equipment cost for centralizing computer services);
- iii. FSM National Government Facility Improvement;
- iv. Infrastructure Maintenance Fund; and
- v. Department of Transportation, Communications & Infrastructure - FAA-AIP Matching

IV. Other Capital Investment & Human Resources (CIP)

- i. Acquisition of FSM Vessel

This report and all previous and subsequent reports by this committee should be treated as policy for this Nation as defined by the 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.

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Your committee conducted a series of public hearings on the proposed fiscal year 2026 budget for the Department of Transportation, Communications and Infrastructure (DTC&I). The first hearing was held on Thursday, May 20, 2025 at 8:30 a.m. in the hearing room of the FSM Congress. The committee members that attended the hearing included, Chairman Victor V. Gouland, Fabian Nimea, Joseph J. Urusemal, Peter M. Christian, Yoslyn G. Sigrah, Merlyn Abello Alfonso. Witnesses included Secretary Carl Apis, Assistant Secretary Glenn Harris, Assistant Secretary Edward Albert, Assistant Secretary Dickson Wichep, Robert Westerfield from the Project Management Unit and a few of the staff from the Department of Transportation, Communication Director of Personnel Sampson Pretrick, Assistant Attorney Jun Bacalando, Assistant Secretary Sohs John, and Special Assistant to the President Belan Yoma.

DISCUSSION OF FY 2026 BUDGET

During the hearing on Thursday, May 20, 2025, your committee heard the testimonies from the witnesses regarding the submitted fiscal year 2026 budget. Your committee uses the table below to compare the figures appropriated in fiscal year 2025, the figures proposed by the department for fiscal year 2026, the figures recommended by EBRC for fiscal year 2026, and the figures recommended by the committee. The table below shows the comparison:

	FY2025 appropriation (PL 24-18)	FY26 Proposed	FY26 Recommended	FY26 Committee
Personnel	\$957,104	\$996,465	\$889,199	\$889,199
Travel	\$352,266	\$392,871	\$178,876	\$178,876
Contractual	\$2,330,625	\$3,308,924	\$2,239,704	\$2,239,704
OCE	\$136,100	\$141,800	\$97,400	\$97,400
Fixed Asset	\$59,000	353,000	\$75,000	\$75,000
Total	\$3,835,095	\$5,193,060	\$3,480,179	\$3,480,179

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As currently reflected, the FY26 recommended budget of \$3,480,179 for the operation of the Department of Transportation, Communications and Infrastructure reflected a decrease of \$354,916, as compared to \$3,835,095, which was the FY25 appropriation.

Your committee makes the following recommendations:

I. Operations

a. Department of Transportation, Communications and Infrastructure

i. Administration, Office of the Secretary

	FY 25 Appropriation	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
Personnel	172,658	\$169,270	169,270	\$169,270
Travel	22,615	\$80,994	64,699	\$64,699
Contract	10,000	\$10,000	10,000	\$10,000
OCE	40,000	\$40,000	40,000	\$40,000
Fixed Assets	5,000	\$5,000	\$0	\$5,000
TOTAL	\$250,273	\$305,264	\$283,969	\$288,969
#Positions	6		6	6

Personnel: The amount appropriated in fiscal year 2025 was \$172,658 for six positions. For fiscal year 2026, the total amount that was proposed for the six positions is \$169,270. EBRC recommended \$169,270. The difference in the FY25 appropriation to the FY26 recommended is \$3,388. At the hearing, your committee whether the department is satisfied with the recommended amount, and your committee was assured that the department is satisfied with the recommended amount of \$169,270. Your committee recommends \$169,270.

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Travel: For FY25, an amount of \$22,615 was appropriated. The amount proposed for this fiscal year 2026 is \$80,994, but EBRC recommended \$64,699. At the hearing, Secretary Apis explained that the amount of \$80,994 recommended is to cover for needed domestic travels so his staff can monitor the infrastructure projects in each of the states. They need more travels to coordinate with the stakeholders on projects, and to inspect projects in the states. Your committee recommends \$64,699.

Contractual Services: In FY25, an amount of \$10,000 was appropriated. For this fiscal year 2026, the same amount of \$10,000 is requested, and recommended by EBRC. Of the \$10,000, an amount of \$3,500 is requested for office equipment repair, \$6,500 for vehicle repair, and \$20,000 for Representative Fund. Your committee recommends \$10,000.

Other Current Expenses: In FY25, an amount of \$40,000 was appropriated. For this fiscal year 2026, an amount of \$40,000 is requested and recommended. An amount of \$8,100 for communication, \$12,050 for fuel, \$5,670 for printing and reproduction, and \$14,180 for supplies and materials. Your committee recommends \$40,000.

Fixed Assets: In FY25, an amount of \$5,000 was appropriated. For this fiscal year 2026, an amount of \$5,000 is requested by the Department, but EBRC recommended \$0. Your committee recommends \$5,000.

ii. Division of Marine Transportation

	FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
Personnel	152,174	146,974	146,974	\$146,974
Travel	23,757	31,677	20,978	\$20,978
Contract	1,868,396	1,980,697	1,980,697	\$1,980,697
OCE	0	20,000	20,000	\$20,000
Fixed	0	50,000	30,000	\$30,000

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TOTAL	2,042,404	2,219,348	2,169,536	\$2,198,649
#Positions	5	5	5	5

Personnel: The appropriated amount in fiscal year 2025 was \$152,174. The department is requesting \$146,974 for fiscal year 2026 for 5 positions, and EBRC recommended the same amount. The difference with fiscal year 2025 appropriation and recommended fiscal year 2026 amount is \$5,200. Last year the COLA in the amount of \$5,200 was not recommended, but your committee reinstated. The \$146,974 amount that was recommended plus \$5,200 for COLA is \$152,174.

Your committee discussed in length the Assistant Secretary Mark Kostika who decided to secure a contract with the same department, and not to be considered as the Assistant Secretary for Marine Division. Your committee inquired with the Department of Justice whether the move is ethical or not. According to testimonies received, the Assistant Secretary who is now under contract will be working on the tariff. Your committee recommends \$146,974.

Travel: An amount of \$20,978 was appropriated in fiscal year 2025. The proposed amount for this fiscal year 2026 is \$31,677, but EBRC recommended \$20,978. At the hearing, the Assistant Secretary Thomas Kostika testified that there is a need to visit the states to meet with several of the contractors who involved in the offloading and loading of cargoes, and discuss any pressing issues. Your committee recommends \$20,978.

Contractual Services: The amount of funding that was appropriated in fiscal year 2025 was \$1,980,697. The amount the Department requested for this fiscal year 2026 is \$1,980,697. The amount recommended by EBRC is \$1,755,760, and these are the breakdown:

- | | |
|---|---------|
| 1. Consultant fee (contractual service) | 50,000 |
| 2. Consultant/Marine Engineer (contractual service) | 50,000 |
| 3. Staff housing for five staff | 33,600 |
| 4. Sea allowance | 194,400 |

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5. Insurance		\$ 214,000
6. Sanoyas contract		30,000
7. Seair contract		30,000
8. NK contract		20,000
9. Transco contract		60,000
0. Waab contract		60,000
1. Sealand contract		20,000
2. Crew medical		10,000
3. MN Crews	[498,127]	459,603
4. CV Crews	[508,792]	<u>452,965</u>
5. Lady Minto contract	[104,863]	0
6. Overtime on Crew on Lady Minto	[61,596]	0
7. Shore Side Ship's support	[35,596]	71,192
		<u>\$1,755,760</u>

The important issue that the Committee discussed with the witnesses was the Dry-Docking funding for the vessels. The witnesses explained that the dry-docking of the vessels is a requirement, and should be taken every two years. Your Committee found out that since the funding for dry-docking usually appropriated under section 9 of the operation budget (Capital and Human Resource Development), the balance provided was around 600,000 out of the \$12,500,000 appropriated in several fiscal years.

During the discussion on the contractual services for each of the shipping agents, your committee wanted to know why some agent receive more funding in their contracts while others received less funding. The witnesses explained that the different in the contractual amount for each agent is based on the amount of service provided. Your committee also learned that payments for this kind of service are very late to process.

For fiscal year 2026, there are several line items that were decreased and taken out, and these are the line items:

1. No funding for Lady Minto Contract in the amount of \$104,863
2. No funding for Overtime for crew on Lady Minto in the amount of \$61,596

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3. Funding for crew on Micro Navigator decreases from \$498,127 to \$459,603, the amount decreased is \$38,524
4. Funding for crew on Caroline Voyager decreases from \$508,792 to \$452,965, the amount decreased is \$55,827
5. Funding for Shore line ship support increases from \$35,596 to \$71,592.

At the mark up meeting, your Committee is fully aware that there were several outstanding payments to the crews on any National Government operated vessels for the sea allowance, as well as the short fall incurred during dry-docking. In addition, there is a Memorandum of Understanding (MOU) between the National and the State, especially on the cost-sharing of national operated vessels during dry-docking, i.e. H2 Habilmohol. Your Committee recommends the current fiscal year 2025 figure of \$1,980,697, which is higher than the recommended amount by EBRC. The committee recommended the \$1,980,697 to defray the sea allowances and the sharing of costs during dry-docking of vessels.

Other Current Expenses: There was \$20,000 appropriated in this category for the Marine Division in fiscal year 2025. There is a \$20,000 requested for this new fiscal year for supplies and materials, which was recommended by EBRC. The Committee recommends \$20,000.

Fixed Assets: There was \$0 appropriated in this category in fiscal year 2025. For this fiscal year 2026, there is a request of \$50,000 for a vehicle, but EBRC decreased the amount and recommended \$30,000. Your committee recommends \$30,000.

iii. Division of Civil Aviation

	FY 25 Appropriated	FY26 Proposed	FY26 Recommended	FY 26 Committee Recommends
Personnel	138,679	138,448	138,448	\$138,448
Travel	20,624	65,341	47,379	\$47,379

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Contract	60,000	60,000	60,000	\$60,000
OCE	5,100	5,100	5,100	\$5,100
Fixed	0	50,000	30,000	\$30,000
TOTAL	224,403	318,889	254,172	\$280,927
#Positions	5	5	5	5

Personnel: In fiscal year 2025, an amount of \$138,679 was appropriated to fund five positions with their fringe benefits and COLA. For fiscal year 2026, the division requested \$138,448, which EBRC recommended. Comparing the fiscal year 2025 appropriation to the recommended amount for fiscal year 2026 budget, there is a decreased amount of \$231. Your committee recommends \$138,448.

Travel: In fiscal year 2025, an amount of \$20,624 was appropriated. This year, the division requested \$65,341, but EBRC decreased to \$47,379. At the hearing, the witnesses requested more travel funds so they can visit the states and do inspection on safety as required by FAA. Your Committee recommends \$47,379.

Contractual Services: An amount of \$60,000 was appropriated in fiscal year 2025 to fund a consultant to do trainings on ICAO requirements. This year, the same amount of \$60,000 is requested and recommended for the division to contract an Aviation Consultant. Your committee recommends \$60,000.

Other Current Expenses: An amount of \$5,100 was appropriated in fiscal year 2025. This year, the same amount is requested and recommended by EBRC. Your committee recommends \$5,100.

Fixed Assets. No appropriation in fiscal year 2025. This year, there Division is requesting \$50,000 to purchase a vehicle, but EBRC recommended \$30,000. Your committee recommends \$30,000.

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iv. Division of Communication

	FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
Personnel	105,826	147,494	105,826	\$105,826
Travel	20,258	90,556	25,900	\$25,900
Contract	30,000	30,000	30,000	\$30,000
OCE	2,500	2,500	2,500	\$2,500
Fixed	3,000	3,000	0	\$3,000
TOTAL	161,584	273,550	164,226	\$167,226
#Positions	3	5	3	3

Personnel: In the fiscal year 2025 budget, an amount of \$105,826 was appropriated to fund three positions. The three positions are: one Frequency Manager position, one Information Technology Specialist position, and the Assistant Secretary position. For this fiscal year, the division requested an amount of \$105,826, but EBRC recommended \$94,376. The division requested for two other new positions (Deputy Assistant Secretary/Digital & Technology and Secretary II), but was not recommended. Your committee recommends \$105,826.

Travel: In fiscal year 2025, an amount of \$20,258 was appropriated. This year, the division requested \$90,556, but EBRC recommended \$25,900. Your committee recommends \$25,900.

Contractual Services: An amount of \$30,000 was appropriated last year, and recommended for this year. The purpose of the \$30,000 is to fund a consultant. Your committee recommends \$30,000.

Other Current Expenses: The appropriation last year was \$2,500. This year, the division requested \$2,500 for office supplies, which was recommended by EBRC. Committee recommends \$2,500.

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Fixed Assets: In fiscal year 2025, an amount of \$3,000 was appropriated for office equipments. The division is requesting \$3,000 for office equipments again, and was not recommended. Your committee recommends \$3,000.

v. Division of Infrastructure

	FY 25 Appropriated	FY26 Proposed	FY 26 Recommen ed	FY 26 Committee Recommends
Personnel	312,679	394,279	312,679	\$312,679
Travel	94,401	124,303	50,812	\$94,401
Contract	513,245	1,228,227	383,944	\$383,944
OCE	35,800	74,200	29,800	\$29,800
Fixed	31,000	245,000	15,000	\$15,000
TOTAL	987,125	2,066,009	793,740	\$835,824
#Positions	12	12	12	12

Personnel: The appropriated amount in fiscal year 2025 was \$312,679 for twelve positions. For fiscal year 2025, the division is requesting \$394,279, but EBRC recommended 312,679. There are five new positions requested by the department. These are the five positions with their corresponding salaries: 1. New Maintenance Supervisor with a proposed salary at \$16,615.82; 2. New Electrical Technician with a proposed salary at \$14,222; 3. New Plumbing Technician with a proposed salary at \$14,222; 4. New AC Technician with a proposed salary at \$14,222; 5. General Helper with a proposed salary at \$11,881.74. The EBRC did not recommend the five new positions. Your committee recommends \$312,679.

Travel: An amount of \$94,401 was appropriated in fiscal year 2025. The division requested \$124,303, but EBRC decreased it to \$50,812. At the hearing, your committee inquired whether the \$50,812 is sufficient. According to the witnesses, there are more infrastructure projects to be inspected at the state level. Your committee recommends \$94,401.

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Contractual Services: The amount appropriated in fiscal year 2025 was \$513,245. This year, the amount proposed by the division is \$1,228,227, but EBRC recommended \$383,944.

Following are the specific items that are requested and recommended:

Name	FY25 approp	FY26 proposed	FY26 recomm	FY26 Comm
Contract	70,000	70,000	70,000	\$70,000
FSM Capital Insurance	19,000	19,000	19,000	\$19,000
Vehicle insurance	5,479	6,479	6,479	\$6,479
FSM Capital Pressure wash site walkways	32,000	32,000	32,000	\$32,000
Janitorial, Ground Maint, Roadside & Maint. needs	231,465	231,465	231,465	\$231,465
Painting of parking lot and signage	25,000	25,000	25,000	\$25,000
Total	382,944	383,944	383,944	\$383,944

At the hearing, your committee had inquired on the significant amount for Janitorial service and Ground Maintenance. The witnesses testified that these are services contracted out for the maintenance and cleaning up of the National Government facilities, and also the roadside cleaning to maintain the road going from Palikir toward Kolonia.

Your committee recommends \$383,944

Other Current Expenses: The fiscal year 2025 appropriation was \$34,600. The amount requested and recommended for this fiscal year is \$74,200, an increase of \$39,600. These

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increased of funding is for office supplies in the newly constructed Convention Center in the amount of \$30,000, plumbing supplies in the amount of \$6,000, \$8,100 for Auto-CAD license renewal, and \$300 for computer anti-virus. Your committee recommends \$29,800.

Fixed Assets: There was \$31,000 appropriated in fiscal year 2025. For this fiscal year, the division proposed \$245,000, but EBRC recommended \$15,000. Your committee recommends \$15,000.

vi. Project Management Unit

	FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
Personnel	118,795	118,795	118,795	\$118,795
Travel	148,390	148,390	148,390	\$148,390
Contract	1,238,450	1,238,450	1,238,450	\$1,238,450
OCE	32,700	32,700	32,700	\$32,700
Fixed	20,000	20,000	20,000	\$20,000
TOTAL	1,558,335	1,558,335	1,558,335	\$1,558,335
#Positions	3	3	3	3

Personnel: The amount appropriated in fiscal year 2025 was \$118,795 to fund three positions, the Administrative Officer at \$29,908, the IT System Management & Research Specialist at \$28,352, and an Executive Secretary at 16,240. For this fiscal year 2026, \$118,795 is proposed and recommended. Your committee recommends \$118,795.

Travel: An amount of \$148,390 was appropriated in fiscal year 2025. For this fiscal year, PMU requested the same amount, and was recommended. The purposes of this travel is to meet with PMO and follow up on all projects. Your committee recommends \$148,390.

Contractual Services: In fiscal year 2025, an amount of \$41,238,450 was appropriated. For this fiscal year, the

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same amount was proposed, and recommended by EBRC. The following were requested and recommended:

	<u>FY26 Proposed</u>	<u>FY26 Recommend</u>
Contract Specialist	\$140,000	140,000
Program Manager-contractual services	140,000	140,000
Civil Engineer- contractual services	80,000	80,000
New/Financial & Compliance - contract	120,000	120,000
New/Architect	100,000	100,000
Quantity Surveyor	60,000	60,000
Land Surveyor	120,000	120,000
National Capacity Building	276,450	276,450
Staff housing	84,000	84,000
Equipment Maintenance	4,000	4,000
Benefits	114,000	114,000
	<hr/>	<hr/>
	\$1,238,450	1,238,450

Your committee recommends \$1,238,450.

Other Current Expenses: The amount appropriated in this fiscal year 2025 was \$32,700. The PMU is requesting \$32,700, and was recommended. Your committee recommends \$32,700.

Fixed Assets: In fiscal year 2025, \$20,000 was appropriated. For fiscal year 2025, the Unit is requesting \$20,000 for computer and survey equipment, and was recommended. Your committee recommends \$20,000.

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II. Grants, Subsidies and Contributions

a. Department of Transportation, Communications and Infrastructure

	FY 25 Appropriated	FY26 Proposed	FY 26 Recommende d	FY 26 Committee Recommends
a. Asia Pacific Telecommunity (APT)	\$6,075	\$6,075	\$6,075	\$6,075
b. International Telecommunica tion Union (ITU)	\$12,934	\$12,934	\$12,934	\$12,934
c. International Civil Aviation Organization (ICAO)	\$22,538	\$22,538	\$22,538	\$22,538
d. FSM Capital Energy (Utilities)	\$1,064,235	\$700,00	\$700,000	\$700,000
e. Micronesian Shipping Commission (MSC)	\$25,000	\$25,000	\$25,000	\$25,000
f. Fueling & Provisions of operated vessels of the National Government	1,695,830	1,345,830	\$1,500,000	\$1,500,000

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g. FSM NG Computer Network Bandwidth contract	150,100	\$181,920	\$181,920	\$181,920
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OTHER GRANTS, SUBSIDIES AND CONTRIBUTIONS				
1. ICAO arrears	\$0	\$174,000	\$0	\$174,000
2. Caroline Island Air- subsidy	325,000	\$250,000	\$0	\$250,000
3. OAE subsidy	\$150,000	\$150,000	\$0	\$75,000
Total sum	\$3,376,712	\$2,694,297	\$2,448,467	\$2,947,467

Your committee agreed that the funding for the fueling and provisioning in the amount of \$1,500,000 shall be used for all National Operated vessels, and not to be restricted to only Caroline Voyager or Navigator.

During the contribution to the Micronesian Shipping Commission in the amount of \$25,000, your committee want more clarification whether the way Matson and Kyowa charge business owners of their containers are based on the Chuuk State charges or not.

The funding for the FSM Capital Energy (Utility) is insufficient. The actual costs for FSM Capital Energy (Utilities) are as follows:

1. FSM National Complex	\$49,000
2. Official Residences	\$ 4,900
3. David & Setik	\$ 500
4. DECCEM	\$ 850
5. Finance Warehouse	\$ 3,000
6. Trans National Unit	<u>\$ 1,000</u>

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Your committee learned that the Pohnpei Utility Corporation (PUC) had been under billing the FSM National Government, especially the President's Office for two years, and the arrear is around \$200,000 for the two years. So the department had to reprogram some funding from the fiscal year 2025 to pay PUC for this arrear. Secretary informed the committee that the during December 2025, the funding for utility will run out. Will revisit the necessary funding for the FSM Capital Energy (utility) in the near future. The committee discussed the utility payment on cash power where individual or department pays their own utility. Deputy Assistant Secretary Sohs John explained that the department faced problem with having respective department pays their own utility.

Your committee also inquired with the deparmtent on how much the department pays for utility for the newly constructed Convention Center, and Secretary stated that around \$7,000 per month.

The witnesses expressed their concern on the decrease in the funding for the fuel and provisioning of the National vessels. The request for the use of the National vessels is increasing, yet the funding is decreased for this fiscal year. Your committee had asked Secretary Carl how much funding for provisioning and how much funding for fuel. Secretary Apis explained that the EBRC recommended amount for fuel and provisioning is \$1,500,000. He explained that the schedule of the vessels is one visit per quarter, so four times to each state per year.

For the CIA subsidy, your committee want more detailed information on how the CIA expended the subsidy given to it yearly, and whether the Corporation cannot survive without the supplemental funding from the National Government. Your committee recommends \$250,000.

For the subsidy for the Open Access Entity, your committee wants to review the expenditure report on the fiscal year

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For the subsidy for the Open Access Entity, your committee wants to review the expenditure report on the fiscal year appropriation of \$150,000, thus recommends \$75,000 for this fiscal year.

The total appropriated in fiscal year 2025 under Grants, Subsidies and Contributions category was \$3,376,712. The proposed amount for fiscal year 2026 is \$2,694,297. The amount recommended by the EBRC for fiscal year 2026 is \$2,448,467. Your committee recommended \$2,947,467. Comparing the FY25 appropriation of \$3,376,712 to the committee's FY26 recommended amount of \$2,947,467, there is a decrease of \$429,245.

III. Capital and Human Resources Development

a. Department of Transportation, Communications and Infrastructure

i. Operation & Dry-docking of Government operated vessels

FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
1,500,000	\$1,100,000	\$1,100,000	\$1,500,000

For this fiscal year 2026, your committee recommended \$1,500,000; however, the department must provide the billings for the dry-docking of every Government operated vessels.

ii. FSM National Government Computer Network

FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
\$100,000	\$100,000	\$50,000	\$100,000

iii. FSM National Government Facilities Improvement

STANDING COMMITTEE REPORT NO: 24-18

RE: P.C. 23-573/T&C

SUBJECT: FY 2026 BUDGET

SEPTEMBER 13, 2025

FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
\$626,152	\$626,152	\$626,152	\$626,152

iv. Ta Runway Extension Project in Chuuk State

FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
\$121,550	\$0	\$0	\$0

Your committee needs more information of the requested amount for the FSM National Government Facilities, especially which facilities the funding will be used for, and what are some of the improvement that are required.

i. Infrastructure Maintenance Fund

FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
\$784,000	\$784,000	\$0	\$0

Your committee asked why there is a need for the IMF funding when there are a lot of IMF Sector grant that are not spent. The department needs to provide more detailed information on this IMF funding request. Your Committee recommends \$0.

ii. Acquisition of FSM Vessel

FY 25 Appropriated	FY26 Proposed	FY 26 Recommended	FY 26 Committee Recommends
\$0	\$0	\$3,087,298	\$0

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SUBJECT: FY 2026 BUDGET

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Your committee wants more information from the executive on the recommended amount of \$3,087,298, like, how many vessels? And how much for one vessel? Your committee recommended \$0.

The total appropriated in fiscal year 2025 under Capital and Human Resources Development category was \$3,131,702. The amount proposed by the department is \$2,610,152. The amount recommended by EBRC for fiscal year 2026 is \$4,863,450. Your committee recommends \$2,226,152. Comparing the FY25 appropriation of \$3,131,702 to the committee's FY26 recommended amount of \$2,226,152, there is a decrease of \$905,550.

CONCLUSION

Your Committee on Transportation and Communication recommends authorizing those portions of the FY 2026 budget relating to matters under its jurisdiction, subject to the availability of funds, as determined by your Committee on Ways and Means.

STANDING COMMITTEE REPORT NO: 24-18

RE: P.C. 23-573/T&C

SUBJECT: FY 2026 BUDGET

SEPTEMBER 13, 2025

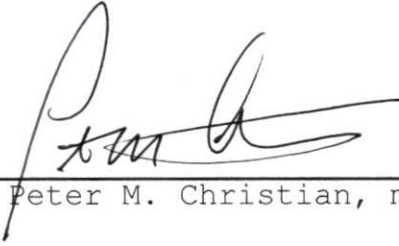
Respectfully submitted,



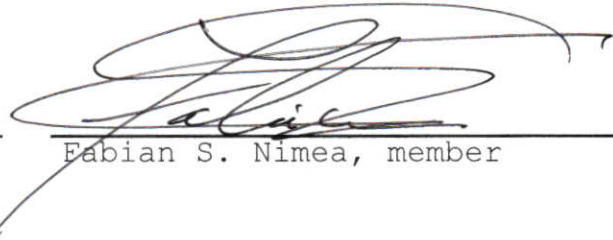
Victor V. Gouland, chairman



Jermy W. Mudong, member



Peter M. Christian, member



Fabian S. Nimea, member



Perpetua S. Konmar, member

Joseph J. Urusemal, member



Yoslyn G. Sigrah, member