

SPECIAL COMMITTEE REPORT NO. 24-09

RE: COMMITTEE TO WAIT ON THE PRESIDENT

MAY 13, 2026

The Honorable Esmond B. Moses
Speaker, Twenty-Fourth Congress
Federated States of Micronesia
Fourth Regular Session, 2026

Dear Mr. Speaker:

Your Committee to Wait on the President was duly appointed On May 12, 2026, consisting of members Fabian S. Nimea, Merlynn Abello-Alfonso, Yoslyn G. Sigrah, and Andrew R. Yatilman. Fabian S. Nimea was designated as the chair. The meeting took place with the President and Vice President, and the key Executive cabinet officials on May 12, 2026, at 1 p.m. The chair thanked the President and the key members of the Executive branch on behalf of Congress for the opportunity to meet. The Members expressed their best wishes and hopes that this regular session would be a productive one. The chair also reported that Congress was in session and ready to transact business. The Committee communicated that Congress would give priority to as many matters as possible for this regular session. Both the President and your Committee agreed that the status of the Declaration of Emergency was a priority for this session.

The President stated he was seeking an extension of the Declaration of Emergency. He has proposed a six- month extension. The initial damage assessment has been done by the FSM. This initial damage assessment estimates \$96 million in damage from Typhoon Sinlaku. There is now a joint assessment being done in conjunction with the United States. The FSM portion of this more detailed assessment and plan is due for submission to the United States by June 1, 2026. Following this

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submission a Compact Declaration will be made. Depending on the determination of the United States additional funding may be made available through the Compact for use for relief efforts under this emergency. The President reported that currently the typhoon emergency relief efforts have been done in the form of providing food, water, and temporary shelter.

Your Committee, extended its appreciation to the President for the work done by the Executive branch regarding the relief efforts, especially since many challenges have been present. The Chairman of your Committee stated as he had had the opportunity to see the destruction first hand he understands the magnitude of the problem. Further, the Chairman stated since the strength of future storms is only likely to increase the need to build capacity and work on resilience is very important.

The Committee asked for more information regarding the need to continue the Declaration of Emergency. Could efforts to attract outside donor assistance go forward based on the initial Declaration of Emergency without a further extension. The President did not believe that efforts to attract further donor assistance would be as successful without an extension of the Declaration of Emergency. He also did not think that the assistance from the United States would be as generous under the Compact Declaration if the FSM Declaration of Emergency was not extended. The President stated he understood Congress may wish to limit the extension to a shorter period but that the emergency efforts were still in the first stages and he strongly felt an extension was necessary for at least three months.

The Committee asked if additional outside assistance is likely to be given for typhoon relief efforts even with the Declaration of Emergency in place. In response the President stated there was a donor meeting in Chuuk including our main country partners and organizations. There are indications from China as well as others that additional pledges of support may be forthcoming. The President reiterated that not extending the Declaration of Emergency would send a message to the donors that this event was not serious.

During the discussion of this issue the Committee raised its concerns that funding appropriated for specific purposes has been utilized by the President for relief efforts under the

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Declaration of Emergency. The President responded that effort was made to use appropriations that were not allotted and had been sitting for a longer period of time.

The Committee stated that it understood that substantial assistance would be needed for the full reconstruction after the typhoon. It asked if all possible sources of funding had been explored including the request that grant donors be contacted to inquire if the scope of that funding could include relief efforts. The Secretary of Finance and Administration stated in the case of the ADB budget support grant this was possible as it was very flexible and based on the national needs. What had been designated for health dispensaries is now available for use in Chuuk. Contact is being made with other grant donors to see if movement can be made on other grant funds.

The Committee stated that concerns remained as to the continued authority of the President to further use already existing appropriations on a longer-term basis. The President stated that he did not anticipate further use of already appropriated funding under the Declaration of Emergency. It is hoped that additional funding will be made available under the Compact Declaration. The Committee stated that a previous understanding of these crisis situations was that a State of Emergency could continue to exist without the Declaration of Emergency. The President did not believe this to be the case. The President did state that he hoped that Chuuk State would make additional appropriations for relief efforts.

Moving to the next issue, the President advised the Committee that meetings have been held with Petro Corp regarding the fuel crisis. At this time the fuel supply is secure and for the coming months there does not appear to be a threat of a shortage. The bigger concern for the FSM is the increase in oil prices globally that has spiked fuel prices. There has been discussions on how to absorb some or all of this price increase at the national level. The Committee will be more fully briefed on these efforts at the hearing scheduled for later this week.

Next, the President stated that a supplemental budget will be transmitted shortly. Funding for the additional items will be accommodated by defunding in the Personnel category in the

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Executive branch. This will not be a hardship as vacancies during this fiscal year have resulted in some funding excesses.

There are possible changes to the corporate tax under the MRA system that the President would like to explore. These changes have been proposed by MRA and may increase the national income under this program. The Committee stated it would welcome oversight regarding these proposals transmitted by the President.

The Committee informed the President that ongoing concerns regarding the operations of the Department of Finance and Administration remained. Although a productive hearing was just held challenges regarding government payroll, payment to vendors and processing of travel remained. Many other issues have been identified by the Ways & Means Committee including the lack of accuracy of account balances and payments which seem to be symptoms of deeper problems. The Committee advised that continued oversight will be conducted on this matter as well.

The Committee stated that while many pressing issues need to be addressed Congress is determined to dedicate much of its efforts this session to the FY27 budget transmitted by the President. It would like to do its oversight and work on a timely basis and not have a rush in the September session. To that end the Committee requested that the key witnesses from the departments make themselves available for attendance at the hearings.

When asked by the Committee about possible inclusion of items, such as use of the ship for travel for the ordination in the outer islands in Yap, and assistance on lease payments for private land where public infrastructure is located the President replied that there was some room for items in the supplemental budget.

The President has also requested that Congress take action on measures pending before it including outstanding bills, nominations and treaties.

It was reiterated by the President that he hoped as many of the priority items could be addressed by the Congress during this regular session as possible. The Committee stated they were committed to work on the matters identified.

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Your Committee offers this report as a summary of its meeting and stands ready to address any questions the Members may have.

Respectfully submitted,

/s/ Fabian S. Nimea
Fabian S. Nimea, chairman

/s/ Merlynn Abello-Alfonso
Merlynn Abello-Alfonso, member

/s/ Andrew Yatilman
Andrew Yatilman, member

/s/ Yoslyn G. Sigrah
Yoslyn G. Sigrah, member