

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

The Honorable Peter M. Christian
Speaker, Thirteenth Congress
Federated States of Micronesia
Third Regular Session, 2004

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was jointly referred the National Government's proposed FY2005 budget, begs leave to report as follows:

Pursuant to rule 7, section 2(b), of the Official Rules of Procedure of the Thirteenth Congress of the Federated States of Micronesia, your committee has limited its review to those portions of the proposed budget relating to matters within its jurisdiction. These are the budgets for:

1. Department of Economic Affairs;
2. National Oceanic Resource Management Authority;
3. Coconut Development Authority;
4. FSM Banking Board;
5. National Fisheries Corporation;
6. Aquaculture Center
7. Grants, subsidies and contributions:
 - a. Pacific Island Development Program;
 - b. Forum Fisheries Agency;
 - c. United Nations Development Program;
 - d. Coordinating Committee for Offshore Minerals Prospecting;
 - e. Pacific Asian Travel Association;
 - f. United Nations Environmental Protection Agency;
 - g. Western Forestry Leadership Coalition;
 - h. Seaframe Project;
 - i. Food Agriculture Organization;
 - j. Copra Subsidy;
 - k. Asia Pacific Coconut Community;
8. Capital & Human Resources Development:

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

- a. FSM Fisheries and Maritime Institute;
- b. FSM Business Development Loan Program;
- c. Economic Statistic Unit;
- d. 2005 World Exposition in Japan;
- e. FSM Visitors Bureau;
- f. Crop Production Improvement;
- g. Privatization of Public Enterprises;

Your committee conducted a series of public hearings and committee meetings following the convening of Congress on May 11, 2004. The report and recommendations that follow are based upon the information and input provided by the Acting Secretary, directors, and staff of the various offices and entities interviewed during those hearings as well as the most recent National Government Expenditure and Performance Reports.

GENERAL COMMENTS

Your committee wishes to thank and express its appreciation to the members of the Department of Economic Affairs and the various agencies and organizations represented for their continued dedication and diligence in fulfilling their respective missions. The committee is also pleased to note that the proposed budget for the Department of Economic Affairs is again reduced when compared to the previous fiscal year. However, based on justifications provided in the public hearings, the committee feels that some budget line items could be further reduced. We encourage the Acting Secretary and his staff to continue their efforts to improve fiscal responsibility within the Department while maintaining high quality services.

Your committee notes that this is the fifth fiscal year in which the budget is presented under the National Government's "Performance Budgeting" process. The committee understands that the goal of the Performance Budgeting is to grant executive personnel broad discretion as a means to more efficiently implement the general policy directions of this Congress. The committee remains committed to this principle. However, the committee also has a duty to closely monitor the activities of the agencies under its supervision and where appropriate, to comment and provide direction regarding those activities.

The committee cannot fulfill its responsibility without accurate information presented in a clear and simple format. The Department

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

and agencies are further encouraged to continue to improve the quality of their communication to Congress. We are hopeful that more complete quarterly Expenditure and Performance Reports will be a positive step in that direction. We also encourage the Department and agencies to continue their efforts to refine both this tool and the performance budget provided in the proposed annual budget. However, these documents do not provide to Congress a clear picture of the economic challenges facing our nation and the strategic plans that are now in place to address those challenges. For this reason, the committee continues to request that each Department unit and agency within its jurisdiction prepare a summary report to the committee that clearly describes the major economic challenges within their area of responsibility and the strategic plan(s) that are now in place, or will soon be in place, to meet those challenges. These reports should also clearly describe the mission and objectives of each unit or agency and include a listing of their precise functions.

While the committee does not seek to "micro-manage" the purchasing functions of those agencies and offices within its jurisdiction, we do believe that the National Government should actively pursue a program to create a bulk purchasing mechanism for computer equipment. It is our understanding that such a program was considered in the past, but abandoned. We continue to encourage the Department to take the lead in collaboration with the Department of Finance & Administration in re-instituting that effort. We believe that the Department's expertise in cost-benefit analysis could greatly assist such an effort.

The committee has similar concerns regarding maintenance and repair of computers and other equipment. We note that many offices and departments allocate funds for these functions. We suggest that it may be more economical and more efficient to consolidate these functions in one office that would provide services to the entire National Government. Again, we would encourage the Department to use its resources together with those of the Department of Finance and Administration to develop such a program.

The committee has noted a number of position vacancies and urges that they be filled at the earliest possible time that qualified personnel are available. Where positions remain vacant for a considerable period of time, the continuing need for that position should be carefully re-evaluated. The committee is disappointed that funds for these vacancies are being used for other activities and we strongly discourage such practice.

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

The committee reiterates its caution that the Department and each of the agencies and offices under its jurisdiction should limit international travel to absolutely necessary activities, and focus their resources on increasing collaboration with their appropriate counterparts among the states. We highly encourage that international travel be coordinated within and among Departments and agencies of the government. Where international travel to conferences does occur, the committee requests follow-up reports that document the specific benefits to the country of those trips.

The committee strongly recommends that the Department and agencies continue to critically examine their missions. The committee encourages the Department and agencies to further minimize administrative overhead, clarify staff responsibilities, and place staff, to the extent possible, in the field where the nation may gain tangible benefits.

It will be necessary for the committee to receive more candid, complete assessments of Department and agency issues and needs. The committee intends to work closely with the Department of Economic Affairs and related agencies on the economic activities being undertaken to expand the economy of our country.

Finally, the committee, once again, requests that the President instruct his cabinet to re-examine the manner in which the revenues of the country have been apportioned among the funding sectors provided under the Amended Compact II. The committee believes that the majority of Grants, Subsidies and Contributions assigned to the Department of Economic Affairs should be funded by Amended Compact sectoral grants and urges that adjustments to the budget be made to achieve that end. The executive should also re-examine the allocation of revenue sources within the Department of Economic Affairs to ensure that clear rationales exist for its revenue decisions within the budget. The availability of funding under Compact sectoral grants should always be considered first before general funds are utilized.

Summary of Major Budget Changes

Overall the Department of Economic Affairs budget proposed by the President is approximately \$1,137,160, which is \$13,786 less than the FY2004 budget. Your committee carefully reviewed the proposed budget and recommends for approval a total budget of \$1,071,353.

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

Proposed funding for the boards, commissions, authorities and special programs under the jurisdiction of this committee is \$900,213 for FY2005. The committee recommends approval of \$ \$834,924.

The proposed budget for Grants, Subsidies and Contributions for FY2005 is \$149,800. The committee recommends the approval of \$156,800.

The proposed budget for Capital and Human Resource Development Program for FY2005 is about \$1,686,317. The committee recommends approval of \$1,726,757.

Following is a detailed presentation of the committee's findings and recommendations (committee's recommendations are highlighted/bold/underlined).

I. DEPARTMENT OF ECONOMIC AFFAIRS

A. Office of the Secretary

a. Positions, Salaries and Benefits

Recommended by President 4 at a total of \$78,053
Recommended by Committee 4 at a total of \$78,053

b. Travel

Recommended by President \$29,547
Recommended by Committee \$25,440

The committee understands that certain international trips are necessary to fulfill organizational obligations, but again encourages the Department to minimize international travel and maximize coordination with its state counterparts. The committee notes that the Department of External Affairs is budgeted to attend a CRGA meeting in Palau. Mindful of the financial constraints facing the nation, we feel the participation of the Department of External Affairs is sufficient. We therefore disapprove the travel to the CRGA meeting proposed by the Department of Economic Affairs.

c. Contractual Services

Recommended by President \$150
Recommended by Committee \$150

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

d. Other Current Expenses

Recommended by President \$16,673
Recommended by Committee \$11,673

The committee recommends a cut of \$5,000 in the Communications category for the unit. The committee indicated that the Office of the Secretary can still operate with the existing funding.

e. Fixed Assets

Recommended by President \$-0-
Recommended by Committee \$-0-

B. Economic Policy

1. Planning & Economic Management

a. Positions, Salaries and Benefits

Recommended by President 5 at a total of \$81,110
Recommended by Committee 5 at a total of \$71,915

One of the staff members (Ms. Evelyn Adolph) is currently finishing a rotation with the IMF. As she will not be returning to her job until about mid-FY2005, only 1/2 of her salary is required for FY2005. Accordingly, your committee recommends a reduction in the personnel budget for this unit. The committee also strongly encourages the Department to fill the remaining vacancies under this unit. Your committee is informed that the Department's indication that funds from the unit are being used for economists in the states of Yap and Kosrae is not correct. The committee will discuss this misinformation with the President.

b. Travel

Recommended by President \$39,419
Recommended by Committee \$16,462

Your committee notes that the proposed amount is the same as fiscal year 2004 and the Department was unable to provide detailed usage of the funds. The committee understands that the three (3) vacancies for the unit were not filled for half of fiscal year 2004 and the Department failed to provide necessary travel information needed for

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

our consideration. The committee took out the request for trips to the states to assist with the performance-based budget.

c. Contractual Services

Recommended by President \$-0-
Recommended by Committee \$-0-

d. Other Current Expenses

Recommended by President \$8,000
Recommended by Committee \$8,000

e. Fixed Assets

Recommended by President \$-0-
Recommended by Committee \$-0-

2. Environmental & Sustainable Development

The committee again states its belief that the title "Environmental & Sustainable Development" is confusing and does not accurately reflect the duties of the unit. The Department should, in light of changes in staffing levels and roles and responsibilities in recent years, reassess the current mission of each unit and restructure and title units as needed once this reassessment is completed. The committee also encourages the Department to complete and implement its proposed National Environmental Framework for Action.

a. Positions, Salaries and Benefits

Recommended by President 3 at a total of \$42,492
Recommended by Committee 3 at a total of \$42,492

The committee recommends approval of the full amount requested.

b. Travel

Recommended by President \$21,986
Recommended by Committee \$11,191

The committee notes that the recommended amount of \$21,986 is the same for FY2004, and that the proposed amount for each travel item for FY2005 does not necessarily reflect the actual amount needed.

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

Therefore, the committee reduces the amount requested for the Argentina trip and disapproves the proposed amount for the Speech Contest.

c. Contractual Services

Recommended by President \$500

Recommended by Committee \$500

d. Other Current Expenses

Recommended by President \$14,499

Recommended by Committee \$9,500

The committee cuts \$4,000 in the communication category, \$2,000 in the supplies category and \$3,000 in the printing category for this unit. Considering the financial constraints of this nation, the committee feels that these cuts should be made and may not drastically affect the operation of this unit.

e. Fixed Assets

Recommended by President \$-0-

Recommended by Committee \$-0-

3. Public Enterprises Reform

This unit was added to the Department in FY 2000. The unit is responsible for facilitating the conversion of certain public enterprises to private companies and to increase productivity and efficiency among those public enterprises inappropriate for transfer to the private sector.

a. Positions, Salaries and Benefits

Recommended by President -0- at a total of \$-0-

Recommended by Committee -0- at a total of \$-0-

The unit has been staffed by consultants since its inception. The Department stated in FY2001 that it expected this to continue for the next 2-4 years. The Department indicated then that Asian Development Bank officials have stated that they could continue the technical assistance in this area for a 2-4 year period on an intermittent basis. The committee has in the past encouraged the Department to

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

integrate Department staff into this program as soon as possible, with the ultimate goal of phasing out external staff, and does so again at this time.

The committee notes that the program has now been in effect for approximately five years at a cost in excess of \$200,000. Your committee strongly urges that the Department re-evaluate this program and determine whether to integrate the program into the Department.

b. Travel

Recommended by President \$10,479

Recommended by Committee \$7,067

The committee has learned that there are no personnel in this unit. The committee expressed its grave concern that, although there are no personnel in the unit, there continue to be requests for travel. The committee has deleted the travel for the Financial Analysts.

c. Contractual Services

Recommended by President \$21,000

Recommended by Committee \$21,000

d. Other Current Expenses

Recommended by President \$2,000

Recommended by Committee \$2,000

e. Fixed Assets

Recommended by President \$-0-

Recommended by Committee \$-0-

C. Sectoral Development

1. Trade & Investment

a. Positions, Salaries and Benefits

Recommended by President 7 at a total of \$93,890

Recommended by Committee 6 at a total of \$77,418

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

The committee notes that this unit request an increase in its personnel ceiling from five (5) to seven (7). Given the financial constraints facing the nation, the committee recommends an increase of only one position. The committee disapproves the request for a new Trade and Investment Specialist.

b. Travel

Recommended by President \$30,084
Recommended by Committee \$30,084

c. Contractual Services

Recommended by President \$3,700
Recommended by Committee \$3,700

d. Other Current Expenses

Recommended by President \$10,398
Recommended by Committee \$10,398

e. Fixed Assets

Recommended by President \$2,500
Recommended by Committee \$2,500

2. Tourism

The committee reiterates its caution that the tourism industry represents one of the most promising areas of the economy for long-term sustainable growth, but that it is our unique physical and cultural attributes that provide the incentive for tourism to our islands. Therefore, the committee again encourages the Department to continue its efforts to develop this resource in a manner that does not negatively impact the local environment or culture.

a. Positions, Salaries and Benefits

Recommended by President 2 at a total of \$36,147
Recommended by Committee 2 at a total of \$36,147

b. Travel

Recommended by President \$8,019

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

Recommended by Committee \$8,019

c. Contractual Services

Recommended by President \$125

Recommended by Committee \$125

d. Other Current Expenses

Recommended by President \$4,300

Recommended by Committee \$4,300

e. Fixed Assets

Recommended by President \$-0-

Recommended by Committee \$-0-

3. Fisheries

a. Positions, Salaries and Benefits

Recommended by President 4 at a total of \$55,626

Recommended by Committee 4 at a total of \$55,626

b. Travel

Recommended by President \$14,184

Recommended by Committee \$14,184

c. Contractual Services

Recommended by President \$-0-

Recommended by Committee \$-0-

d. Other Current Expenses

Recommended by President \$9,229

Recommended by Committee \$9,229

e. Fixed Assets

Recommended by President \$-0-

Recommended by Committee \$-0-

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

4. Agriculture

Last year the Department reported continuing difficulties in collecting reimbursements on overtime incurred in servicing vessels and aircraft that land outside normal working hours. The committee encourages the Department to continue efforts to develop a system of billing the regular carriers (e.g., PM&O, Continental) on a quarterly or other longer-term basis. The committee maintains its belief that this will reduce the administrative burdens for both the Department and the carriers.

Your committee also recommends that the Department reassess the personnel needs in the States, especially the shortage of personnel in Yap.

a. Positions, Salaries and Benefits

Recommended by President 13 at a total of \$192,996
Recommended by Committee 13 at a total of \$192,996

b. Travel

Recommended by President \$9,221
Recommended by Committee \$9,221

c. Contractual Services

Recommended by President \$0
Recommended by Committee \$0

d. Other Current Expenses

Recommended by President \$16,050
Recommended by Committee \$13,050

The committee recommended cuts in the amount of \$1,000 under the communication category, \$1,000 under the supplies and material category and \$1,000 for printing and reproduction category.

e. Fixed Assets

Recommended by President \$-0-
Recommended by Committee \$-0-

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

D. Statistics

a. Positions, Salaries and Benefits

Recommended by President	20 at a total of \$219,946
Recommended by Committee	20 at a total of \$219,946

b. Travel

Recommended by President	\$22,284
Recommended by Committee	\$22,284

c. Contractual Services

Recommended by President	\$0
Recommended by Committee	\$0

d. Other Current Expenses

Recommended by President	\$42,583
Recommended by Committee	\$42,583

e. Fixed Assets

Recommended by President	\$-0-
Recommended by Committee	\$14,100

The committee recommends funding for badly needed computers for the State of Chuuk and Kosrae as justified by the Department. The committee approves the amount of \$10,000 for equipment in Chuuk and \$4,100 for equipment needed in Kosrae.

II. AGENCIES OF THE NATIONAL GOVERNMENT

(1) NATIONAL OCEANIC RESOURCE MANAGEMENT AUTHORITY

a. Positions, Salaries and Benefits

There are proposed increases in the salaries of the Executive Director and other staff in the proposed FY2005 budget. The committee does not recommend these increases given the financial pressures facing our country and the fact that no other government officials subject to

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

this committee's jurisdiction are receiving salary increases. The committee also reminds NORMA that by statute the Executive Director's salary must be set in accordance with this annual budget.

Recommended by President	11 at a total of \$189,661
Recommended by Committee	11 at a total of \$182,537

b. Travel

The NORMA staff are, once again, encouraged to combine trips wherever possible and to re-evaluate the benefits to our country of participation in each international conference attended by staff.

Recommended by President	\$79,720
Recommended by Committee	\$79,720

c. Contractual Services

Recommended by President	\$83,700
Recommended by Committee	\$83,700

d. Other Current Expenses

Recommended by President	\$38,400
Recommended by Committee	\$38,400

e. Fixed Assets

Recommended by President	\$13,000
Recommended by Committee	\$13,000

(2) COCONUT DEVELOPMENT AUTHORITY

The committee urges the Authority to plan to operate without government funding in the future.

a. Positions, Salaries and Benefits

Recommended by President	4 at a total of \$67,217
Recommended by Committee	4 at a total of \$67,217

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

b. Travel

Recommended by President \$14,634
Recommended by Committee \$10,469

Considering the financial situation facing this nation, the committee feels that the Authority can operate within their budget.

c. Contractual Services

Recommended by President \$22,160
Recommended by Committee \$22,160

d. Other Current Expenses

Recommended by President \$11,500
Recommended by Committee \$9,500

The committee, once again, feels that the Authority can operate within their existing budget and recommends a cut in this category.

e. Fixed Assets

Recommended by President \$-0-
Recommended by Committee \$-0-

(3) FSM BANKING BOARD

a. Positions, Salaries and Benefits

Recommended by President 4 at a total of \$66,704
Recommended by Committee 4 at a total of \$66,704

b. Travel

Recommended by President \$22,400
Recommended by Committee \$22,400

c. Contractual Services

Recommended by President \$11,200
Recommended by Committee \$11,200

d. Other Current Expenses

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

Recommended by President \$21,997
Recommended by Committee \$21,997

e. Fixed Assets

Recommended by President \$16,087
Recommended by Committee \$16,087

4. NATIONAL FISHERIES CORPORATION (NFC)

Recommended by President \$150,000
Recommended by Committee \$100,000

The committee again reminds NFC officials that during the FY 1998 budget discussions, they assured this committee that NFC would no longer request funding from Congress after FY 1999. It is FY 2005 and NFC is again requesting \$150,000 as an air freight subsidy. In the future, the committee urges NFC to plan to operate without government funding. These funds are to be administered by the Department of Transportation, Communication and Infrastructure.

III. SPECIAL PROGRAMS

(1) AQUACULTURE CENTER

The committee requests that the Department prepare a report explaining the feasibility of operating this center as an independent agency beginning in FY 2006.

a. Positions, Salaries and Benefits

Recommended by President 4 at a total of \$37,908
Recommended by Committee 4 at a total of \$37,908

b. Travel

Recommended by President \$11,534
Recommended by Committee \$11,534

c. Contractual Services

Recommended by President \$14,874
Recommended by Committee \$14,874

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

d. Other Current Expenses

Recommended by President \$27,517
Recommended by Committee \$27,517

e. Fixed Assets

Recommended by President \$-0-
Recommended by Committee \$-0-

IV. GRANTS, SUBSIDIES & CONTRIBUTIONS

The committee has reviewed the requests for annual grants, subsidies, and contributions to the organizations under its jurisdiction. Regarding the regional and international organizations to which our country belongs, the committee urges that better utilization of the technical resources available through these organizations be achieved.

To ensure this result, the committee requests that the Department prepare and present a report no later than March 1, 2005, in which the specific benefits to our country of continued participation in each regional and international association is detailed.

After careful review, the committee recommends approval as follows:

1. DEPARTMENT OF ECONOMIC AFFAIRS:

(a) Pacific Island Development Program

Recommended by President \$15,000
Recommended by Committee \$15,000

(b) Forum Fisheries Agency

Recommended by President \$21,000
Recommended by Committee \$21,000

(c) United Nations Development Program

Recommended by President \$3,000
Recommended by Committee \$3,000

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

(d) Coordinating Committee for Offshore Minerals
Prospecting

Recommended by President \$8,000
Recommended by Committee \$15,000

The Department indicated that there is an arrears for the FSM in the organization. Therefore, the committee recommends an increase of \$7,000.

(e) Pacific Asian Travel Association

Recommended by President \$5,000
Recommended by Committee \$5,000

(f) U.N. Environment Protection Agency

Recommended by President \$600
Recommended by Committee \$600

(g) Western Forestry Leadership Coalition

Recommended by President \$500
Recommended by Committee \$500

(h) Seaframe Project

Recommended by President \$1,500
Recommended by Committee \$1,500

(i) Food Agriculture Organization (FAO)

Recommended by President \$4,700
Recommended by Committee \$4,700

(j) Copra Subsidy

Recommended by President \$75,000
Recommended by Committee \$75,000

(k) Asia Pacific Coconut Community

Recommended by President \$15,500

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

Recommended by Committee \$15,500

V. CAPITAL & HUMAN RESOURCES DEVELOPMENT BUDGET

(a) FSM Fisheries and Maritime Institute

Recommended by President \$463,360

Recommended by Committee \$463,360

(b) FSM Development Loan Program

The committee requests that a report be provided within 90 days explaining current loan and interest rate policies as they relate to world financial markets.

Recommended by President \$500,000

Recommended by Committee \$500,000

(c) Economic Statistic Unit

Recommended by President \$75,000

Recommended by Committee \$75,000

(d) 2005 World Exposition in Japan

Recommended by President \$294,537

Recommended by Committee \$294,537

(e) FSM Visitors Bureau

Recommended by President \$193,000

Recommended by Committee \$300,000

The committee strongly recommends that the amount needed for the first audit for the executive branch be looked into in other sources. The committee also feels that given the importance of tourism to our economic development, the initial proposed amount of \$300,000 should be maintained.

(f) Crop Production Improvement

Recommended by President \$27,300

Recommended by Committee \$27,300

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

(g) Privatization of Public Enterprises

Recommended by President \$133,120

Recommended by Committee \$ 66,560

Your committee notes that the President's request of \$133,120 is the same as was requested for FY2004. Congress, for FY2004 only approved half of the amount requested. It appears that this unit, in the first 8 months of 2004, has not utilized even the amount appropriated. The committee therefore again recommends approval of only half of the amount requested in FY2005.

STANDING COMMITTEE REPORT NO. 13-122

RE: P.C. 13-153

SUBJECT: FY2005 BUDGET

MAY 31, 2004

CONCLUSION

Your Committee on Resources and Development has reviewed the proposed FY2005 Budget and carefully scrutinized all of the information provided by the Executive and the entities within your committee's jurisdiction. Each of the sums "**Recommended by Committee**" set forth above reflects funding for the designated activity, program or project for all of fiscal year 2005.

Subject to the conditions and limitations set forth herein, and the availability of funds as determined by your Committee on Ways and Means, your Committee on Resources and Development recommends approval of the amounts listed above.

Respectfully submitted,

/s/ Alik L. Alik
Alik L. Alik, chairman

/s/ Dion G. Neth
Dion G. Neth, vice chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, member

Sabino S. Asor, member

/s/ Ramon Peyal
Ramon Peyal, member

/s/ Resio S. Moses
Resio S. Moses, member

Moses A. Nelson, member