

STANDING COMMITTEE REPORT NO. 14-150

RE: C.R. NO. 14-118/JGO

SUBJECT: US TECHNICAL ASSISTANCE GRANT FOR  
FSM MACHINE-READABLE PASSPORTS

MARCH 29, 2007

The Honorable Peter M. Christian  
Speaker, Fourteenth Congress  
Federated States of Micronesia  
Sixth Special Session, 2007

Dear Mr. Speaker:

Your committee on Judiciary and Governmental Operations, to which was referred C.R. No. 14-118, entitled:

"A RESOLUTION TO APPROVE A TECHNICAL ASSISTANCE GRANT FROM THE U.S. DEPARTMENT OF THE INTERIOR TO PROVIDE FUNDS TO IMPLEMENT THE "FSM MACHINE READABLE PASSPORTS" MODERNIZATION PROJECT.",

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title.

Title 55, subsection 210(2) of the FSM Code sets out that the approval of Congress is required for the receipt of foreign financial assistance. The subject resolution would provide the required Congressional approval for a grant of technical assistance from the U.S. Department of the Interior in the amount of \$89,000 to procure and install a machine readable passport system.

Your committee recalls Presidential Communication No. 14-319, dated November 7, 2006 and received close to the end of the Fifth Special Session of the Fourteenth Congress. This was a request for \$232,607.62 of FSM domestic revenue for the Passport Revolving Fund and was represented to your committee during that session as a matter of priority and some urgency. Accordingly, in Public Law No. 14-95, Congress created a new line item, "Passport Revolving Fund" and appropriated the requested \$233,607.62 of domestic revenue for the fund.

Your committee was surprised to learn that a technical assistance grant of \$89,000 toward the cost of implementing machine readable passports was approved by the U.S. Department of the Interior in August 2005. Congress was not advised of this U.S. grant at the time of the requested appropriation of domestic revenue toward the machine readable passport project. Your committee notes its reluctance to appropriate FSM domestic revenue for projects for which foreign assistance has been earmarked. Congress relies on the Executive to

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advise fully as to any pending foreign grants before appropriations of domestic revenue are requested.

Your committee met with Attorney General Jack on Wednesday 28 March 2007 to clarify these matters. Attorney General Jack informed your committee that \$250,000 in Compact funding for the machine readable passport project had originally been anticipated. Instead, only \$89,000 in funding was approved. These funds are to be used for machines to produce machine readable passports and not for the Passport Revolving Fund.

In addition, the AG informed your committee that she has been advised by the Department of Finance that the \$233,607.62 appropriated by Congress for the Passport Revolving Fund had been requested by the Executive in error. In fact, in FY 2007, any amount remaining in the Passport Revolving Fund over \$100,000 will revert back to the General Fund of the FSM. For this reason, it is unnecessary for Congress to deappropriate over-appropriations from the fund.

Accordingly, your committee on Judiciary and Governmental Operations is in accord with the intent and purpose of C.R. No. 14-118 and recommends its adoption in the form attached hereto as C.R. No. 14-118.

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Respectfully submitted,

/s/ Dohsis Halbert  
Dohsis Halbert, chairman

/s/ Roosevelt D. Kansou  
Roosevelt D. Kansou, vice chairman

/s/ Alik L. Alik  
Alik L. Alik, member

/s/ Tiwiter Aritos  
Tiwiter Aritos, member

Moses A. Nelson, member

/s/ Peter M. Christian  
Peter M. Christian, member

/s/ Ramon Peyal  
Ramon Peyal, member