

STANDING COMMITTEE REPORT NO. 14-68

RE: C.B. NO. 14-118/W&M

SUBJECT: APPROPRIATION OF FY 2004-6
PUBLIC SECTOR INFRASTRUCTURE GRANT

NOVEMBER 15, 2005

The Honorable Peter M. Christian
Speaker, Fourteenth Congress
Federated States of Micronesia
First Special Session, 2005

Dear Mr. Speaker:

Your Committee on Ways and Means to which was jointly referred C.B. No. 14-118 entitled:

"A BILL FOR AN ACT TO APPROPRIATE THE SUM OF \$55,642,646 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2006, FOR THE PURPOSE OF FUNDING THE PUBLIC INFRASTRUCTURE PROJECTS FOR THE NATIONAL AND STATE GOVERNMENTS OF THE FEDERATED STATES OF MICRONESIA, AND FOR OTHER PURPOSES.",

begs leave to report as follows:

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

Contrary to its original title, the subject bill would appropriate \$54,864,563 of Public Infrastructure Sector Grant funds for the purpose of funding project management and design, the Project Management Unit and public infrastructure projects for each State.

Your Committee notes that the appropriations contained in the subject bill are extremely broad in nature. In Presidential Communication No.14-92, it was indicated that this was done because a new process was being implemented for the approval of public infrastructure projects in the FSM. Your Committee recognizes that there are extremely good operational reasons for taking this approach. However, in the past the Executive has taken the view that general appropriations of this kind are not permissible in light of the findings in *Udot Municipality v. FSM* 9 FSM Intrm. 418. Your Committee is extremely concerned that the Executive's interpretation of that case appears to vary depending on whether the measure in question is a Congress or Executive measure.

Your Committee held a hearing on the subject bill on November 8, 2005. During that hearing and in subsequent discussions with the Department of Justice, it has become clear that the subject bill contains a

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number of errors. First, the bill does not take into account the fact that some of the available Public Infrastructure Sector funds have already been appropriated by Public Law No. 14-21. Second, the appropriation for the Infrastructure Maintenance Fund in section 3 of the subject bill is intended to be comprised of a 5% contribution from each of the States, however, the State totals in the bill have not been amended to reflect this contribution.

Your Committee therefore recommends the following amendments to C.B. No. 14-119:

1. Title, line 1, delete "\$55,642,646" and insert "\$54,864,563" in lieu thereof.
2. Title, line 4, delete "National and".
3. Page 1, line 3, delete "\$55,642,646" and insert "\$54,864,563" in lieu thereof.
4. Page 1, line 12, delete "\$3,000,000" and insert "\$2,000,000" in lieu thereof.
5. Page 1, line 16, delete "\$2,935,200" and insert "\$2,829,632" in lieu thereof.
6. Page 2, line 1, delete "\$29,692,028" and insert "\$26,690,050" in lieu thereof.
7. Page 2, line 8, delete "\$7,423,097" and insert "\$6,672,594" in lieu thereof.
8. Page 2, line 15, delete "\$11,159,453" and insert "\$10,031,189" in lieu thereof.
9. Page 2, line 22, delete "\$7,388,059" and insert "\$6,641,098" in lieu thereof.

With these amendments, your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 14-118 and recommends its passage on First Reading, subject to the concurrence by your Committee on Transportation and Communication, and that it be placed on the

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Calendar for Second and Final Reading in the form attached hereto as
C.B. No. 14-118, C.D.1.

Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

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

/s/ Peter M. Christian
Peter M. Christian

Dohsis Halbert

/s/ Manny Mori
Manny Mori

/s/ Claude H. Phillip
Claude H. Phillip

/s/ Simiram Sipenuk
Simiram Sipenuk