

STANDING COMMITTEE REPORT NO. 14-78

RE: C.B. NO. 14-130/W&M

SUBJECT: OFFICE OF COMPACT MANAGEMENT, PL NO. 13-75

JANUARY 24, 2006

The Honorable Peter M. Christian
Speaker, Fourteenth Congress
Federated States of Micronesia
Third Regular Session, 2006

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was referred C.B. No. 14-130 entitled:

Bill C.B. No. 14-130 was suggested by the Executive and referred to your Committee on Ways and Means. The Bill recommends certain amendments to the role of the Office of Compact Management Board (OCM) and is entitled:

"A BILL FOR AN ACT TO FURTHER AMEND CHAPTER 15 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED, BY AMENDING SECTIONS 1503, 1504, 1508, 1509 AND 1511 THEREOF.",

Your Committee begs leave to report as follows:

The purpose of the Bill is to further define the management issues of the OCM; more specifically, the role of the OCM Board. The subject Bill proposes substantive changes to the existing law. Accordingly, your Committee recommends amending the title of the Bill as follows to describe the amendments more fully:

"A BILL FOR AN ACT TO FURTHER AMEND CHAPTER 15 OF TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED, BY AMENDING SECTION 1503 ON THE REMOVAL OF BOARD MEMBERS, BY AMENDING SECTIONS 1504 AND 1509 TO STATE THAT THE WORK OF THE OFFICE OF COMPACT MANAGEMENT AND THE DIRECTION GIVEN BY THE BOARD ARE SUBJECT TO THE ULTIMATE AUTHORITY OF THE PRESIDENT, AND BY AMENDING SECTION 1508 TO STATE THAT THE HEAD OF THE COMPACT MANAGEMENT AND AT LEAST ONE BOARD MEMBER WILL ALSO BE A REPRESENTATIVE OF THE FEDERATED STATES OF MICRONESIA ON THE TRUST FUND COMMITTEE.",

1. Removal of Board Members

The Executive has recommended an amendment whereby a Board member may be removed, for cause, during the first year of service by the Appointing Authority. Thereafter, the Executive recommends that a

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Board member may be removed from the Board at the sole discretion of the President and without a resolution and two thirds vote of Congress. This places the removal of Board members under the sole discretion of the Executive. Your Committee agrees with the Executive in this regard and, accordingly, supports the recommended amendments as set out by the Executive.

2. Travel Costs of Board Members

The President has proposed that the National Government pay the travel costs of OCM Board members to and from official OCM meetings. Your Committee recommends against this proposal, as this would add significantly more to the costs of the Board than originally contemplated. Accordingly, your Committee recommends the following amendment:

Page 2, Line 17, after the word "Authority" delete the phrase ", except that travel to and from official meetings may be paid for by the National Government."

3. Powers and Responsibilities of Board Members

Your Committee recommends that the powers and responsibilities of the Board be defined as "monitoring" the implementation of the provisions of the Compact rather than as "providing oversight" as this more accurately describes the role of the Board. Accordingly, your Committee recommends the following amendment:

Page 3, Line 23, delete the words "provide oversight" and replace them with the word "monitor".

4. OCM under the Ultimate Authority of the President

The Executive has recommended that the work of the OCM and the direction given by the Board be subject to the ultimate authority of the President. In this way, the work of the OCM and its Board will be under one central authority. Your Committee is in agreement with the Executive in this regard and, accordingly, supports the amendments as set out by the Executive.

5. Members to serve as both JEMCO and FSM Trust Fund Committee Members

The Executive has recommended that the subject Bill be amended so that the Head of the Office of Compact Management will serve both as a member of JEMCO and the Federated States of Micronesia Trust Fund Committee. The law currently states that one other member will be

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appointed by the President to be a JEMCO representative. The Executive recommends amendment so that either that same member or another member will be appointed by the President to serve as a representative of the Federated States of Micronesia on the Trust Fund Committee. Your Committee is in agreement with the Executive in this regard and, accordingly, supports the amendments as submitted by the Executive.

6. OCM Employees subject to the Public Service Systems Act
The President has recommended an amendment to the Bill whereby the Head of the OCM will be given special discretion to exempt certain employees from the Public Service Systems Act. Your Committee recommends against this proposal. It is unnecessary to make specific provision for the exemption of employees from the Act, as this is already provided for under Title 52 of the Code of the FSM, to which all employees of the FSM are subject. Your Committee recommends it is in the interest of consistency that employees of the OCM be subject to the same law as other FSM employees and the Head of the Office of Compact Management be given no special discretion in regard to employees. Accordingly, your Committee recommends the following amendment:

Page 7, Line 25, delete the phrase ", with the exception of the Head of the Office of Compact Management and those employees the Head determines that, because of the degree of expertise or special knowledge required and the nature of the services to be performed, it would not be practical to obtain personnel to perform such services through normal public service recruitment procedures".

Finally, your Committee recommends the following amendments to the Bill for the purposes of grammar and proper English expression:

Page 1, Line 1, Capitalize the word "Title".
Page 1, Line 5, change "Members" to "members".
Page 1, Line 10, change "Members" to "members".
Page 1, Line 13, change "Member" to "member".
Page 1, Line 18, change "Member" to "member".
Page 1, Line 19, change "Member's" to "member's".
Page 2, Line 3, change "Member" to "member".
Page 2, Line 4, change "Member" to "member".
Page 2, Line 6, change "Member" to "member".
Page 2, Line 9, change "Member" to "member".
Page 2, Line 11, change "Member" to "member".
Page 2, Line 16, change "Member" to "member".

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Page 4, Line 25, change "Member" to "member".
Page 5, Line 4, change "Members" to "members".
Page 5, Line 6, delete the word "both".
Page 5, Line 20, change "Member" to "member".
Page 6, Line 23, capitalize the word "To".

As amended herein, your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 13-130 and recommends its passage on First Reading, and that it be placed on the Calendar for Second and Final Reading in the form attached hereto as C.B. 13-130, C.D.1.

Respectfully submitted,

/s/ Isaac V. Figir

Isaac V. Figir, Chairman

/s/ Roosevelt D. Kansou

Roosevelt D. Kansou, Vice
Chairman

/s/ Claude H. Phillip

Claude H. Phillip

Manny Mori

Peter M. Christian

/s/ Dohsis Halbert

Dohsis Halbert

Simiram Sipenuk