

STANDING COMMITTEE REPORT NO. 15-66

RE: C.R. NO. 15-62/HESA

SUBJECT: CONFIRMING THE NOMINATION OF YOSIWO P. GEORGE TO BE
A MEMBER ON THE FEDERATED STATES OF MICRONESIA
SOCIAL SECURITY BOARD

NOVEMBER 23, 2007

The Honorable Isaac V. Figir
Speaker, Fifteenth Congress
Federated States of Micronesia
Second Regular Session, 2007

Dear Mr. Speaker:

Your Committee on Health, Education and Social Affairs ("HESA"), to which was referred C.R. No. 15-62 entitled:

"A RESOLUTION CONFIRMING THE NOMINATION OF YOSIWO P.
GEORGE TO BE A MEMBER ON THE FEDERATED STATES OF
MICRONESIA SOCIAL SECURITY BOARD.",

begs leave to report as follows:

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

Mr. Yosiwo George has been nominated by the President of the Federated States of Micronesia to be a member of the Federated States of Micronesia Social Security Board. Title 53, section 701 of the Code of the Federated States of Micronesia sets out that this nomination is subject to the advice and consent of Congress.

Mr. George's curriculum vitae is included in Presidential Communication 15-99. Mr. George is currently the Administrator of MiCare. Some points are summarized here. Mr. George is currently the Administrator of the FSM Health Insurance Plan. Previously, he was Chief Justice of the Kosrae State Court, a Senator in the 10th FSM Congress, FSM Ambassador to the United Nations and Governor of the State of Kosrae.

Governor Weilbacher of the State of Kosrae expresses his support for the President's nomination of Yosiwo George in a letter dated October 2, 2007, referring to him as "the most qualified Kosraen to represent the interest of our people in the Board".

PUBLIC HEARING

Your committee held a public hearing on the nomination on the afternoon of Wednesday, November 21, 2007.

The nominee appeared in the hearing. Mr. Alexander Narruhn, the Administrator of the FSM Social Security Program also attended.

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Chairman Urusemal was present, along with Vice Chairman Phillip and Senator Halbert.

Mr. George he accepts the challenge of serving on the FSM Social Security Board. He emphasized the importance of maintaining the financial equity of the program through examining future liabilities to be sure the program is in good hands for both the present and the future. He said he did not have specific comments regarding the social security program at the moment, but would work closely with the Board, if confirmed.

Mr. George agreed with Senator Halbert that the focus of the program is on wage earners. Increased employment results in increased contributions to social security. Of course, the inverse is also true, in that fewer employees mean fewer contributions. At the same time, a reduced number of employees may also result in reduced liability in the future.

The nominee commented that all these concerns need to be balanced and pointed that the legislation requires an actuarial evaluation of any changes to the program. Evaluations may also be needed to cope with any future structuring of premiums and benefits. The challenge, he said, is in sustaining the program.

Chairman Urusemal asked if it would not be more sensible to put younger people on the Social Security Board since they are more likely to approach the future of the plan with caution. Those who are approaching retirement age may be more concerned about benefits paid out in the present. Mr. George acknowledged the Chairman's concern, calling it a "valid fear". He said board members have a fiduciary responsibility with regard to the plan and its beneficiaries, both present and future.

Mr. George spoke of the danger of separating the social security program according to state. Now, he said, all the states of the FSM share the risks. In addition, administration costs are reduced. A split would likely require a heavy premium adjustment.

Finally, Mr. George stated that social security should not be influenced by politics but, rather, must be analyzed closely.

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CONCLUSION

Based on the above hearings, your committee is satisfied with the qualifications and dedication of Mr. George and recommends him with confidence as a member of the Social Security Board.

Your Committee on Health, Education and Social Affairs is in accord with the intent and purpose of C.R. No. 15-62 and recommends its adoption in the form attached hereto as C.R. No. 15-62.

Respectfully submitted,

/s/ Joseph J. Urusemal
Joseph J. Urusemal, chairman

Claude H. Phillip, vice chairman

/s/ Dohsis Halbert
Dohsis Halbert, member

/s/ Roosevelt D. Kansou
Roosevelt D. Kansou, member

Resio S. Moses, member

Setiro Paul, member

/s/ Joe N. Suka
Joe N. Suka, member