

STANDING COMMITTEE REPORT NO. 15-74

RE: C.R. NO. 15-84/R&D

SUBJECT: CONFIRMING THE NOMINATION OF PETER M. CHRISTIAN TO
BE THE SECRETARY OF THE DEPARTMENT OF RESOURCES
AND DEVELOPMENT OF THE FEDERATED STATES OF
MICRONESIA

FEBRUARY 12, 2008

The Honorable Isaac V. Figir
Speaker, Fifteenth Congress
Federated States of Micronesia
Third Regular Session, 2008

Dear Mr. Speaker:

Your Committee on Resources and Development ("R&D"), to which was referred C.R. No. 15-84, entitled:

"A RESOLUTION CONFIRMING THE NOMINATION OF PETER M.
CHRISTIAN TO BE THE SECRETARY OF THE DEPARTMENT OF
RESOURCES AND DEVELOPMENT OF THE FEDERATED STATES OF
MICRONESIA."

begs leave to report as follows:

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

Peter M. Christian has been nominated by the President for the position of Secretary of the Department of Resources and Development of the Federated States of Micronesia. Title 2, section 207(1) of the Code of the Federated States of Micronesia sets out that this nomination is subject to the advice and consent of Congress.

Although Presidential Communication 15-122 by which Mr. Christian's nomination was submitted did not include a resume or statement of biographical information, his long history of public service to the FSM is well known to every member of this committee. He was elected to the First Congress of the Federated States of Micronesia in 1979 and continued his career as an FSM Senator continuously through the Fourteenth Congress ending in 2007. During that time he served on virtually every standing committee of Congress. He was elected and served as Speaker during the Thirteenth and Fourteenth Congresses. Mr. Christian is also well known for his service to the nation as the Chief Negotiator for the Amended Compact of Free Association between the FSM and the United States of America. After leaving Congress in May, 2007, Mr. Christian accepted an appointment as the Chairman of the newly formed FSM Petroleum Corporation where he was instrumental in negotiating agreements with Mobil Oil Micronesia for the purchase of assets and a fuel supply agreement and also with the Bank of Guam for the necessary financing. He worked closely with Congress in developing and promoting necessary legislation to implement the FSM takeover of fuel supply and distribution from MOMI.

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PUBLIC HEARING

Your committee commenced its hearings on the nomination on Tuesday morning, February 5, 2008 and continued with a public hearing at the Hearing Room at 8:30 on Wednesday, February 6.

Present at the Tuesday morning hearing with the nominee were Chairman Dion G. Neth, Vice Chairman Setiro Paul, committee members Peter Sitan, Joe N. Suka, Joseph J. Urusemal and Paliknoa K. Welly. Also in attendance were Senators Tiwiter Aritos, Fredrico Primo and Roosevelt D. Kansou.

Chairman Neth welcomed those in attendance and invited preliminary comments from the nominee. Mr. Christian made a brief statement in which he acknowledged that the legislative side of government was ingrained in his blood but that he welcomed the challenge of serving in a different role. He stated that his service with the FSM Petroleum Corporation put him in close contact with many of the staff currently serving in the Resources and Development Department and that he considered there were a lot of very good people in place. He believes the Department is in need of the long-term leadership that can only be provided by getting a permanent Secretary's in place.

Mr. Christian acknowledged his educational resume would not be as impressive as many potential nominees but believes his lifetime of experience with success and failure in life, business and politics have prepared him well for this important position. He stated his belief that the Administration needs "to get its managers in place" as soon as possible and welcomes the opportunity to become part of that team.

"Back to the basics" was the theme of Mr. Christian's vision for the role of the R&D Department in future development efforts. He shared his belief that the current focus on "sustainability" and "climate change" is misplaced. In his view there is little that Micronesia can do to reverse the climate change phenomenon and the nation needs to get on with the creation of jobs and opportunity. From his observations while working in the same office with Department staff over recent months, he concluded that staff has lost its grasp of the basics and is more concerned with climate change and "sustainability" than "poultry farms and fisheries." He acknowledged there needs to be a balance.

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Committee members and participating senators were given an opportunity to question the nominee. In response to a question from Senator Urusemal as to whether he thought his talents and experience would be best utilized by the FSM National Government as Secretary of R&D, the nominee answered candidly that his first preference would have been a nomination as Secretary of TC&I. He was not offered that position, however, because of a perceived conflict involving a private company for which a family member works.

Senator Welly asked whether the interests of the Petroleum Corporation might be compromised by his departure at this time. Mr. Christian observed that most of what he had been commissioned to accomplish with the Corporation was already done and that with the Division of Energy within the R&D Department, he would be able to continue to monitor progress of the Corporation towards full operation.

Senator Paul observed that the State of Chuuk has had problems with compact funding and projects involving fisheries and agriculture. He stated that state R&D departments are in need of the assistance from the National R&D Department and expressed his hope that the next Secretary will increase efforts in that regard. Chairman Neth expressed his view that two of the primary qualifications for the role of Secretary of R&D were the ability to understand issues and the ability to work with counterparts in the States.

In his concluding remarks, Mr. Christian acknowledged the importance of assistance by the FSM R&D Department to its state counterparts and its role in coordinating and supporting state development efforts. He expressed his wish for the support of Congress for his nomination but stated he would even more appreciate its support for his recommendations and initiatives in the future if confirmed. He shared his enthusiasm for the opportunity to undertake the challenges presented by the position but cautioned there may be a need to pause for a period to "take stock of where we are and where we want to go." He reiterated his belief that the department needs to get back to basics and begin focusing on the "infrastructure" of development and create some jobs. Sustainability and climate change are commendable but there must some balance. He recognized that Congress rather than administration is the policy maker rather than administration and urged a more aggressive approach to private sector development.

Chairman Neth closed the hearing by agreeing there has been too much concern in the past with form and not enough with substance and that

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has created obstacles to development and growth. He thanked the nominee for his statements and candid answers to questions.

The public hearing on the nomination was conducted pursuant to Notice at the Congress Hearing Room on Wednesday morning, February 5, 2008. Chairman Neth opened the meeting with a welcoming statement. Present were Vice Chairman Setiro Paul and Committee members Paliknoa Welly, Joseph J. Urusemal, Joe N. Suka and Peter Sitan. The Committee was pleased to note the attendance of the Honorable John Ehsa, Governor of the State of Pohnpei. Also in attendance were Senators Roosevelt Kansou, Dohsis Halbert, Claude Phillip and Moses Nelson. Present by invitation were numerous members of staff from the Resources and Development Department, including Maderson Ramon, Assistant Secretary for Division of Energy and Acting Secretary of the Department, Roger Mori, Assistant Secretary, Akillino Susaia, former Secretary of the Department, Aldis Bermanis, Program Manager, Division of Tourism, John Wichep, Plant and Animal Quarantine representing the Division of Agriculture. Observing was Mr. Pelsesar Petrus, Special Assistant to the President for Legislative Matters.

After welcoming remarks by Chairman Neth, Governor Ehsa addressed the Committee. He stated he has known the nominee for many years and has worked closely with him on numerous occasions during his own years of public service. He knows Mr. Christian to be a capable and competent leader. He expressed his own full personal endorsement of the President's nomination of Mr. Christian as Secretary of the Department of Resources and Development and further conveyed the support of the Traditional Leaders of Pohnpei as expressed during a meeting the prior evening.

All of the witnesses present expressed support for the confirmation of Mr. Christian as Secretary of R&D. Acting Secretary Ramon, Assistant Secretary Mori and Former Secretary Susaia all observed that the Department has been without a permanent leader for nearly a year and expressed the view that it is time to get that position settled and move forward. Mr. Wichep relayed the support of the Agriculture Division.

Mr. Ramon shared his recent experience in working with the nominee in his role as Chairman of the FSM Petroleum Corporation. He stated he was impressed by the quickness with which Mr. Christian "picked up" on issues facing the Corporation and stepped into the leadership role during challenging negotiations with Mobile Oil Micronesia and the

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Bank of Guam. He believes Mr. Christian will quickly pick up on Department issues as well and will energize the Department with his enthusiasm and confidence. When asked whether he felt Mr. Christian's lack of academic qualifications might be a handicap, Mr. Ramon stated he believes the nominee has the qualifications of a PhD without the PhD.

The witnesses were asked for opinions whether the nominee's talents and experience might better serve the Nation in some other capacity or role. All were satisfied that Mr. Christian and Resources and Development would be a good match. Several Committee members observed that the nominee has an aggressive leadership style and questioned the ability and willingness of senior staff members to "stand up" for their opinions and recommendations. Each of the senior staff witnesses expressed in his own way a belief that while Mr. Christian's leadership style would be very different, it would be a positive attribute for moving the Department forward. All believed they would have no problem in asserting their opinions and recommendations and would be able to work with the nominee as Secretary of their Department.

At the conclusion of the hearing Chairman Neth addressed the witnesses and staff members in attendance stating that if the nominee is confirmed, he will only be able to succeed and serve the interests of the nation with the full assistance and support of employees and staff.

The Committee notes that there was no disagreement with the President's nomination of Mr. Christian as Secretary of R&D during public hearings held with state legislatures and administrations in recent weeks. Strong letters of support were received from the Nett District Government of Pohnpei State (Municipal or Town Communications 15-2), Pohnpei State Senators Nakasone and Loyola (State Comm. No. 15-35) and Pohnpei State Senators Scaliem and Yamaguchi (State Comm. No. 15-34).

CONCLUSION

Your committee is satisfied with the qualifications of the nominee and particularly acknowledges his distinguished years of public service as a FSM Senator, Speaker of Congress, Chief Negotiator for the Amended Compact and Chairman of the Board of the FSM Petroleum Corporation.

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Your Committee on Resources and Development is in accord with the intent and purpose of C.R. No. 15-84 and recommends its adoption as requested by the President in Presidential Communication No. 15-122.

Respectfully submitted,

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

/s/ Setiro Paul
Setiro Paul, vice chairman

Resio S. Moses, member

/s/ Peter Sitan
Peter Sitan, member

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

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member

/s/ Paliknoa K. Welly
Paliknoa K. Welly, member