

STANDING COMMITTEE REPORT NO. 15-98

RE: C.R. NO. 15-97/R&D

SUBJECT: CONFIRMING THE NOMINATION OF MR. REDLEY KILLION TO THE FSM
PETROLEUM CORPORATION BOARD OF DIRECTORS

APRIL 01, 2008

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

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was referred
C.R. No. 15-97, entitled:

"A RESOLUTION CONFIRMING THE NOMINATION OF MR. REDLEY
KILLION TO BE A MEMBER ON THE BOARD OF DIRECTORS OF THE
FEDERATED STATES OF MICRONESIA PETROLEUM CORPORATION.",

begs leave to report as follows:

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

Presidential Communication No. 15-128 transmitted the nomination of
Mr. Redley Killion to Congress along with ten other Presidential
nominations on February 4, 2008. Biographical information concerning
Mr. Killion's qualifications was provided to this Committee on a later
date.

Presidential Communication 15-128 urges Congress to favorably consider
this nomination as a member of the FSM Petroleum Corporation Board of
Directors. Draft Resolution No. C.R. 15-97 recites that the President
has nominated Mr. Killion "as one of the two representing Private
Sector." The resume provided outlines Mr. Killion's qualifications.

It is noted that 214(a)(1)(f) requires that two of the directors appointed
by the President with the advice and consent of Congress must come from a
list of private sector candidates nominated by the four State governors.
It is further noted that, while all of the members of the Petroleum
Corporation Board must have some experience in public administration,
environmental matters, finance, or oil and gas distribution, at least one
of the two appointed under subsection (1)(f) from the private sector must
have "special knowledge and capacity in the field of oil and gas
distribution." Section 214(a)(3) disqualifies from service on the Board
any person who either personally or has immediate family members with "any
pecuniary interest in any business or entity which derives any part of its
revenue from the distribution of oil or gas in the Federated States of
Micronesia."

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Although the background of this nominee is well known to the members of the Committee, some of the highlights of his public service dating back to the days of the Trust Territory of the Pacific Islands are worthy of repetition. Mr. Killion began his public service career with the Department of Resources and Development of the Trust Territory in 1974 before becoming the first director of the Chuuk State Department of Resources and Development in 1979. In addition to his duties as director, he also served on various National Government boards as a representative of Chuuk. Included are the FSM Development Bank, FSM Foreign Investment Board, National Fisheries Corporation and the FSM Coconut Development Authority.

Mr. Killion's political career began in 1987 after being elected as the Chuuk State Senator at large to the FSM Congress. Senator Killion served on various Congressional standing committees before becoming the first chairman of the Transportation and Communications Committee during the Sixth Congress and later the chairman of the Resources and Development Committee, a position he continued to hold through the Tenth Congress. In March, 1999, after being re-elected to the Chuuk at-large seat of Congress, Senator Killion was elected as the Sixth Vice-President of the FSM. The Thirteenth Congress returned Vice President Killion to that office.

This Committee specifically notes the role of Vice President Killion as chairman of the FSM Fuel Task Force. That task force was the architect of the policies that led to the creation of the FSM Petroleum Corporation and was the entity responsible for almost all early planning and negotiations for the acquisition of the Mobil Oil Micronesia fuel distribution facilities in Chuuk, Pohnpei and Yap. That role, above all others, gives this nominee a unique qualification to become a member of the Petroleum Corporation Board of Directors.

Your Committee on Resources and Development is, therefore, in full accord with the intent and purpose of C.R. No. 15-97, and recommends its adoption.

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Respectfully submitted,

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

/s/ Setiro Paul
Setiro Paul, vice chairman

/s/ Resio S. Moses
Resio S. Moses, member

/s/ Peter Sitan
Peter Sitan, member

Joe N. Suka, member

Joseph J. Urusemal, member

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