

STANDING COMMITTEE REPORT NO. 16-05

RE: PRESIDENTIAL COMMUNICATION NO. 15-374

SUBJECT: DEPARTMENT OF FOREIGN AFFAIRS FY 2010 BUDGET

MAY 30, 2009

The Honorable Isaac V. Figir
Speaker, Sixteenth Congress
Federated States of Micronesia
First Regular Session, 2009

Dear Mr. Speaker:

Your Committee on External Affairs to which was referred the FY 2010 budget request of the Department of Foreign Affairs begs leave to report as follows:

Your Committee would like to congratulate the department for a good budget proposal. The proposed budget for FY10 is actually lower than the one for FY09. Your Committee notes also that the department has taken to heart some of the recommendations of committee reports from previous years, and this year has submitted a good performance section that shows the direction the department is headed. As a matter of fact, your Committee feels that the objectives set by the department may be too ambitious given the current level of funding, but nevertheless your Committee is happy to have at least some kind of roadmap on foreign policy. Your Committee encourages the department and hope for even further improvement in subsequent years, especially with the linkages between performance objectives and activities and levels of funding. Meanwhile, your Committee for this year's budget relies on the public hearings conducted with the department, both the overseas missions and the FSM-based operations.

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The FY 2010 Budget for the Department of Foreign Affairs and the recommendations of your Committee are summarized in the tables below.

Foreign Affairs Budget Summary FY 10

Breakdown by office	FY 09 appropriated	FY 10 request	FY 10 recommendation
Office of the Secretary	\$225,443	\$219,343	\$233,343
Asian, African & Multilaterals	\$103,610	\$103,610	\$103,610
American and European	\$81,101	\$81,101	\$81,101
Guam Consulate	\$214,942	\$230,831	\$255,785
Honolulu Consulate	\$304,722	\$305,332	\$338,813
Washington Embassy	\$456,131	\$436,030	\$441,780
Fiji Embassy	\$235,919	\$220,277	\$228,277
Tokyo Embassy	\$873,994	\$805,489	\$815,489
UN Mission	\$625,321	\$601,621	\$640,621
Beijing Embassy	\$416,947	\$415,364	\$436,132
Total	\$3,538,130	\$3,418,998	\$3,574,951

Line item budget	FY 09 appropriated	FY 10 requested	Committee recommends
Personnel	\$1,337,875	\$1,279,670	\$1,297,392
Travel	\$175,268	\$152,391	\$163,391
Contractual	\$1,674,587	\$1,686,187	\$1,727,668
OCE	\$327,400	\$286,000	\$300,000
Fixed Assets	\$23,000	\$14,750	\$86,500
Total	\$3,538,130	\$3,418,998	\$3,574,951

Your Committee conducted a public hearing on May 14, 2009 with the overseas missions. Present were the Secretary of Foreign Affairs, Lorin S. Robert, the ambassadors to the United Nations, Fiji, Japan, and the United States, as well as representatives of the embassy to China. A common thread at the hearing is the effort of the different missions each in its own way to perform outreach to FSM citizens.

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Your Committee is very encouraged by this effort and would like to support it. The missions also reiterated the need for personnel policy in terms of insurance, and housing benefits, especially for certain staff in Guam. Several missions also indicated the need for new vehicles to replace old cars that may no longer be safe and are definitely detrimental to the image of the FSM.

On those issues, your Committee wholeheartedly agrees, and as the detailed discussion below shows, recommends a response to the stated needs. But first and foremost, your Committee requests the department to work on a policy for housing and education of dependents to make sure that all overseas employees are treated fairly (the Guam consulate office in particular requested a review of policy regarding some of its staff with respect to housing), and also to reduce costs where possible.

Your Committee held another hearing on May 25, 2009 focusing on the needs of the FSM based operations. The main witness was Deputy Secretary Jane Chigiyal. The Deputy Secretary testified that the proposed budget focuses on keeping the operations expenses the same. Much effort has also been expended in responding to the Committee's concerns as stated in previous committee reports.

Based on the above, your Committee came to the conclusion that the representation funds requested for the overseas missions were inadequate. In particular, your Committee notes that last year for FY09, your Committee recommended substantial increases in representation funds over what was requested, with the understanding that the increases would allow the missions to perform more outreach. This year, your Committee would like to do the same thing. For FY 10, your Committee therefore recommends a substantial increase over the requested amounts, with the understanding once again that the missions should use the extra funding for outreach to citizens.

Mission	Committee Recommendations FY09	FY 10 requested representation fund in budget book	Committee Recommendations FY 10
Guam Consulate	\$10,000	\$15,000	\$10,000
Honolulu Consulate	\$15,000	\$5,000	\$15,000
Washington Embassy	\$20,000	\$10,000	\$20,000
Fiji Embassy	\$10,000	\$5,000	\$10,000
Tokyo	\$25,000	\$15,000	\$25,000

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Embassy			
UN Mission	\$20,000	\$5,000	\$10,000
China Embassy	\$10,000	\$5,000	\$10,000
Total	\$110,000	\$60,000	\$100,000

Your Committee would like the department to note that of the amount recommended for the Honolulu consulate, \$2,500 should be used to repay its obligations to Tonoas.

Going through the requested budget in details, your Committee also recommends the following changes:

- Personnel

For China, the DCM position should be funded at the same level as the DCM at the UN. Your Committee recommends a funding of \$45,628 instead of \$32,860

For Guam, the Executive Secretary position should be funded at the same level as the Executive Secretary in Honolulu. Your Committee recommends a funding of \$24,266 instead of \$19,312.

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- Travel

Your Committee recommends modifying the following requests:

Office	Proposed	Recommendation	Reason
New York	\$13,223	\$17,223	Delete Prayer Breakfast and add UNFCCC funding
Guam	\$5,495	\$10,495	More realistic
Honolulu	\$8,910	\$10,910	More realistic

- Contractual

For Honolulu your Committee recommends for Office Rental \$38,000 instead of \$36,519.

- OCE

Your committee is adding \$14,000 to the Office of the Secretary to pay for amounts due to the former Ambassador to the US. This item was appropriated in FY 09 but was unexpended. Your Committee urges the department to expedite this matter and expend the appropriated funds.

- Fixed Assets

Your Committee recommends the following changes:

Office	Proposed	Recommendation	Reason
New York	\$0	\$30,000	New vehicle
Guam	\$0	\$20,000	New vehicle
Honolulu	\$0	\$20,000	New vehicle
Fiji	\$0	\$3,000	Computer equipment
China	\$0	\$3,000	Computer equipment
Washington	\$7,250	\$3,000	Computer equipment

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Your Committee does not recommend any change to the position ceiling.

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In addition to the operations budget, your Committee recommends the following grants and subsidies, which are membership dues for international organizations:

Organization	Requested	Committee Recommendation
Pacific Forum Secretariat	\$46,000	\$46,000
Secretariat for Pacific Community	\$56,000	\$56,000
UN membership fees	\$60,000	\$60,000
ESCAP	\$5,000	\$5,000
East-West Center	\$5,000	\$5,000
ACP Cotonou membership fees	\$10,000	\$10,000
Total	\$182,000	\$182,000

With these changes, your Committee recommends adoption of the President's budget for the Department of Foreign Affairs.

Respectfully submitted,

/s/ Paliknoa K. Welly
Paliknoa K. Welly, chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, vice chairman

Isaac V. Figir, member

Resio S. Moses, member

/s/ Dion G. Neth
Dion G. Neth, member

/s/ Setiro Paul
Setiro Paul, member

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