

STANDING COMMITTEE REPORT NO. 16-59

RE: P.C. NO. 16-149/R&D

SUBJECT: FY 2010 BUDGET SUPPLEMENTAL REQUEST

FEBRUARY 05, 2010

The Honorable Isaac V. Figir
Speaker, Sixteenth Congress
Federated States of Micronesia
Third Regular Session, 2010

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was jointly referred the National Government's proposed FY 2010 Supplemental budget requests via Presidential Communication No. 16-149, begs leave to report as follows:

Presidential Communication No. 16-149 relates to the National Government's proposed supplemental budget requests for fiscal year 2010. Pursuant to rule 7, section 2(b), of the Official Rules of Procedure of the Sixteenth Congress of the Federated States of Micronesia, your Committee has confined its review to those portions of the Supplemental budget requests relating to matters within its jurisdiction. These are the budgets for:

- | | | |
|----|-------------------------------------------------------|----------|
| 1. | Department of Resources and Development | \$72,000 |
| | a. Capital & Human Resources Development: | |
| | i. Micronesian Challenge contribution | \$22,000 |
| | ii. Due Diligence of Fisheries Rehabilitation project | \$50,000 |
| 2. | National Oceanic Resource Management Authority | |
| | a. NORMA - Continental Shelf Work | \$88,444 |

Your Committee conducted a public hearing on the Department of Resources and Development supplemental requests on January 29, 2010. Witnesses from the Department were Acting Secretary Marion Henry and staff James Movick.

The Committee also met with the National Oceanic Resource Management Authority (NORMA) on the same day. The witnesses were Executive Director Bernard Thoulag and Staff Patricia Jack.

The report and recommendations that follow are based upon the testimony from the witnesses from the Department of Resources and Development and NORMA.

DISCUSSION OF THE PROPOSED SUPPLEMENTAL REQUESTS FY 2010 BUDGET

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The figures shown in the chart below for the department under the Capital & Human Resources Development include the total amount appropriated in FY 2010.

I. DEPARTMENT OF RESOURCES AND DEVELOPMENT

CAPITAL & HUMAN RESOURCES DEVELOPMENT BUDGET

	FY 2010 Appropriation
a. FSM Visitors' Bureau	\$200,000
b. 2010 Shanghai World Exposition	\$150,000
Total Capital & Hum. Res.	\$350,000

The Committee inquired on how the \$72,000 was to be used. Acting Secretary Henry indicated that an amount of \$22,000 is requested as the FSM Government's contribution to the Operation of the Micronesian Challenge office situated in the Republic of Palau.

The Committee learned that only the FSM government has not paid its annual contribution. The rest of the countries (Republic of Palau, Republic of the Marshall Islands, Commonwealth of the Northern Marianas and Government of Guam) have already contributed their fair share to the Micronesian Challenge Office.

The Committee recommends the amount of \$22,000 and requests that information be shared with the Committee on the tangible benefits on the effort of the Micronesian Challenge.

On the \$50,000, Acting Secretary Henry indicated that \$30,000 is to fund a Commercial Lawyer to be contracted to assist in the legal aspect relating to the Fisheries Rehabilitation Loan Project, and \$20,000 is needed to fund travel of the appropriate individuals that will visit the states and meet with each state's leadership on the Fisheries Rehabilitation Loan Project. The amount of \$20,000 requested is to fund the travel for the relevant staff from the executive branch, but not fund the staff from the legislative branch.

The Committee recommends the \$22,000 for the Micronesian Challenge and the \$50,000 for the due diligence work on the Fisheries Rehabilitation Loan Project.

	FY 2010 Appropriation
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a. FSM Visitors' Bureau	\$200,000
b. 2010 Shanghai World Exposition	\$150,000
c. Micronesian Challenge contribution	\$22,000
d. Due diligence of Fisheries Rehabilitation project	\$50,000
Total Capital & Hum. Res.	\$422,000

II. National Oceanic Resource Management Authority - \$88,444

On the \$88,444 for NORMA, the Executive Director indicated that an amount of \$160,804 was previously appropriated in Public Law No. 15-55 (FY 2009 Budget), but lapsed on September 30, 2009.

On the NORMA supplemental budget request, the Executive Director handed out a break down of the \$88,444. The Executive Director indicated that there is a need to complete the Maritime Boundaries between FSM and Papua New Guinea and also the Maritime Boundaries between FSM and Solomon Islands. After the completion of Maritime Boundaries delineations on the relevant boundaries adjacent to FSM, the appropriate individuals must meet with their U.S. counterparts. According to the Executive Director, FSM has the data and it is a matter of meeting with the U.S. counterparts to finalize the boundaries. Once the FSM and U.S. agree on the boundaries, then the FSM will deposit the documents with the United Nations. According to the Executive Director, the original dead line to deposit the documents with the United Nations was May 19, 2009. Nevertheless, there was an extension of the dead line.

Your Committee recommends the amount of \$88,444 as requested in NORMA's supplemental budget request.

NORMA	
1. Tuna Commission membership fee	\$47,988
2. Continental Shelf Work	\$88,444
Total	\$136,432

CONCLUSION

Your Committee on Resources and Development has reviewed the proposed FY 2010 Supplemental Budget Requests and carefully scrutinized all of

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the information provided by the Department Resources and Development and NORMA.

Subject to the conditions and limitations set forth herein, and the availability of funds as determined by your Committee on Ways and Means, your Committee on Resources and Development recommends approval of the amounts listed above.

Respectfully submitted,

/s/ Roger S. Mori
Roger S. Mori, chairman

/s/ Tony H. Otto
Tony H. Otto, vice chairman

/s/ Peter M. Christian
Peter M. Christian, member

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

/s/ Peter Sitan
Peter Sitan, member

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

Paliknoa K. Welly, member