

STANDING COMMITTEE REPORT NO. 16-66

RE: C.R. NO. 16-69/EXAFF

SUBJECT: CHINA GRANT RMB 14.5 MILLION

FEBRUARY 11, 2010

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

Dear Mr. Speaker:

Your Committee on External Affairs, to which was referred Presidential Communication 16-144 containing C.R. 16-69, a resolution entitled:

"A RESOLUTION APPROVING ACCEPTING THE RMB 14.5 MILLION FINANCIAL GRANT, AND ALL THE TERMS AND CONDITIONS OF SAID GRANT, FROM THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA TO THE GOVERNMENT OF THE FEDERATED STATES OF MICRONESIA",

begs leave to report as follows:

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

On December 11, 2009 the governments of the Federated States of Micronesia and the People's Republic of China signed an instrument, "The Contract for the Repair Project of Cargo-Passenger Ship Aided to the Federated States of Micronesia" which explicitly provides that a Chinese Company Wuhan Nanhua High Speed Ship Engineering Co. Ltd. (hereinafter Wuhan) entrusted by the Chinese government will repair the a cargo passenger ship for a payment of RMB 14.5 million. This RMB 14.5 million is to be charged against the financial assistance that the People's Republic of China extends to the Federated States of Micronesia.

Under the terms of the agreement, Wuhan will tow the ship to its shipyard, repair and perform maintenance on the ship and deliver the repaired ship to Weno Port, Chuuk and train a Federated States of Micronesian crew. Federated States of Micronesia will ensure that navigation and customs procedures are followed. The RMB 14.5 million required for Wuhan's services will be charged against the financial assistance that the Government of the People's Republic of China extends to the Government of the Federated States of Micronesia.

This grant and the services of Wuhan are in the best interest of the Federated States of Micronesia because it will ensure the repair and return of the cargo-passenger ship and train Federated States of Micronesian citizens to serve as crew.

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Your Committee recommends the following amendments to C.R. 16-69 because, "The Contract for the Repair Project of Cargo-Passenger Ship Aided to Federated States of Micronesia" does not refer to the Chief Mailo by name:

Page 1, line 6 delete "FSM boat Chief Mailo" and insert "cargo-passenger ship aided to Federated States of Micronesia " in lieu thereof

Page 1, line 15 delete "ship Chief Mailo" and insert "cargo-passenger ship aided to Federated States of Micronesia" in lieu thereof

Your Committee on External Affairs is in accord with the intent and purpose of C.R. 16-69, and recommends its adoption in the form, C.R. 16-69, C.D.1 attached hereto.

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Respectfully submitted,

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

/s/ Tiwiter Aritos
Tiwiter Aritos, vice chairman

/s/ Isaac V. Figir
Isaac V. Figir, member

Peter M. Christian, member

/s/ Dohsis Halbert
Dohsis Halbert, member

/s/ Setiro Paul
Setiro Paul, member

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