

STANDING COMMITTEE REPORT NO. 16-76

RE: C.B. NO. 16-36

SUBJECT: ENTRY VISAS

MAY 20, 2010

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

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations, to which was referred C.B. No. 16-36, entitled:

"A BILL FOR AN ACT TO FURTHER AMEND TITLE 50 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED, BY AMENDING SECTION 113 OF CHAPTER 1 AND BY ENACTING A NEW SECTION 117 OF CHAPTER 1, REQUIRING ENTRY VISAS FOR CERTAIN NATIONALS ENTERING THE FEDERATED STATES OF MICRONESIA, AND FOR OTHER PURPOSES."

begs leave to report as follows:

Intent and Purpose

The intent and purpose of C.B. No. 16-36 is to amend 50 F.S.M.C. §113 to modify the use of the Entry Permit Revolving Fund to include entry visa issuance and renewal, and to enact a new 50 F.S.M.C. §117 to require entry visas for all foreign citizens and nationals entering the Federated States of Micronesia, except for citizens of countries that are not imposing visa requirements on FSM citizens.

As proposed, there would be four types of entry visas. The first type is a single entry visa and valid for a period of 30 days and renewable. The second type is a multiple entry visa valid for up to a year and renewable. The third type is a work entry visa, valid for a definite term of employment, up to three years, and renewable. The fourth type is a student visa valid for the duration of the enrollment at a school in the Federated States of Micronesia, up to a period of three years, and renewable. All entry visas may be issued at all Federated States of Micronesia embassies, consulates, and at each of the ports of entry in the Federated States of Micronesia.

Your Committee held public hearings on December 14 and 15, 2009, in Chuuk State; December 16, 2009, in Yap State; January 14 and 15, 2010, in Kosrae State; and January 18 and 19, 2010, in Kolonia, Pohnpei State, and January 30, 2010, in Palikir, Pohnpei State.

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Testimony Summary

1. *Chuuk*

Public hearings in Chuuk State were held at the Chuuk State Legislature Building and the Governor's Offices. Present at the hearings were members of the Chuuk Legislature, the Governor, representatives from the executive departments, representatives of the private sector and members of the public. All testimony was in support of the bill, especially as a means to increase revenues and security of the FSM Borders. The Chuuk leadership recommends that revenues generated from the entry visas should be shared with the States.

2. *Yap*

Public hearings in Yap State were held at the Yap State Legislature Building and the Yap Delegation Office. Present at the hearings were members of the Yap State Legislature, the Governor, representatives from the executive departments, representatives of the private sector and members of the public. All testimony in Yap State was in support of the bill on the basis that it will generate revenues. One concern raised is the impact of the proposed bill on tourists and visitors. The Committee indicated that the specific concern will be discussed with the Division of Immigration.

3. *Kosrae State*

Public hearings in Kosrae State were held with members of the Kosrae State Legislature, the Governor, representatives from the executive departments, and members of the public. Participants present at the hearings had no objections to the bill as proposed.

4. *Pohnpei State*

Public hearings in Pohnpei State were held in Kolonia and in Palikir; present at the hearings in Kolonia were members of the Pohnpei State Legislature, the Governor and cabinet members, representatives from the executive branch and members of the public. There were no objections to the proposed bill.

Present at the hearing in Palikir were representatives from the National Departments of Justice and Finance, Pelsesar Petrus from the Office of the President, and Chief of Immigration and Labor, Mohner

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Esiel. Chief Esiel testified that the bill is a potential revenue generating scheme for the nation.

On February 01, 2010, Chief Esiel sent a cost analysis for visa issuance to the Committee's Chairman. The cost breakdown highlights the different entry statuses utilizing the proposed fees suggested under C.B. No. 16-36. The fee used is based on the proposal.

	PNI	NO.	CHK	NO.	YAP	NO.	KOS	NO.
Visitor	106,820.00	3052	87,640.00	2504	67,200.00	1920	43,645.00	1247
Work	180,600.00	1204	72,150.00	481	27,750.00	185	30,150.00	201
Student	750.00	10	450.00	6	375.00	5	150.00	2
Missionary	2,700.00	27	3,000.00	30	1,500.00	15	600.00	6
Researcher	1,200.00	12	1,100.00	11	300.00	3	500.00	5
FIB	10,000	100	7,800.00	78	2,000.00	20	2,300.00	23
Spouse	2,800.00	28	3,300.00	33	1,300.00	13	1,000.00	10
Dependent	14,500.00	145	1,900.00	19	3,200.00	32	1,100.00	11
Sales person	6,500.00	65	6,600.00	66	1,100.00	11	1,000.00	10
Volunteer	2,700.00	27	2,000.00	20	600.00	6	200.00	2
Total for State	328,570.00	4670	185,940.00	3248	105,325.00	2210	80,645.00	1517

The total entry permits issued are 11,645 with an amount of \$700,480. Based on this table, the Chief of Immigration indicated that the FSM is on the right track in pursuing this matter. The Committee can comfortably say that the current fees for each type of entry visas is subject to change in the near future; thus this nation can expect more revenues generated from the entry visas fees.

Committee Discussion

Currently, under section 113 of title 50 of the Code of the Federated States of Micronesia, the revenues collected from the issuance of entry permits are deposited in an Entry Permit Revolving Fund. And, administrative costs, system expenses and forms and other required documents relating to the issuance of entry permits are paid out from the Fund.

During the deliberations and discussions on C.B. No. 16-36, the Committee realized that the implementation of the issuance of entry visas will require additional funding to pay for administrative costs, system expenses and a supply of forms and other required documents. Nevertheless, upon implementation, the potential revenues that would be realized from the issuance of entry visas will be considerable. In fact, Chief of Immigration Mr. Mohner Esiel testified during the hearing that revenues anticipated from entry visa issuance will be

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more than the start up cost. Such revenues will be deposited into the Entry Permit Revolving Fund. Therefore, it is important to modify the purpose of the Entry Permit Revolving Fund to allow the Fund to be used for the administrative expenses relating to the issuance of entry visas. This is the intent and purpose of amending Section 113 of title 50 of the Code of the Federated States of Micronesia. Eventually, an Entry Visa Revolving Fund may be established in the future.

The Committee recommends that on single entry visas for tourists and visitors whose intended stay in the Federated States of Micronesia is less than 30 days, it should be amendable on a case-by-case basis. For instance, a visitor or tourist will be issued a single entry visa upon arrival, and depending on the intended stay whether the visitor or tourist wishes to visit another state, he or she will not be required to fill out a new form, but can show his or her passport with the stamped single entry visa at each of the states, thus preventing unnecessary filing for a new single entry visa upon arrival at each airport. Any regulations that would be promulgated to implement the issuance of entry visas could accommodate this kind of situation.

Furthermore, Chief Esiel indicated that if the bill passes, there will be a need to place an immigration attaché at each of the overseas offices. These immigration attachés need to be trained to effectively and efficiently operate the entry visa machine. He stated that there is no machine for entry visas installed yet; nevertheless, it is possible to secure such machines.

The table below is a cost analysis on the related costs that are anticipated with the implementation of the entry visas.

Item	Description	Qty	Unit Price at each site	Extended Price	Remarks
1	Chuuk, Kosrae, Pohnpei, Yap and Central Office - Visa Issuance System/Supply and delivery, including installation of hardware and software	5	\$33,200	\$166,000	
2	Chuuk, Kosrae, Pohnpei, yap and Central Office - User System Training on	5	\$10,670	\$53,350	

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	software				
3	Guam Consulate Office Visa Issuance System/Supply and delivery, including installation of hardware and software	1	\$33,200	\$33,200	
4	Guam Consulate Office User System Training	1	\$10,670	\$10,670	
5	FSM Embassies (China, Fiji & Japan) -Visa Issuance System/Supply and delivery, including installation of hardware and software	3	\$33,200	\$99,600	
6	FSM Embassies (China, Fiji & Japan) User System Training	3	\$10,670	\$32,010	
7	FSM Consulate Hawaii Visa Issuance System/Supply and delivery, including installation of hardware and software	1	\$33,200	\$33,200	
8	FSM Consulate Hawaii User System Training	1	\$10,670	\$10,670	
				\$438,700	

One may question the source that came up with the estimated costs indicated in the table above. For the purpose of clarification on the figures, Chief Esiel indicated that these estimated figures were thoroughly scrutinized by the proper authorities. Thus, the Committee thanked the Chief for providing these figures.

He indicated that the Office of Insular Affairs has funded the

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purchase of the Passport Electronic Distribution System for the Department. He concluded by saying that, aside from the revenue that might be generated from the system, the security of this Nation is important.

Finally, your Committee recommends the deletion of the fees for the different kinds of entry visas in the proposed bill. The Committee agrees that the fees can be set by regulation and it makes more sense to determine the appropriate fees applicable to the various entry statuses. Eventually, the fees on the different types of visa will be increased.

Committee Amendments

Your Committee recommends amendments to the bill to read as follows:

1. Page 1, between lines 4 and 5, inserts the following:
“(1) There is created and established the Entry Permit Revolving Fund separate from the General Fund of the Federated States of Micronesia and all other funds.”
2. Page 1, line 5, delete “1” and insert “2” in lieu thereof.
3. Page 1, between lines 13 and 14, insert the following:
“(3) All revenues received from the issuance and renewal of entry permits and entry visas and from the payment of any fee required under this chapter or chapter 1 of title 51 of the Code of the Federated States of Micronesia shall be deposited in the Entry Permit Revolving Fund. Any unexpended monies in the Entry Permit Revolving Fund shall not revert to the General Fund, nor lapse at the end of the fiscal year.
(4) The Entry Permit Revolving Fund shall be administered by the Chief of the Division of Immigration, under the supervision of the Secretary of the Department of Justice. The Chief shall, not later than 30 days after the close of each governmental fiscal year, submit to the Secretary a complete report of the activities and condition of the Entry Permit Revolving Fund for the fiscal year just closed, and any plans for use of the Fund for the fiscal year just started. The Secretary shall, within 30 days of receipt of the report from the Chief, forward the report to the President and the Congress of the Federated States of Micronesia.
(5) The Public Auditor shall audit the Entry Permit Revolving Fund at such times as the Public Auditor deems appropriate.”
4. Page 2, line 5, delete “provided” and insert “PROVIDED,” in lieu thereof; delete “FSM” and insert “Federated States of

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Micronesia" in lieu thereof; and delete "reciprocity" and insert "reciprocal treatment" in lieu thereof.

5. Page 2, line 9, delete "An entry visa may be issued by all" and insert "All" in lieu thereof.
6. Page 2, line 10 delete the "E" in "Embassies" and insert "e" in lieu thereof; delete the "C" in "Consulates" and insert "c" in lieu thereof; and after "entry" insert "may issue entry visas".
7. Page 2, line 15, after "renewal" insert a semicolon.
8. Page 2, line 19, after "renewal" insert a semicolon.
9. Page 2, line 23, after "renewal" insert "; and".
10. Page 3, line 2, after "renewal" insert a period.
11. Page 3, lines 3 through 10, delete in their entirety.

Committee Recommendation

Your Committee on Judiciary & Governmental Operations is in accord with the intent and purpose of C.B. No. 16-36, as amended hereby, and recommends its passage on First Reading, and that it be placed on the calendar for Second and Final Reading in the form attached hereto as C.B. No. 16-36, C.D.1.

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Respectfully submitted,

/s/ Peter Sitan
Peter Sitan, chairman

Tiwiter Aritos, vice chairman

/s/ Dohsis Halbert
Dohsis Halbert, member

/s/ Roger S. Mori
Roger S. Mori, member

Fredrico O., member

Isaac V. Figir, member

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