

STANDING COMMITTEE REPORT NO. 16-142

RE: C.R. NO. 16-168/T&C

SUBJECT: FISCAL YEAR 2011 PMU BUDGET

MARCH 30, 2011

The Honorable Isaac V. Figir
Speaker, Sixteenth Congress
Federated States of Micronesia
Sixth Special Session, 2011

Dear Mr. Speaker:

Your Committee on Transportation and Communications (T&C), to which was jointly referred C.R. No. 16-168, entitled:

"A RESOLUTION ENDORSING THE PROPOSED SUPPLEMENTAL BUDGET OF THE PROJECT MANAGEMENT UNIT (PMU) FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2011 TO BE FUNDED FROM THE COMPACT INFRASTRUCTURE SECTOR GRANT, IF AVAILABLE.",

begs leave to report as follows:

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

Your Committee on Transportation and Communication held a hearing in Palikir on March 26, 2011 to hear testimony regarding PMU's budget for the remainder of FY 2011. Present at the hearing were representatives from the FSM Department of Transportation, Communication and Infrastructure (TC&I), including the Project Management Unit, the Office of Statistics, Budget, Overseas Development Assistance and Compact Management (SBOC), and the President's Office.

Chairman Neth opened the hearing with greetings and thanked the witnesses for attending the hearing. The Secretary of TC&I testified that the Department was in support of the resolution.

Representatives from the Project Management Unit of TC&I testified that PMU began FY 2011 with only a partially funded

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budget. Since those funds were depleted earlier in the year, PMU has operated using contingency funds belonging to Pohnpei State. PMU representatives testified these funds would need to be repaid and the balance was \$200,000. There was no testimony as to when the Pohnpei contingency funds would be depleted. PMU representatives testified the budget is needed in order for them to continue to operate and to continue to develop and complete its projects and asked your Committee to adopt the resolution, C.R. No. 16-168.

Representatives from SBOC and the President's office registered support for adopting C.R. No. 16-168 and funding PMU.

This Resolution, if adopted, will allow the Executive to obtain a grant award from the United States, which is subject to appropriation by Congress once received. Congressional appropriation is subject to the National government being sufficiently below its 10 percent ceiling for its share of Amended Compact funds.

Chairman Neth closed the hearing by thanking all present for their participation.

CONCLUSION

Your Committee on Transportation and Communication is in accord with the intent and purpose of C.R. No. 16-168 and, upon concurrence of your Committee on Ways and Means, recommends its adoption in the form attached hereto as C.R. No. 16-168.

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Respectfully submitted,

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

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

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

Claude H. Phillip, member

Joe N. Suka, member

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

Tiwiter Aritos, member