

SPECIAL COMMITTEE REPORT NO. 16-10

RE: COMMITTEE TO WAIT ON THE PRESIDENT

NOVEMBER 16, 2010

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

Dear Mr. Speaker:

Your Committee to Wait on the President consisting of Chairman Dion G. Neth and Senators Joseph J. Urusemal, Tiwiter Aritos and Claude H. Phillip was duly appointed on November 15, 2010.

The Committee met with the President at 3:00 p.m. on Monday, November 16, 2010 in the President's conference room. In attendance were: Vice President Alik Alik; Special Assistant to the President on Legislative Affairs, Marcellus Akapito; Chief of Staff, Kasio E. Mida, Director of S.B.O.C, Fabian Nimea, Secretary of Justice Maketo Robert, Secretary of Resources and Development Marion Henry, Secretary of the Department of Education Casiano Shoniber, Secretary of the Department of Transportation, Communications and Infrastructure Francis Itimai, Secretary of the Department of Health and Social Affairs Vita Skilling, and Director of EEM Andrew Yatilman.

The meeting convened with Chairman Neth offering greetings to the President and members of his cabinet and informing the President that the Congress had convened for the Fifth Special Session and was ready to transact business.

The President thanked the Congress and again invited members to the luncheon on November 16, 2010. The President then addressed his priorities for this session.

Fisheries Loan. The President began with the proposed fisheries loan. He asked your Committee to pass the bill on second reading to allow the process of negotiating the

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loan to move forward. The President notified your Committee that as he received documents such as the actual terms of the loan he would inform Congress. Members of your Committee inquired why this loan project was being pushed as a bill rather than a resolution, citing that past projects of similar nature have been authorized by resolutions. The President passed this inquiry to the Secretary of the Department of Justice. The Secretary responded there was a consensus that the authorization should be done by bill, not resolution. He further responded that because the negotiations are already taking place, it seems like a resolution authorizing the President to negotiate a loan is not needed. Your Committee finally iterated that it would like to see the subsidiary agreements before it signs off on such a loan. The discussion then moved to tax reform.

Tax Reform. The President urged Congress to pass the tax reform bills on first reading as soon as possible. He mentioned the fact that the process is a state and national government process, and requires action on both of those levels. The President's opinion is that if Congress should move on first reading that action would prove to the states that tax reform is not just lip service, thus encouraging them to do their part. Your Committee then inquired as to whether the tax reform would be addressed at the upcoming economic summit. When asked, the Director of S.B.O.C. responded that they would like to have tax reform discussed at the economic summit. He also noted the summit is scheduled for mid-January 2011.

Budget. The President urged Congress to review and approve his supplemental budget request. He stated that the supplemental budget request has two parts. One is to take care of existing payroll shortfalls remaining from FY2010. The other is to appropriate the investments as originally requested in the President's proposed budget, including Social Security, FSM Trust Fund, and infrastructure improvements.

Nominations. Finally, the President noted he had submitted several nominations for Congress's advice and consent. Your Committee notified the President the relevant Committees are already moving forward with those nominations this session.

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NOVEMBER 16, 2010

The President closed the meeting by reiterating the importance of the luncheon to be held on Tuesday, November 16, 2010 and expressed his hopes that all the members would participate.

Respectfully Submitted,

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

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

Tiwiter Aritos, member

/s/ Claude H. Phillip
Claude H. Phillip, member