

SPECIAL COMMITTEE REPORT NO. 17-06

RE: COMMITTEE TO WAIT ON THE PRESIDENT

MARCH 21, 2012

The Honorable Isaac V. Figir
Speaker, Seventeenth Congress
Federated States of Micronesia
Third Special Session, 2012

Dear Mr. Speaker,

Your Committee to Wait on the President, consisting of members Wesley Simina, Peter M. Christian and Joseph J. Urusemal, and was Yosiwo P. George, Chairman, duly appointed on March 19, 2012.

The Committee met with President Manny Mori and Vice President Alik L. Alik on March 20, 2012. Also in attendance were members of the President's cabinet and staff. Chairman George greeted the President and Vice President, members of the cabinet and staff on behalf of Congress and thanked them for the opportunity to meet with them regarding the upcoming special session. Chairman George reported that Congress was in session and was ready to transact business.

The President returned his warm regards for your Committee and the Congress in general. The President stated that it was his desire that the items set forth with his call for special session be dealt with during the current session, but that he was open to other business being transacted by Congress at this time. The President acknowledged the time constraints facing Congress and stated that he would attempt to outline those matters he was most desirous of receiving immediate action.

There are four outstanding nominations remaining for consideration; Ms. Judy Lee for the Secretary of Justice, Mr. Dion Neth for the Secretary of the Department of Finance and Administration, Mr. Ignacio Steven for the Hawaii Consulate Office, and Mr. Kasio Mida for the College of Micronesia-FSM

SPECIAL COMMITTEE REPORT NO. 17-06

RE: COMMITTEE TO WAIT ON THE PRESIDENT

MARCH 21, 2012

Board of Regents (reconsideration). The President requested action on these nominations so that his administration may have the key positions filled to go forward with the Nation's business.

The President listed four bills pending before Congress that he requests action be taken on during this current session: C.B. No. 17-98, C.B. No. 17-84, C.B. No. 17-83 and C.B. No. 17-67. Of these bills listed the President stated that he was most interested that action be taken on C.B. No. 17-98 which proposes to do away with the submission of affidavits as supporting documents of expenses from representation and official expense allowance. Chairman George stated that some concerns were raised by Congress regarding the desirability of C.B. No. 17-98, however, hearings and further discussion were scheduled regarding this proposed legislation.

Chairman George advised the President that several grants that had been the subject of the call for this special session had been dealt with in the previous session. The President stated that he was aware of only three outstanding grants at this time in need of action by Congress: a U.S. Center for Disease Control grant in the amount of \$92,190; a U.N. FAO Technical Assistance grant in the amount of \$426,000 and a \$88,900 OIA grant for Passport Machines. Your Committee advised the President that the grant from the CDC had been dealt with in the previous session, and therefore, only two grants remain in need of action by Congress.

There remains a number of treaties that need Congress action to take effect. The President asked that the Congress continue its work on these matters on a timely basis. Also, two National policies are pending before Congress for approval. Of the policies the President would most like to see action on is the National Energy Policy. He stated it is time for the Nation to solidify its energy policy, particularly as several of our island neighbors have rolled over our energy policies for their nations. Senator Christian confirmed that the Committee on Resources and Development were taking this matter up in hearings later during the week.

Supplemental appropriations are requested by the President.

SPECIAL COMMITTEE REPORT NO. 17-06

RE: COMMITTEE TO WAIT ON THE PRESIDENT

MARCH 21, 2012

A supplement request is made in the amount of \$100,000 to engage an expert in the air transportation industry to study the Nation's air transportation needs and render advise regarding future action. Among the issues to be addressed is the contract with United and a national FSM airline.

A working group is being formed to address issues facing the country in 2023. In order to fund this group/committee the President requests supplemental funding of \$207,000. The President advised your Committee that there is need to plan for the end of the Amended Compact funding now, particularly in light of the shortfall in the Trust Fund and the lower than expected returns on Trust Fund investments.

The Postal Service is also in immediate need of supplemental funding due to a determination that over \$1.2 million was due to the U.S. for charges stemming from mail carriage over the agreed limits by United. The Post Master General confirmed that the charges were negotiated down to \$500,000 from the \$1.2 million contingent on an immediate payment of \$250,000. The President advised that a report had been issued regarding these charges for "over limit" post. Your Committee requested the report be transmitted to Congress for its use this special session. Funding in the amount of \$10,000 was also requested for the Postal Service for a new website to promote its postal products.

The Vice-President and President both requested that Congress act on the Revenue Administration Act during this special session. The Vice-President reiterated that the National Congress could act on the Revenue Administration Act prior to its passage by all four states. The Vice-President and cabinet members confirm that the desire for passage of the tax reform measures by National and all four State governments is one of policy rather than legal necessity.

The President summarized the recent National government issues and events. The President again emphasized the necessity of forming a working committee, the 2023 Committee, to do everything possible by our country to promote financial health and stability at the end of the U.S. Amended Compact funding.

SPECIAL COMMITTEE REPORT NO. 17-06

RE: COMMITTEE TO WAIT ON THE PRESIDENT

MARCH 21, 2012

The President briefly stated that he did have a meeting with Tony Babauta regarding the impact of FAS citizens, and is even more determined that the FSM Compact Impact Study go forward to formally set forth both the positive and negative impact of our citizens living in the United States.

All members of the Executive are looking forward to the upcoming visit of the Governor General of Australia, March 27-28 as the first bi-lateral visit by a head of state. The Secretary of Foreign Affairs advised that this is significant due to the strengthening of ties between the U.S. and Australia, and in turn with their strengthened relations with the Pacific Rim countries.

Discussion was had between your Committee and the President regarding FY13 budget issues. The President forecasted budget issues to do with the Trust Fund, COM-FSM, and private schools which will need to be addressed in May.

Finally, the President requested that Congress, and the National government in general, be sensitive to the concerns of China regarding extensive contact and trips to Taiwan. Although the relationship between China and Taiwan, and for that matter the United States and other Pacific Island countries, is progressing and evolving, we must still adhere to the one China policy.

Chairman George thanked the President, Vice-President and their cabinet and staff for their time and stated he would advise the Congress of their discussion.

The meeting closed with joint expressions of appreciation and wishes for a productive Congressional Session.

Respectfully submitted,

/s/ Yosiwo P. George

/s/ Wesley W. Simina

SPECIAL COMMITTEE REPORT NO. 17-06

RE: COMMITTEE TO WAIT ON THE PRESIDENT

MARCH 21, 2012

Yosiwo P. George, Chairman

Wesley W. Simina, Member

Peter M. Christian, Member

/s/ Joseph J. Urusemal
Joseph J. Urusemal, Member