

STANDING COMMITTEE REPORT NO. 17-140

RE: P.C. NO. 17-216/T&C

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 21, 2012

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

Dear Mr. Speaker:

Your Committee on Transportation and Communication, to which was jointly referred Presidential Communication No. 17-216 transmitting the National Government's proposed FY 2013 budget, begs leave to report as follows:

Presidential Communication No. 17-216 concerned the National Government's proposed budget for fiscal year 2013 as set forth in a publication entitled *National Government Fiscal Year 2013 Recommended Budget* ("Budget Book"). Pursuant to rule 7, section 6(b), of the Official Rules of Procedure of the Seventeenth Congress of the Federated States of Micronesia, your Committee has limited its review to those portions of the budget relating to matters under its jurisdiction. These are:

Operations Budget for the Department of Transportation,
Communications and Infrastructure:

- (a) Office of the Secretary
 - (b) Division of Marine Transportation
 - (c) Division of Civil Aviation
 - (d) Division of Communication
 - (e) Division of Infrastructure
 - (f) Project Management Unit
- Grants, subsidies and contributions
- (g) Energy (FSM Utilities)
 - (h) Asian Pacific Telecommunity (APT)

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- (i) International Telecommunications Union
- (j) International Civil and Aviation Organization
- (k) Micronesian Shipping Commission
- (l) Sea and Air Transport Task Force
- (m) Tuna Commission Membership Fee

Capital and human resource development

- (n) FSM Capital Rehabilitation
- (o) MS Caroline Voyager Dry docking
- (p) FSM Capital Road/Bridge and Drainage Improvement
- (q) President's Office Renovation and Improvement
- (r) FSM Capital Official Residence and Security Fence
- (s) Capital Complex Backup Generator and Transformers
- (t) Infrastructure Development
- (u) Infrastructure Maintenance Fund (IMF)
- (v) Outer Island Airport
- (w) Aircraft Acquisition

This report, and all previous and subsequent reports by this Committee, should be treated as policy for this Nation, as defined by the Congress. It is your Committee's intent that any commentary found in this report should be treated as policy for the guidance of the relevant departments, agencies and offices.

INTRODUCTORY COMMENTS

This report reflects the recommendations of your Committee on Transportation and Communication regarding those portions of the proposed FY2013 budget relating to matters under its jurisdiction.

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On September 18, 2012 during the Committee's markup meeting, your Committee has decided that it will recommend the fiscal year 2012 level along with the EBRC's FY 2013 recommendations for now and will consider necessary adjustments in the FY 2013 budget during the next session of Congress.

**OPERATIONS BUDGET FOR THE DEPARTMENT OF TRANSPORTATION,
COMMUNICATIONS AND INFRASTRUCTURE**

Overview

| | FY12 App. | FY13 Dept. proposed | FY2013 EBRC recommends | Committee recommends |
|-----------------------|-------------|--------------------------|---------------------------|---------------------------|
| Personnel | \$1,181,684 | \$1,532,055 | \$1,282,339 | \$752,300 |
| Travel | \$152,203 | \$207,180 | \$163,792 | \$121,876 |
| Contract serv. | \$1,539,971 | \$1,743,821 | \$1,692,256 | \$1,457,489 |
| OCE | \$116,000 | \$176,652 | \$176,652 | \$127,519 |
| Fixed assets | \$123,188 | \$100,000 | \$20,000 | \$20,000 |
| Total | \$3,113,046 | \$3,759,708 | \$3,335,039 | \$2,479,184 |
| Employees | 28 | 28 | 28 | 28 |
| Sources of Revenue | | Domestic Unrestricted | Domestic Unrestricted | Domestic Unrestricted/ |

The EBRC recommended \$3,335,039 for the Department, and of this amount, \$2,182,014 is to come from Domestic Revenues and \$1,153,025 is to come from Infrastructure Sector Grants. The Committee recommendations are discussed below:

On September 18, 2012 during the Fifth Regular Session, your Committee had its markup or markdown session on the Department's FY13 budget. As agreed with the Committee on Ways and Means, your Committee will concur with the EBRC's recommendations for this fiscal year 2013, however, it will further review necessary adjustments, especially for the Department and PMU's FY 2013 budgets that are supposed to be funded from infrastructure sector grants during the next session of Congress.

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a. Office of the Secretary - DTC&I

| | FY12 App. | FY13 Dept. proposed | FY2013 EBRC recommends | Committee recommends | FY12 & FY13 Difference |
|--------------------|------------------|-----------------------|------------------------|-----------------------|------------------------|
| Personnel | \$82,217 | \$82,217 | \$82,217 | \$82,217 | \$0 |
| Travel | \$19,334 | \$22,609 | \$11,607 | \$11,607 | \$-7,727 |
| Contract serv. | \$4,000 | \$4,000 | \$4,000 | \$4,000 | \$0 |
| OCE | \$40,000 | \$51,664 | \$51,664 | \$51,664 | \$11,664 |
| Fixed assets | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$145,551 | \$160,490 | \$149,488 | \$149,488 | \$3,937 |
| Employees | 6 | 6 | 6 | 6 | |
| Sources of Revenue | | Domestic Unrestricted | Domestic Unrestricted | Domestic Unrestricted | |

Personnel - In the Personnel listing of the Department provided to the Committee, there are six employees under the Office of the Secretary.

| Office of Secretary | Pay Level | Base | 11 percent fringe benefits | Actual Pay |
|--|-----------|--------|----------------------------|-----------------|
| 1. Secretary (Francis) | Exempt | 26,000 | 2,860 | 28,860 |
| 2. Admin. Officer (Beauter) | 36/4 | 17,177 | 1,889 | 19,066 |
| 3. Secretary I (Ernista) | 20/1 | 6,964 | 766 | 7,730 |
| 4. Secretary I (Charity) | 20/1 | 6,964 | 766 | 7,730 |
| 5. Executive Secretary II (Maristella) | 26/1 | 9,044 | 995 | 10,039 |
| 6. Secretary I (Daroleen) | 20/4 | 7,921 | 871 | 8,792 |
| | | | | \$82,217 |

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Further consultation with staff at the Division of Personnel under the Department of Finance and Administration on the actual salaries of the six positions resulted in an amount of \$82,217. Thus, your Committee recommends a total of \$82,217.

Travel - An amount of \$22,609 was proposed, but EBRC recommended \$11,607. EBRC did not recommend two trips for the Secretary to attend the FAA Regional meeting in Honolulu in the amount of \$3,250 and to visit the cadet program at the Philippines Maritime Academy in the amount of \$3,076. Your Committee recommends \$11,607.

Contractual Services - The Office requested \$2,000 for equipment repair and another \$2,000 for vehicle repair. EBRC recommended the total amount of \$4,000. Your Committee recommends \$4,000.

OCE - The Office requested \$51,664, and EBRC recommended the same amount. This is an increase of \$11,664 as compared to the FY 2012 appropriation of \$40,000. The increases are: \$6,164 requested for bank charges and audit fee, \$500 increase in the office communications and \$5,000 for space rental. Your Committee recommends \$51,664.

Fixed Assets - There is no amount recommended by EBRC. Your Committee recommends \$0.

b. Division of Marine Transportation

| | FY12 App. | FY13 Dept. proposed | FY2013 EBRC recommends | Committee recommends | FY12 & FY13 Difference |
|--------------------|--------------------|-----------------------|------------------------|-----------------------|------------------------|
| Personnel | \$94,919 | \$116,086 | \$94,918 | \$116,087 | \$21,168 |
| Travel | \$15,877 | \$17,641 | \$13,879 | \$13,879 | \$-1,999 |
| Contract serv. | \$1,191,006 | \$1,208,756 | \$1,191,006 | \$1,191,006 | \$0 |
| OCE | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fixed assets | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total | \$1,301,802 | \$1,342,483 | \$1,299,803 | \$1,320,972 | \$19,169 |
| Employees | 5 | 5 | 5 | 5 | |
| Sources of Revenue | | Domestic Unrestricted | Domestic Unrestricted | Domestic Unrestricted | |

Personnel - There are five positions under the Division of Marine Transportation, four positions are filled and one is vacant.

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According to the Personnel list provided to the Committee, the exact compensation for the five positions are detailed below:

| Division of Marine Transportation | Pay Level | Base | 11% fringe benefits | Actual Pay |
|--|---------------------------|-------------|----------------------------|-------------------|
| 1. Assistant Secretary (Leo) | 40/4 w/ 90% Premium | 40,306 | 4,434 | 44,740 |
| 2. Manager, Safety & Inspection (John) | 36/1 | 14,722 | 1,619 | 16,341 |
| 3. Manager, Ship Operation (Jason) | 34/1 | 13,308 | 1,464 | 14,772 |
| 4. Manager, Transportation System & Technical Branch (Caleb) | 36/4 | 17,177 | 1,889 | 19,066 |
| 5. Marine, Transportation Development Branch (vacant) | 38/4 | 19,070 | 2,098 | 21,168 |
| Total of Employees - 5 | | | | |
| Total of Fund | | | | \$116,087 |

The total amount for the five positions under this division is \$116,087. In fiscal year 2012, your Committee did not fund the Marine Transportation System Development position, but retain the position title. After the mark up meeting of your Committee on September 18, 2012, it was decided that the corresponding salary for the Manager Transportation Development position will be reinstated this year with a corresponding amount of \$21,168. Your Committee recommends \$116,087.

Travel - An amount of \$15,877 was appropriated in FY 2012. This year, EBRC recommended \$13,879, a decrease of \$1,998. EBRC did not recommend the trip for the Assistant Secretary to attend the FMI graduation in Yap in the amount of \$3,762. Your Committee recommends \$13,879.

Contractual Services - An amount of \$1,191,006 was appropriated in FY 2012 and the same amount is being requested for FY 2013, which EBRC recommended. Your Committee received the requested information on the justification of the \$1,191,006 as detailed below:

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| | | |
|---|-----------|------------------|
| 1. Personnel | | \$284,353 |
| a. Salary | \$217,087 | |
| b. Overtime | \$ 38,339 | |
| c. Benefit | \$ 28,927 | |
| 2. POL/Mogas | | \$579,697 |
| a. 2 trips to Yap | \$199,672 | |
| b. 2 trips to Chuuk N/W | \$111,502 | |
| c. 2 trips to Mortlocks | \$ 74,196 | |
| d. 2 trips to PNI (S. Is.) | \$ 81,880 | |
| e. 2 trips to KSA (PNI E. Is.) | \$ 44,992 | |
| f. Moga @ \$210/drum for 48 drums | \$ 10,080 | |
| g. Lube Oil @\$765/drum for 75 drums | \$ 57,375 | |
| 3. Supplies (Day to day maintenance) | | \$41,000 |
| 4. Insurance (Annual insurance premium (based on FY11 premium)) | | \$94,244 |
| 5. Subsistence (Provisions for 27 crew members) | | \$61,000 |
| 6. Agency/Special Services | | |
| a. NK Annual Survey | | \$10,000 |
| b. Waab | | \$49,000 |
| c. Transco | | \$30,000 |
| 7. Communications (Satmail services- ship to office) | | \$ 8,000 |
| 8. Printing and Housing (forms required on the ship) | | \$ 6,400 |
| 9. Professional Services | | |
| a. Consulting | | \$21,812 |
| b. Housing | | \$ 5,500 |
| | | \$326,956 |

Your Committee understands the need of the Manager, Transportation System Development Branch position and recommends its corresponding amount. With the supplemental information justifying the proposed request under this category, your Committee recommends \$1,191,006.

OCE - Like the previous fiscal year 2012, there was no amount appropriated under this category. Your Committee recommends \$0.

Fixed Assets - Like the previous fiscal year 2012, there was no amount appropriated under this category. Your Committee recommends \$0.

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c. Division of Civil Aviation

| | FY12 App. | FY13 Dept. proposed | FY2013 EBRC recommends | Committee recommends | FY12 & FY13 Differences |
|--------------------------|------------------|--------------------------|---------------------------|--------------------------|----------------------------|
| Personnel | \$78,578 | \$82,870 | \$78,576 | \$78,578 | \$0 |
| Travel | \$25,197 | \$25,197 | \$25,197 | \$25,197 | \$0 |
| Contract serv. | \$40,000 | \$40,000 | \$40,000 | \$40,000 | \$0 |
| OCE | \$0 | \$41,188 | \$41,188 | \$41,188 | \$41,188 |
| Fixed assets | \$23,188 | \$0 | \$0 | \$0 | \$-23,188 |
| Total | \$166,963 | \$189,255 | \$184,961 | \$184,963 | \$18,000 |
| Employees | 3 | 4 | 4 | 3 | |
| Sources of Revenue | | Domestic Unrestricted | Domestic Unrestricted | Domestic Unrestricted | |

Personnel - An amount of \$78,578 was appropriated in fiscal year 2012. Your Committee recommends the same amount for fiscal year 2013, the amount is detailed below:

| Division of Aviation | Pay Level | Base | 11% fringe benefits | Actual Pay |
|--|---------------------------|--------|---------------------------|-----------------|
| 1. Assistant Secretary (Master) | 40/4 w/ 90% Premium | 40,306 | 4,434 | 44,740 |
| 2. Aviation Security and Dangerous Goods Inspector (Glenn) | 36/4 | 17,177 | 1,889 | 19,066 |
| 3. Air Navigation Inspector (Yvonne) | 34/1 | 13,308 | 1,464 | 14,772 |
| No. of Positions - 3 | | | | |
| Total Fund | | | | \$78,578 |

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Travel - An amount of \$25,197 is requested for fiscal year 2013, which was recommended by EBRC. Your Committee recommends the same amount of \$25,197 for this fiscal year 2013.

Contractual Services - The Division is requesting \$40,000 for the services of an aviation attorney under contractual services, to work part-time to develop FSM aviation regulations and to contract a retired U.S. Transportation Security Administration representative as a consultant on airport security matters. It appears that the Division is still waiting for the services of the aviation attorney. As agreed during the markup meeting, your Committee recommends the same amount of \$40,000 and will reconsider the needs in the next session of Congress.

OCE - An amount of \$41,188 is requested for fiscal year 2013. Of this amount, \$38,000 is requested to pay expenses relating to the advertisement of the RFP on air services and \$3,188 for printing and reproduction on AIP projects. Your Committee recommends 41,188.

Fixed Assets - There is on amount recommended under this category. No amount recommended by your Committee.

d. Division of Communication

| | FY12 App. | FY13 Dept. proposed | FY2013 EBRC recommends | Committee recommends | FY12 & FY13 difference |
|--------------------|------------------|-----------------------|------------------------|-----------------------|------------------------|
| Personnel | \$61,100 | \$62,970 | \$62,970 | \$61,100 | \$1,871 |
| Travel | \$12,887 | \$26,314 | \$19,610 | \$19,610 | \$6,723 |
| Contract serv. | \$30,000 | \$30,000 | \$15,000 | \$15,000 | \$-15,000 |
| OCE | \$0 | \$0 | \$0 | \$0 | \$0 |
| Fixed assets | \$80,000 | \$80,000 | \$0 | \$0 | \$-80,000 |
| Total | \$183,987 | \$199,284 | \$97,580 | \$95,710 | \$-804,406 |
| Employees | 3 | 3 | 3 | 3 | |
| Sources of Revenue | | Domestic Unrestricted | Domestic Unrestricted | Domestic Unrestricted | |

Personnel - An amount of \$62,971 was recommended by EBRC. This amount is for three positions. Further consultation with the staff of the Division of Personnel revealed that the actual compensation

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for the three positions is \$61,100, as detailed below. Your Committee recommends \$61,100.

| Division of Communication | Pay Level | Base | 11 percent fringe benefits | Actual Pay |
|---|-----------|--------|----------------------------|-----------------|
| 1. Assistant Secretary (Jolden) | 40/5 | 22,377 | 2,461 | 24,838 |
| 2. Information Communication Tech. Manager (Mark) | 36/4 | 17,177 | 1,889 | 19,066 |
| 3. Frequency Manager (Paul) | 34/4 | 15,492 | 1,704 | 17,196 |
| No. of Employees - 3 | | | | |
| Total Fund | | | | \$61,100 |

Travel - The Division's initial request was \$26,314. EBRC reduced it to \$19,610, a decrease of \$6,704. EBRC decreased half of the funding for the JTP annual meeting. Your Committee inquired whether the Division is satisfied with the amount recommended by EBRC. For now, your Committee recommends the EBRC recommendation, but will consider more travel funding in the future. Your Committee recommends \$19,610.

Contractual Services - There was \$30,000 initially requested by the Division. The justification is for a consultant to assist in the promulgation of needed regulations. EBRC recommended half of the requested amount. At the markup hearing, your Committee was informed of the needed services and recommends \$15,000.

OCE - No funding was requested under this category by the Division. Your Committee recommends \$0.

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Fixed Assets - In fiscal year 2012, \$80,000 was approved for the purchase of the equipment necessary for the Wide Area Network (WAN) Project. This project is to centralize one single fiber optic pipe for the Palikir Complex, instead of having individual offices or departments running their own fragmented connections to FSM Telecom. The project started already and is in its final stage. Your Committee recommends \$0 with the understanding that the amount of \$80,000 is already included under the Capital and Human Resources Development category.

e. Division of Infrastructure

| | FY12 App. | FY13 Dept. proposed | FY2013 EBRC recommends | Committee recommends | FY12 & FY13 Difference |
|--------------------|------------------|-----------------------|------------------------|-----------------------|------------------------|
| Personnel | \$204,042 | \$215,551 | \$199,417 | \$194,042 | \$10,000 |
| Travel | \$40,000 | \$60,534 | \$38,614 | \$38,614 | \$1,386 |
| Contract serv. | \$186,965 | \$196,965 | \$178,150 | \$178,150 | \$8,815 |
| OCE | \$14,000 | \$14,000 | \$14,000 | \$14,000 | \$0 |
| Fixed assets | \$20,000 | \$20,000 | \$20,000 | \$20,000 | \$0 |
| Total | \$465,007 | \$507,050 | \$450,181 | \$444,806 | \$20,201 |
| Employees | 12 | 12 | 12 | 11 | |
| Sources of Revenue | | Domestic Unrestricted | Domestic Unrestricted | Domestic Unrestricted | |

Personnel - The total funding is for eleven positions with a corresponding amount of \$194,042. Your Committee recommended in fiscal year 2012 two position to be merged. As reflected in the table below, the same level in fiscal year 2012 is recommended. The \$10,000 for overtime is not recommended.

Until the legislation regarding overtime is amended to include the staff under the Division of Infrastructure is passed, your Committee will recommend the overtime amount. The positions are detailed below:

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| Division of Infrastructure | Pay Level | Base | 11 % fringe benefits | Actual Pay |
|---|---------------|--------|----------------------|-------------------|
| 1. Assistant Sec (Phillip) | 40/4 | 21,212 | 2,334 | 23,546 |
| 2. Architect II (Dickson) | 36/4 | 17,177 | 1,889 | 19,066 |
| 3. Water Engineer (Francisco) | 36/1 | 14,723 | 1,619 | 16,342 |
| 4. Architect I (Wilmer) | 32/1 | 12,061 | 1,327 | 13,388 |
| 5. Civil Engineering Technician (Kummer) | 30/1 | 10,938 | 1,203 | 12,141 |
| 6. Maintenance Coordinator, Carpenter (Antolin) | 32/1 | 12,061 | 1,327 | 13,388 |
| 7. Maintenance Coordinator, Appliance (Benster) | 24/4 | 9,482 | 1,043 | 10,525 |
| 8. Maintenance Coordinator, Plumber (Coney) | 24/4 | 9,482 | 1,043 | 10,525 |
| 9. Project Manager (Stanley) | 36/1 | 14,723 | 1,619 | 16,342 |
| 10. Construction Inspector (Peter) | 30/1 | 10,938 | 1,203 | 12,141 |
| 11. Civil Engineer (Henry Tiongco) | Ungraded, SSP | 42,000 | 4,620 | 46,620 |
| No. of Employees -11 | | | | |
| | | | | \$194,042, |

Travel - An amount of \$40,000 was appropriated last fiscal year. For this fiscal year 2013, the Division is requesting \$60,534, but EBRC recommended \$38,614. At the hearing, Assistant Secretary Phillip indicated that there is no basis for the EBRC's cut. He indicated that his staff needs to travel to each of the States to monitor on-going infrastructure projects. As agreed, your Committee recommends \$38,614 and will come back in the next session of Congress and reconsider any travel needs for the division.

Contractual Services - An amount of \$186,965 was appropriated last fiscal year. The Division requested \$196,965 and EBRC recommended \$178,150. EBRC did not recommend the \$3,850 for staff upgrading along with some decreases in certain line items. Your Committee recommends \$178,150.

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OCE - There was no amount appropriated last year. In this fiscal year 2013, the Division requested an amount of \$14,000, which was recommended by EBRC. Of the \$14,000 recommended by EBRC, \$5,000 is for electrical and carpentry supplies, \$4,000 for maintenance and repair services, and \$5,000 for POL. Your Committee recommends \$14,000.

Fixed Assets - There was no amount appropriated last year. This year the Division has requested \$20,000 for a motorcycle and a scanner and plotter. EBRC recommended the \$20,000. Your Committee recommends \$20,000.

f. Project Management Unit

On September 19, 2012 during the Fifth Regular Session, your Committee had its markup or markdown session on the PMU's FY13 budget. As agreed, your Committee has decided to fund only one quarter for PMU for this fiscal year 2013 due to uncertainty of funding. However, your Committee will further review necessary adjustments, especially for the PMU's budget during the next session of Congress.

| | FY 2012 Appropriations | FY 2013 Proposed by Department | FY 2013 Recommended by EBRC | Committee recommends |
|----------------|---------------------------|--------------------------------------|-----------------------------------|---------------------------------|
| Personnel | \$660,828 | \$1,204,526 | \$923,276 | \$220,276 |
| Travel | \$38,908 | \$170,040 | \$74,768 | \$12,969 |
| Contract.Serv. | \$88,000 | \$283,000 | \$263,000 | \$29,333 |
| OCE | \$62,000 | \$90,000 | \$71,000 | \$20,667 |
| Fixed Assets | \$0 | \$56,000 | \$48,000 | \$0 |
| Total | \$841,736 | \$1,803,566 | \$1,380,044 | \$283,245 |
| No. Employees | 15 | 22 | 22 | 15 |

Your Committee has carefully considered the budget for the Project Management Unit and decided to fund only one quarter due to uncertainty of sector grants.

Your Committee reiterates its request for the current administration to put PMU employees under the Public Service System.

Personnel - Due to the uncertainty of sector grants funding, your Committee recommends \$220,276, but will reconsider PMU personnel budget during the next session of Congress.

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The recommended one-quarter funding of \$220,276 is for fifteen (15) employees. The actual amount is \$660,828, but your Committee recommends only one quarter as indicated above. Nevertheless, the funding for the legal counsel will also be considered by the Committee. The Personnel amount for the fifteen employees is detailed below:

| Employee's Name | Positions | Contract Amount Per Annum | 11% | Total/annum less 11% | Stationed |
|-----------------------|--|---------------------------|---------|----------------------|-----------|
| 1. Marcelino Actouka | Program Manager (Engineer) | \$60,000 | \$6,600 | \$53,400 | National |
| 2. Dana Smith | Legal Counsel | \$40,000 | \$4,400 | \$35,500 | National |
| 3. John Adolph | Office Manager and Cost Price Analyst | \$23,000 | \$2,530 | \$20,470 | National |
| 4. Gary Wiggins | Contracting Officer rep. (Professional Engineer) | \$75,000 | \$8,250 | \$66,750 | National |
| 5. Leonila Yap | Civil Engineer | \$40,000 | \$4,400 | \$35,500 | National |
| 6. Eileen Mackenzie | Executive Legal Secretary | \$20,000 | \$2,200 | \$17,800 | National |
| 7. Rex Prosia | Quality Assurance | \$25,000 | \$2,750 | \$22,250 | Chuuk |
| 8. Robert Westerfield | Contracting Officer Rep. | \$80,000 | \$8,800 | \$71,200 | Yap |
| 9. Narciso Gayas | Quality Assurance | \$25,000 | \$2,750 | \$22,250 | Yap |
| 10. John Sohs | Information Technician | \$27,828 | \$3,062 | \$24,766 | National |
| 11. Francis Sohl | Quality Assurance | \$15,000 | \$1,650 | \$13,350 | Pohnpei |
| 12. Dario Orsajes | Quality Assurance | \$30,000 | \$3,300 | \$26,700 | Kosrae |
| 13. Permin Yap | Civil Engineer | \$40,000 | \$4,400 | \$35,600 | Pohnpei |
| 14. Vacant | U.S. Certified Civil Engineer | \$80,000 | \$8,800 | \$71,200 | |
| 15. Vacant | U.S. | \$80,000 | \$8,800 | \$71,200 | |

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| | | | | | |
|---------------------------|--------------------------------|------------------|-----------------|------------------|--|
| | Certified Civil Engineer | | | | |
| Total No. Employees 15 | | | | | |
| Total | | \$660,828 | \$72,692 | \$587,936 | |

Travel - Your Committee recommends \$12,969 for only one quarter and will consider the travel requests in the future.

Contractual Services - With the understanding that your Committee will come back and consider PMU's budget in its next session, your Committee recommends \$29,333.

OCE - With the understanding that your Committee will come back and consider PMU's budget in its next session, your Committee recommends \$20,667.

Fixed Assets - With the understanding that your Committee will come back and consider PMU's budget in its next session, your Committee recommends \$0.

Grants, Subsidies and Contributions

| | FY12 App. | FY13 Dept. proposed | FY13 EBRC recommends | Committee recommends |
|--|--------------------------|---------------------------|-------------------------|--------------------------|
| Energy (FSM Utilities) | \$500,000 | 600,000 | \$600,000 | \$600,000 |
| Asian Pacific Telecommunity (APT) | \$7,640 | 11,000 | \$7,640 | \$11,000 |
| International Telecommunication Union (ITU) | \$55,000 | 20,847 | \$20,847 | \$20,847 |
| International Civil Aviation Organization (ICAO) | \$28,050 | 28,050 | \$28,050 | \$28,050 |
| Micronesia Shipping Commission | \$5,000 | \$0 | \$0 | \$0 |
| Tuna Commission Membership | \$64,065 | 64,065 | 64,065 | 64,065 |
| Total | \$659,755 | \$723,962 | \$720,602 | \$723,962 |
| Sources of Revenue | Domestic Unrestricted | Domestic Unrestricted | | Domestic Unrestricted |

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The Department testified that the energy costs for the capital complex is approximately \$50,000/month or \$600,000/year. Due to this, the Department requested your Committee to increase the energy budget to \$600,000 to avoid a supplemental budget request later in the fiscal year to cover the energy shortfall. Your Committee urges the Secretary of the Department of Transportation, Communications and Infrastructure to separate each Department's power meter. The rest of the requests during this fiscal year 2013 is the same as last year. Your Committee recommends funding the other amounts as presented in the above table.

CAPITAL AND HUMAN RESOURCES DEVELOPMENT

| | FY12 App. | FY13 Dept. proposed | FY13 EBRC recommends | Committee recommends |
|---|-----------------------|------------------------|-------------------------|-------------------------|
| FSM Capital's Facilities Rehabilitation | \$100,000 | \$450,000 | \$400,000 | \$400,000 |
| MS. Caroline V. Dry docking | \$900,000 | \$0 | \$0 | \$0 |
| FSM Capital Road/Bridges & Drainages Improvement | \$400,000 | \$800,000 | \$800,000 | \$800,000 |
| President's Office Renovation & Improvement | \$100,000 | \$0 | \$0 | \$0 |
| FSM Capital Official Residence and Security Fence | \$0 | \$140,000 | \$0 | \$0 |
| FSM Airline Task Force | \$0 | \$59,821 | \$0 | \$0 |
| FSM Natl. Govt. Comp Network | \$0 | \$100,000 | \$80,000 | \$80,000 |
| Contribution to Pohnpei Power Emergency | \$0 | \$0 | \$1,560,000 | \$1,560,000 |
| Outer Island Airports Improvement | \$750,000 | \$1,000,000 | \$1,000,000 | \$250,000 |
| FSM Multipurpose building | \$0 | \$350,000 | \$600,000 | \$600,000 |
| Infrastructure Development | \$0 | \$0 | \$890,475 | \$0 |
| IMF | \$250,000 | \$0 | \$250,000 | \$0 |
| AIP Matching | \$900,000 | \$0 | \$0 | \$0 |
| Total | \$3,000,000 | \$2,899,821 | \$5,580,475 | \$3,690,000 |
| Sources of Revenue | Domestic Unrestricted | Domestic Unrestricted | | Domestic Unrestricted |

Your Committee recommends the EBRC's figures for now with the understanding that it will come back and reconsider the FY13 budget in its next session due to uncertainty of sector funding.

STANDING COMMITTEE REPORT NO. 17-140

RE: P.C. NO. 17-216/T&C

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 21, 2012

CONCLUSION

Your Committee on Transportation and Communication has reviewed the relevant portions of the proposed FY2013 budget and all testimony carefully. Based on the Committee's deliberations, your Committee recommends appropriation of each of the sums set forth above in the column entitled "Committee recommends" with a total of \$2,479,184 for the Department's operation, \$723,962 for Grants, Subsidies and Contributions, and \$3,690,000 for Capital and Human Resource Development. The total approved amount for those portions of the budget relating to matters under the jurisdiction of your Committee on Transportation and Communications for fiscal year 2013 is \$6,893,146. Of this total, \$283,245 is deemed to be reimbursed from Infrastructure sector grants.

With the modifications identified above, your Committee on Transportation and Communications recommends authorizing those portions of the FY2013 budget relating to matters under its jurisdiction, subject to availability of funds, as determined by your Committee on Ways and Means.

Respectfully submitted,

/s/ Peter M. Christian
Peter M. Christian, chairman

/s/ Wesley W. Simina
Wesley W. Simina, vice chairman

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

/s/ Yosiwo P. George
Yosiwo P. George, member

/s/ Florencio S. Harper
Florencio S. Harper, member

/s/ Berney Martin
Berney Martin, member

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