

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

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

Dear Mr. Speaker:

Your Committee on External Affairs to which was jointly referred Presidential Communication No. 17-216 transmitting the National Government's proposed Fiscal Year 2013 Budget, begs leave to report as follows:

Presidential Communication No. 17-216 was transmitted to Congress with the *National Government Fiscal Year 2013 Recommended Budget* ("Budget Book"). Pursuant to Rule 7, Section 5(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 proposed budget relating to matters under its jurisdiction. These are the budgets for:

1. FSM Consulate Office, Hawaii
2. FSM Consulate Office, Guam
3. FSM Embassy, Tokyo, Japan
4. UN Mission, New York
5. FSM Embassy, Suva, Fiji
6. FSM Embassy, Washington, D.C.
7. FSM Embassy, Beijing, China
8. Department of Foreign Affairs:
  - a. Office of the Secretary;
  - b. Asia Pacific Africa & Multilateral Affairs;
  - c. American & European Affairs.
9. Grants, subsidies and contributions:
  - a. The Forum Secretariat;
  - b. Secretariat for Pacific Community;

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

- c. UN Membership fees;
- d. United Nations Economic and Social Commission for Asia and Pacific (ESCAP);
- e. East-West Center;
- f. ACP Cotonou Membership.

This report and all previous and subsequent reports by your Committee should be treated as policy for this Nation as defined by 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 department, agencies and offices in the obligation and expenditures of their respective budgets and implementation of their programs.

The Department of Foreign Affairs budget submitted for fiscal year 2013 is less than fiscal year 2012. Actually, the submitted budget is \$60,375 BELOW the fiscal year 2012 level.

Your Committee conducted a series of public hearings following the convening of the Fourth Regular Session of the Seventeenth Congress on May 7, 2012. The report and recommendations that follow are based upon the information contained in the *Budget Book* and the input provided by the Secretary, Ambassadors, Consul Generals, Director of SBOC and staff of the various departments during those hearings.

#### **DISCUSSION OF THE PROPOSED FY 2013 BUDGET**

The figures shown in the charts below for the Department of Foreign Affairs include the total amount appropriated in FY 2012; the amount requested by the department, and the amount recommended by the EBRC for the department for FY 2013, as listed in the "FY 2013 Request" column in the "*Budget Book*". The next to the last column is the amount recommended by your Committee for FY 2013.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

**I. DEPARTMENT OF FOREIGN AFFAIRS - OVERALL**

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended EBRC	Committee recommends	FY12 & FY13 Differences
Personnel	\$1,297,155	\$1,331,409	\$1,330,638	\$1,330,639	\$33,484
Travel	\$234,893	\$236,543	\$211,087	\$176,357	\$-58,536
Contract.Serv.	\$2,187,837	\$2,314,189	\$2,304,189	\$2,211,708	\$116,352
OCE	\$369,232	\$370,032	\$370,032	\$320,032	\$23,871
Fixed Assets	\$43,500	\$33,506	\$33,506	\$33,506	\$-9,994
<b>Total</b>	<b>\$4,132,617</b>	<b>\$4,285,679</b>	<b>\$4,249,452</b>	<b>\$4,072,242</b>	<b>\$-60,375</b>
No. Employees	37	38	38	38	1

The first hearing was held on Tuesday, May 15, 2012. Your Committee discussed the fiscal year 2013 proposed budget requests for the FSM Consulate Offices in Guam and Hawaii. In attendance were Secretary Lorin Robert and staff, Consul General Robert Ruecho, Acting Consul General Henry Shrew, Director of SBOC Evelyn Adolph and her staff Aseri Edward, Assistant Secretary of the Division of Personnel, Mr. Salpasr Tilfas, from the Department of Finance and Administration and Special Assistant to the President on Legislative Matters, Mr. Semeon Phillip.

Your Committee welcome the witnesses and allowed Secretary Robert to say a few words on behalf of the Department. The Secretary indicated that within the FY 2013 proposed budget for the two FSM Consulate Offices in Guam and Hawaii, the Department increased the housing allowance to accommodate employees, especially employees who were of local hire, FSM citizens, and under the Public Service System and decreases funding for travel for the Overseas Missions and Consulate Offices. Secretary Robert indicated that during the annual congressional budget hearings, all the key staff from the Overseas Missions and Consulate Offices travelled to Pohnpei to attend.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

According to the Secretary, the Home Office is now implementing a new policy, which comes into effect this year. This new policy states only one staff member from each respective Overseas Mission and Consulate Office will be funded for travel to attend the annual congressional budget hearings each year. On the basis of this new policy on travel, the travel budgets for each Overseas Mission and Consulate office reflect significant decreases.

**I. FSM Consulate, Hawaii**

The FSM Consulate, Hawaii's budget submitted for fiscal year 2013 is more than the fiscal year 2012. Actually, the submitted budget is **\$12,315** ABOVE the fiscal year 2012 level.

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended by EBRC	Committee recommends
Personnel	\$123,653	\$123,653	\$123,653	<b>\$123,653</b>
Travel	\$10,910	\$10,910	\$7,425	<b>\$7,425</b>
Contract.Serv.	\$169,800	\$188,600	\$188,600	<b>\$188,600</b>
OCE	\$29,000	\$28,000	\$28,000	<b>\$28,000</b>
Fixed Assets	\$2,000	\$0	\$0	<b>\$0</b>
<b>Total</b>	<b>335,363</b>	<b>\$351,153</b>	<b>\$347,678</b>	<b>\$347,678</b>
No. Employees	4	4	4	4

**Personnel** - Your Committee understands that the amount under the Personnel Category remains the same. There are four employees, however, the Consul General position is still vacant. Your Committee recommends **\$123,653** under Personnel. The table below contains the breakdown of this amount.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Consul General (Vacant)	Exempt	\$41,861	\$4,605	\$46,466
2. Administrative Assistant II (Angie Saimon)	PL 28/5	\$23,517	\$2,587	\$26,104
3. Foreign Service Officer I (Robin Fritz)	PL 30/1 + FSP	21,327	\$2,346	\$23,673
4. Foreign Service Officer I (Henry Shrew)	PL 30/4 + FSP	24,694	2,716	\$27,410

During the hearing, your Committee discussed the acting capacity of Mr. Henry Shrew and whether he should be compensated for his additional duties and responsibilities as the Acting Consul General. Salpasr Tilfas from the Division of Personnel, Department of Finance and Administration stated that since Mr. Shrew's position is under the Public Service System he cannot receive additional compensation for the time he served in the acting capacity as Consul General. The Public Service Regulation prohibits any compensation for any PSS employee who is performing duties of an exempt position.

A legal opinion issued on April 17, 2002 by the Department of Justice clarified this issue; whether a Public Service System employee who serves an "acting" capacity in an exempt position of the National Government is eligible to receive additional compensation. In the same legal opinion, the Court argued in FSM Supreme Court in *Sohl v. FSM*, 4 FSM Intrm. 186 (Pon. 1990) that, "the fact that the plaintiff performed the same duties as the Director would have performed, therefore, does not give him any right to the same compensation as Director." In addition, "the PSSR, which address acting assignments and temporary promotions, do not apply to exempt positions."

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

**Travel** - In regards to travel for the FSM Consulate in Honolulu, Hawaii, an amount of \$10,900 was appropriated in fiscal year 2012. Your Committee understands that the requested amount for travel is \$7,425, a lower amount based on the new policy of the Home Office. Based on this justification, your Committee recommends **\$7,425** as recommended by EBRC.

**Contractual Services** - Your Committee notices a significant increase of \$18,800 for staff housing allowance, which increases the proposed amount this year to \$96,600. EBRC recommended this increase. Of this \$96,600, \$36,000 is for the Consul General's housing allowance, \$21,600 is for FSO Henry, \$19,080 is for the Administrative Assistant Saimon and \$19,920 is for FSO Fritz.

Further consultation with the Home Office and the Department of Justice reveals that Robin Fritz and Linda Timothy are eligible to receive housing allowance on the basis that the current housing regulation gives the Secretary of the Department of Finance and Administration or his designee the discretionary power to define "Local Hires" and "Normal Commuting Distance" to decide who can receive housing allowance.

On September 18, 2012 at the markup meeting of our Committee during the Fifth Regular Session, your Committee recommended the amount requested under contractual services, which is **\$188,600**.

**Other Current Expenses** - Under this category, EBRC recommended an amount of \$28,000 for fiscal year 2013, which is a decrease of \$1,000 as compared to the fiscal year 2012 appropriation. Acting Consul General Henry Shrew commented that the Office has no objection to this recommended amount. Your Committee recommends **\$28,000** as recommended by EBRC.

**Fixed Assets** - In fiscal year 2012, your Committee appropriated \$2,000. EBRC did not recommend any amount for FY 2013. The Acting Consul General indicated that the Office could operate without the \$2,000. Your Committee recommends **\$0** as recommended by EBRC.

## **II. FSM Consulate Office, Guam**

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

The FSM Consulate, Guam's budget submitted for fiscal year 2013 is less than the fiscal year 2012. Actually, the submitted budget is **\$2,067** BELOW the fiscal year 2012 level.

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended by EBRC	<b>Committee recommends</b>
Personnel	\$119,812	\$122,260	\$122,260	<b>\$122,260</b>
Travel	\$11,766	\$11,766	\$9,583	<b>\$9,583</b>
Contract.Serv.	\$141,532	\$163,700	\$163,700	<b>\$163,700</b>
OCE	\$31,700	\$26,700	\$26,700	<b>\$26,700</b>
Fixed Assets	\$23,000	\$3,500	\$3,500	<b>\$3,500</b>
<b>Total</b>	<b>\$327,810</b>	<b>\$327,926</b>	<b>\$325,743</b>	<b>\$325,743</b>
No. Employees	4	4	4	4

**Personnel** - Your Committee understands that there is an increase of \$2,448 under the Personnel Category. At the hearing, your Committee learned that the increase amount is an adjustment to Mr. Robson Romolow's salary. When Mr. Romolow's transferred from the Home Office to the FSM Consulate Office in Guam, he was a Foreign Service Officer I receiving \$23,673 annually at pay level 30/1.

During the hearing, Consul General Robert Ruecho testified that Congress appropriated \$24,962 for Mr. Romolow during the fiscal year 2012, and his Personnel Action cannot be adjusted due to an insufficiency of funds. This is why the additional \$2,448 is being requested. Should Congress approve the \$2,448, then Mr. Romolow's Personnel Action will be adjusted to reflect Pay Level 30/4, with the corresponding amount of \$27,410 annually. This amount is inclusive of the 11% fringe benefits.

In Mrs. Linda Timothy's case, Congress appropriated an amount of \$24,711 as a corresponding amount for the Administrative Specialist position in fiscal year 2012. During the hearing, Mr. Salpasr Tilfas explained that she cannot be compensated at the last grade because of her credentials. Your Committee recommended an increase to Mrs. Timothy's salary in FY 2012, however, there was no adjustment made. Your Committee recommends the same amount appropriated in fiscal year 2012 for the Administrative Specialist position.

Your Committee recommends an amount of **\$122,260**. The table below contains a detail explanation of this total.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Consul General (Robert Ruecho)	Exempt	\$41,861	\$4,605	\$46,466
2. Administrative Specialist (Linda Timothy)	PL 28/1 + FSP	\$21,993	\$2,718	\$24,711
3. Foreign Service Officer I (McEnroe Ardos)	PL 30/1 + FSP	21,327	\$2,346	\$23,673
4. Foreign Service Officer I (Robson Romolow)	PL 30/4 + FSP	24,694	2,716	\$27,410

**Travel** - For FY 2013, an amount of \$9,583 is being requested, which is a decrease of \$2,183 compare to FY 2012 appropriation. The Consul General informed your Committee that the Office has to comply with the new travel policy and is satisfied with the amount requested. Your Committee recommends **\$9,583** as recommended by EBRC.

**Contractual Services** - Your Committee notices a significant increase of \$22,168 for several line items; housing allowance, office space rental and short-term contractual services. The proposed amount for housing allowance for FY 2013 is \$36,000. The proposed amount for office space rental is \$65,000. The proposed amount for short-term contractual services is \$22,000.

At the hearing, Secretary Robert indicated that the Department included housing allowance for one employee at the Consulate Office in Guam. As already discussed, the current housing regulation gives the Secretary of the Department of Finance and Administration or his designee the discretionary power to define "Local Hires" and "Normal Commuting Distance" to decide who can receive housing allowance.

The requested amount for office space rental for FY 2013 is \$65,000, an increase of \$10,218, as compared to the fiscal year 2012 appropriation. The Consul General stated that the increase in amount for the office rental is something that



STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

they cannot ignore mainly because the landlord had increased the rent within the lease agreement.

Furthermore, the amount requested for short-term contractual services is to contract out FSM citizens residing in Guam to conduct outreach programs. According to Consul General Robert Ruecho, the Office uses this program to reach out to the community and educate them on several issues regarding their well-being as FSM citizens residing in Guam. Your Committee encourages the Consul General to continue with this effort.

On September 18, 2012, during the Fifth Regular Session, your Committee met and decided to honor the request for housing allowance, subject to the decision by the Secretary of Finance and Administration. Your Committee recommends the same level of funding appropriated in fiscal year 2012, which is **\$163,700**.

**Other Current Expenses** - An amount of \$26,700 is requested for FY 2013. Your Committee noted that there is a decrease of \$5,000, as compared to the FY 2012 appropriation. Your Committee recommends **\$26,700**.

**Fixed Assets** - An amount of \$23,000 was appropriated in FY 2012. For FY 2013, EBRC recommends \$3,500. According to the Consul General \$2,500 is requested for furniture and fixtures for both the office and the residence. An amount of \$1,000 is requested for computers. Your Committee therefore recommends **\$3,500**.

The second hearing was held on Thursday, May 17, 2012. Your Committee discussed the FY 2013 proposed budget for the FSM Embassy in Tokyo, Japan and UN Mission in New York, USA. In attendance were Secretary Lorin Robert and staff, Ambassador John Fritz, Ambassador Jane Chigiyal, Ambassador Asterio Takasy, Director of SBOC Evelyn Adolph and her staff Aseri Edward, and Assistant Secretary of the Division of Personnel Salpasr Tilfas, and a representative from the President's Office, Mr. Semeon Phillip.

### **III. FSM Embassy, Tokyo, Japan**

The FSM Embassy, Tokyo, Japan's budget submitted for fiscal year 2013 is less than the fiscal year 2012. Actually, the

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

submitted budget is **\$18,831** BELOW the fiscal year 2012 level.

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended by EBRC	Committee recommends
Personnel	\$195,997	\$195,997	\$195,997	<b>\$195,997</b>
Travel	\$18,900	\$18,900	\$14,166	<b>\$14,166</b>
Contract.Serv.	\$682,779	\$709,046	\$699,046	<b>\$663,682</b>
OCE	\$74,675	\$74,675	\$74,675	<b>\$74,675</b>
Fixed Assets	\$0	\$5,000	\$5,000	<b>\$5,000</b>
<b>Total</b>	<b>\$972,351</b>	<b>\$1,003,618</b>	<b>\$988,884</b>	<b>\$953,520</b>
No. Employees	2	2	2	2

**Personnel** - The amount requested under this category is \$195,997. The detailed breakdown of the amount is summarized in the table below.

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Ambassador (John Fritz)	Exempt	\$93,850	\$11,599	\$105,449
2. Deputy Chief of Mission (Renster Andrew)	Exempt	\$80,588	\$9,960	\$90,548

During the hearing, Ambassador John Fritz informed your Committee that there is no change in the Personnel category. The same amount appropriated in FY 2012 is being requested for FY 2013, which is \$195,997. Your Committee inquired why there is no increase in the Personnel category considering the fluctuation of the exchange rate of the Japanese Yen. Ambassador Fritz stated that there is no increase because the Embassy had used a fixed exchange rate basing it on "80Yen" and had relied on the contingency fund to remedy this fluctuation issue. During FY 2011, Congress appropriated \$200,000 for the contingency fund. For FY 2012, there was another \$50,000 appropriated to supplement the contingency fund. Your Committee recommends **\$195,997**.

**Travel** - The proposed budget for FY 2013 is \$14,166, a decrease of \$4,734. Considering the new policy on travel, the Embassy is satisfied with the \$14,166 being requested. Of this amount \$4,200 will fund the Ambassador and DCM to visit major cities in Japan, \$8,230 will fund the Ambassador to present his credentials in Indonesia, and \$3,472 will

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

fund the Ambassador to attend the annual congressional budget hearings in Pohnpei. Your Committee recommends **\$14,166.**

**Contractual Services** - The Embassy is requesting \$699,046 for FY 2013, which is an increase of \$16,267, as compared to the FY 2012 appropriation.

An amount of \$372,725 is requested for office lease and staff housing. Of this \$372,725, \$120,000 is for Ambassador Fritz's housing, \$89,364 for DCM Andrew and \$163,361 for office space. Your Committee notes that altogether there is an increase of \$50,000 for the office lease and staff housing. In your Committee's report last year (SCR No. 17-39), your Committee had raised some concerns on the amount for housing allowance. In particular, your Committee noted that staff housing in Japan was \$87,000 per year for two staff members. On this basis, your Committee did not recommend the increase in the staff housing. Your Committee recommends \$87,000 per year for the two staff.

In FY 2012, an amount of \$25,000 was appropriated for the Embassy's representation fund and COAP. This year, the proposed amount is \$15,000, a decrease of \$10,000. Another \$11,000 is requested for insurance. Another \$25,000 was appropriated for Consultant Services in FY 2012 and the same amount is being proposed for the same purpose for FY 2013. Another \$10,313 is requested for office and property maintenance as it was in FY 2012.

The amount of \$240,008 for Contractual Services is for three local employees that are under Special Services Contracts; a driver with an annual salary of \$54,500, an administrative officer with an annual salary of 63,800, a receptionist with an annual salary of \$52,195, and an economic attached with an annual salary of \$69,000. The sum is \$239,495, a difference of \$513. With the decrease in staff housing, your Committee recommends **\$663,682.**

**Other Current Expenses** - An amount of \$74,675 was appropriated in FY 2012. The same amount is being requested for FY 2013. Your Committee recommends **\$74,675.**

**Fixed Assets** - For FY 2013, EBRC recommended \$5,000. According to Ambassador Fritz, the \$5,000 is requested for

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

furniture and fixtures for the office. Your Committee recommends **\$5,000**.

**IV. UN Mission, New York**

The UN Mission, New York's budget submitted for fiscal year 2013 is more than the fiscal year 2012. Actually, the submitted budget is **\$87,016** ABOVE the fiscal year 2012 level.

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended by EBRC	Committee recommends
Personnel	\$124,165	\$161,346	\$161,346	<b>\$161,346</b>
Travel	\$31,595	\$33,112	\$27,129	<b>\$27,129</b>
Contract.Serv.	\$577,061	\$525,760	\$525,760	<b>\$577,061</b>
OCE	\$36,000	\$89,000	\$89,000	<b>\$39,000</b>
Fixed Assets	\$5,000	\$5,000	\$5,000	<b>\$5,000</b>
<b>Total</b>	<b>\$773,821</b>	<b>\$814,218</b>	<b>\$808,235</b>	<b>\$809,536</b>
No. Employees	2	2	3	3

**Personnel** - Your Committee understands that \$161,346 is requested under this category, which is an increase of \$37,181, as compared to the FY 2012 appropriation. At the hearing, Ambassador Chigiyal explained that the increase of \$37,181 is for the First Secretary position, which was deleted in FY 2012. The breakdown of the \$161,346 is summarized below.

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Permanent Representative (Jane Chigiyal)	Exempt	\$69,152	\$8,547	\$77,699
2. Deputy Chief of Mission (Jeem Lippwe)	Exempt	\$41,355	\$5,111	\$46,466
First Secretary (Vacant-proposed)	PL 36/4 + FSP	\$33,091	\$4,090	\$37,181

**Travel** - For the FY 2013 proposed budget, an amount of \$27,129 is being requested for travel. This is a decrease of \$4,466, as compared to the FY 2012 appropriation. Ambassador Chigiyal informed your Committee that with the new policy of the Home Office on travel, the UN Mission's

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

travel budget is decreased. Only one staff is allowed to travel to Pohnpei to attend the annual congressional budget hearings. Your Committee recommends **\$27,129**.

**Contractual Services** - In FY 2012, an amount of \$577,061 was appropriated. The UN Mission is requesting \$525,760 for FY 2013 and EBRC approved this amount. This is a decrease of \$51,301 as compared to the FY 2012 appropriation. During your Committee's markup meeting, it was decided that funding should be provided for a legal person who is licensed to practice law in the United States. The legal person may assist the UN Mission office in the areas of international trade and protocols. At the initial hearing, Ambassador Chigiyaal stated that the service of the lawyer is still needed. Your Committee recommends **\$577,061**.

**Other Current Expenses** - The proposed amount requested for FY 2013 is \$89,000, which is an increase of \$53,000, as compared to the FY 2012 appropriation. The requested amount is to cover bank charges, penalties and medical insurance. Ambassador Chigiyaal explained to your Committee about the late charge on the office's lease agreement. Secretary Robert indicated that the Home Office is working closely with the Department of Finance and Administration to resolve this penalty on late payment. Your Committee did not recommend the requested amount for insurance. Therefore, your Committee recommends **\$39,000**.

**Fixed Assets** - For FY 2013, an amount of \$5,000 is requested and recommended by EBRC. According to Ambassador Chigiyaal, the \$5,000 is requested to purchase furniture and fixtures for the office. Your Committee recommends **\$5,000**.

The third hearing was held on Tuesday, May 22, 2012 and your Committee deliberated on the FY 2013 proposed budget for the FSM Embassy in Suva, Fiji and the FSM Embassy in Washington D.C. In attendance were Acting Secretary Samson Pretrick and staff, Ambassador Gerson Jackson, Ambassador Asterio Takasy, Director of SBOC, Evelyn Adolph, and her staff Aseri Edward, the Assistant Secretary of the Division of Personnel, Salpasr Tilfas, from the Department of Finance and Administration, and the representative from the President's Office, Mr. Semeon Phillip.

**V. FSM Embassy, Suva, Fiji**

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

The FSM Embassy, Suva, Fiji's budget submitted for fiscal year 2013 is more than the fiscal year 2012. Actually, the submitted budget is **\$5,800** ABOVE the fiscal year 2012 level.

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended by EBRC	Committee recommends
Personnel	\$98,497	\$98,497	\$98,497	<b>\$98,497</b>
Travel	\$19,000	\$18,000	\$14,275	<b>\$19,000</b>
Contract.Serv.	\$85,550	\$86,550	\$86,550	<b>\$86,550</b>
OCE	\$31,700	\$35,500	\$35,500	<b>\$35,500</b>
Fixed Assets	\$1,500	\$2,500	\$2,500	<b>\$2,500</b>
<b>Total</b>	<b>\$236,247</b>	<b>\$241,047</b>	<b>\$237,322</b>	<b>\$242,047</b>
No. Employees	2	2	2	3

**Personnel** - The same amount appropriated last year is being requested for FY 2013. At the hearing, Ambassador Jackson informed your Committee on the increase of diplomatic offices in Suva, Fiji. Consequently, the Embassy needs to liaise with these new established diplomatic offices. Your Committee will consider the First Secretary position in the near future and recommends **\$98,497**. The breakdown of the \$98,497 is summarized below.

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Ambassador (Gerson Jackson)	Exempt	\$46,308	\$5,723	\$52,031
2. Deputy Chief of Mission (Kensof Stanislaus)	Exempt	\$41,355	\$5,111	\$46,466

**Travel** - The Embassy's proposed budget for travel is \$14,275, a decrease of \$4,725 compared to the fiscal year 2012 appropriation of \$19,000. Your Committee understands that the decrease is based on the new policy of the Home Office, in which only one staff from each overseas office and consulate office should travel to Pohnpei to attend the annual congressional budget hearings. Your Committee understands that there are other travels that the Ambassador will have to make on behalf of the Home Office, as recommended by your Committee. Therefore, your Committee recommends **\$19,000**.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

**Contractual Services** - The Embassy is requesting \$86,550 for FY 2013 and EBRC recommends this amount. This is an increase of \$1,000 compare to the FY 2012 appropriation. The increase of \$1,000 is for an education allowance. Your Committee recommends **\$86,550**.

**Other Current Expenses** - The proposed amount for FY 2013 is \$35,500, an increase of \$3,800, as compared to the FY 2012 appropriation. The requested amount is to cover the Embassy's shortfalls in its other current expenses due to an increase of prices. Your Committee recommends **\$35,500**.

**Fixed Assets** - For FY 2013, an amount of \$2,500 is requested and recommended by EBRC. According to Ambassador Jackson the \$1,000 increase is for furniture and fixtures for the office. Your Committee recommends **\$2,500**.

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

**VI. FSM Embassy, Washington, DC**

The FSM Embassy, Washington, DC's budget submitted for fiscal year 2013 is less than the fiscal year 2012. Actually, the submitted budget is **\$4,175** BELOW the fiscal year 2012 level.

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended by EBRC	<b>Committee recommends</b>
Personnel	\$182,920	\$177,545	\$177,545	<b>\$177,545</b>
Travel	\$29,782	\$33,482	\$33,482	<b>\$33,482</b>
Contract.Serv.	\$203,000	\$204,000	\$204,000	<b>\$204,000</b>
OCE	\$47,500	\$47,500	\$47,500	<b>\$47,500</b>
Fixed Assets	\$3,500	\$0	\$0	<b>\$0</b>
<b>Total</b>	<b>\$466,702</b>	<b>\$462,527</b>	<b>\$462,527</b>	<b>\$462,527</b>
No. Employees	4	4	4	4

**Personnel** - For FY 2013, an amount of \$177,545 is being requested, which is a decrease of \$5,375, as compared to the FY 2012 appropriation. At the hearing, Ambassador Takasy explained that the original pay level for the Administrative Specialist position is 28/7 plus FSP. When the position was announced, there is a need to adjust the Administrative Specialist to pay level 28/1 with a corresponding amount of \$21,513. This justifies the decrease of \$5,375. Your Committee recommends **\$177,545**. The breakdown of the \$177,545 is summarized below.

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Ambassador (Asterio Takasy)	Exempt	\$69,152	\$8,547	\$77,699
2. Deputy Chief of Mission (James Naich)	Exempt	\$41,355	\$5,111	\$46,466
3. First Secretary (Demonic Maluchmai)	PL 36/1	\$28,362	\$3,505	\$31,867
4. Administrative Specialist (Roleigh Welly)	PL 28/1	\$19,147	\$2,366	\$21,513

**Travel** - The Embassy's proposed budget for travel is \$33,482, an increase of \$3,700, as compared to the FY 2012



STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

appropriation. Your Committee notes that this is the only Embassy that is requesting an increase in travel. Your Committee recommends **\$33,482**.

**Contractual Services** - The Embassy is requesting \$204,000 for FY 2013 and EBRC recommends this amount. This is an increase of \$1,000 compared to the FY 2012 appropriation. Ambassador Takasy explained that the staff housing increased from \$92,800 to \$112,800. In FY 2012, there was an increase of \$9,000 for the Embassy's equipment maintenance and rental. Your Committee recommends **\$204,000**.

**Other Current Expenses** - An amount of \$47,500 was appropriated in fiscal year 2012. The same amount is requested for FY 2013 and EBRC recommended it. Your Committee recommends **\$47,500**.

**Fixed Assets** - In FY 2012, \$3,500 was appropriated. For FY 2013, no amount is requested. Your Committee recommends **\$0**.

The fourth hearing was held on Thursday, May 24, 2012 and your Committee discussed the FY 2013 proposed budget for the FSM Embassy in Beijing, China and the Department of Foreign Affairs. In attendance were Acting Secretary Samson Pretrick and staff, Ambassador Akillino Susaia, Director of SBOC, Evelyn Adolph and her staff Aseri Edward, the Assistant Secretary of the Division of Personnel Salpasr Tilfas, and a representative from the President's Office, Semeon Phillip.

#### **VII. FSM Embassy, Beijing, China**

The FSM Embassy, Beijing, China's budget submitted for fiscal year 2013 is less than the fiscal year 2012. Actually, the submitted budget is **\$11,091** BELOW the fiscal year 2012 level.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended by EBRC	<b>Committee recommends</b>
Personnel	\$161,346	\$161,346	\$161,346	<b>\$161,346</b>
Travel	\$26,780	\$28,039	\$22,683	<b>\$22,683</b>
Contract.Serv.	\$298,115	\$406,533	\$406,533	<b>\$298,115</b>
OCE	\$23,657	\$23,657	\$23,657	<b>\$23,657</b>
Fixed Assets	\$8,500	\$1,506	\$1,506	<b>\$1,506</b>
<b>Total</b>	<b>\$518,398</b>	<b>\$621,081</b>	<b>\$615,725</b>	<b>\$507,307</b>
No. Employees	3	3	3	3

**Personnel** - An amount of \$161,346 was appropriated for FY 2012 and the same amount is being requested again. At the hearing, Ambassador Susaia stated that under the Personnel category, there is no change. The breakdown of the \$161,346 is summarized below.

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Ambassador (Akillino Susaia)	Exempt	\$69,152	\$8,547	\$77,699
2. Deputy Chief of Mission (Carl Apis)	Exempt	\$41,355	\$5,111	\$46,466
3. First Secretary (Vincent Sivas)	PL 36/4 + FSP	\$33,091	\$4,090	\$37,181

**Travel** - The Embassy's proposed budget for travel is \$22,683, a decrease of \$4,097, as compared to the FY 2012 appropriation. Your Committee recommends **\$22,683**.

**Contractual Services** - In FY 2012, an amount of \$298,115 was appropriated. The Embassy is requesting \$406,533 for FY 2013. Your Committee considers that this is a significant increase of \$108,418, as compared to the FY 2012 appropriation. The following list is a comparison of the FY12 and FY13.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

	<u>FY12</u>	<u>Proposed FY13</u>
1. Education allowance	\$41,986	\$106,636
2. Health insurance	\$24,664	\$30,724
3. Insurance (Office & Auto)	\$1,151	\$1,151*
4. Office Equip/Auto maint.	\$2,078	\$2,078*
5. Office lease	\$46,971	\$60,236
6. Official Rep./COAP	\$20,000	\$10,000
7. Special contract	\$35,708	\$35,708*
8. Staff housing	\$125,557	\$160,000

Ambassador Susaia explained that the increase of the education allowance is to allow four children to attend an international school. Currently, the four children are attending a Chinese school and had difficulty understanding the Chinese language.

The staff housing increases to pay the increase in rent. Ambassador Susaia indicated that there are three units, one for him, which cost \$5,522 per month, \$62,664 annually, another for DCM Apis, which cost \$4,431 per month, \$53,172 annually, and another for First Secretary Sivas, which cost \$3,797 per month at \$45,564 annually. The rental payment for the office also increases.

In order for your Committee to make informed decisions on the proposed FY 2013 budgets for the FSM Embassy in Beijing, China, your Committee requested the Home Office to provide an expenditure report on the use of the education allowance funding in each of the FSM Embassies in China, Japan, and Fiji, copies of lease agreements, and the health insurance documents.

Your Committee also inquired the use of the contingency fund. Deputy Secretary Samson informed your Committee that \$100,000 for the contingency fund was requested, but the President did not include it in his supplemental request to Congress. Your Committee decided to stay with the FY12 level and recommends **\$298,115**.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

**Other Current Expenses** - An amount of \$23,657 was appropriated in FY 2012. The same amount is requested for FY 2013. Your Committee recommends **\$23,657**.

**Fixed Assets** - In FY 2012, an amount of \$8,500 was appropriated. For FY 2013, a lesser amount of \$1,506 is being requested. Your Committee recommends **\$1,506**, as recommended by EBRC.

**VIII(a). OFFICE OF THE SECRETARY**

The Office of the Secretary's budget submitted for fiscal year 2013 is less than the fiscal year 2012. Actually, the submitted budget is **\$39,816** BELOW the fiscal year 2012 level.

	FY 2012 Appropriations	FY 2013 Proposed by Department	FY 2013 Recommended by EBRC	<b>Committee recommends</b>
Personnel	\$100,235	\$100,235	\$100,235	<b>\$100,235</b>
Travel	\$86,160	\$80,344	\$80,344	<b>\$42,889</b>
Contract.Serv.	\$30,000	\$30,000	\$30,000	<b>\$30,000</b>
OCE	\$95,000	\$45,000	\$45,000	<b>\$45,000</b>
Fixed Assets	\$0	\$16,000	\$16,000	<b>\$16,000</b>
<b>Total</b>	<b>\$311,395</b>	<b>\$271,579</b>	<b>\$271,579</b>	<b>\$234,124</b>
No. Employees	5	5	5	5

**Personnel** - In the Office of the Secretary, there is no amount change in the Personnel category. Your Committee recommends **\$100,235**. The breakdown of the \$100,235 is summarized below.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Secretary (Lorin Robert)	Exempt	\$25,685	\$3,175	\$28,860
2. Deputy Secretary (Pretrick Samson)	Exempt	\$24,697	\$3,053	\$27,750
3. Information Specialist (Simson Nanpei)	PL 38/1	\$16,106	\$1,991	\$18,097
4. Administrative Officer II (Elsy Yarofaisug)	PL 36/1	\$14,545	\$1,798	\$16,343
5. Executive Secretary (Juleen Sale)	PL 24/1	\$8,175	\$1,010	\$9,185

**Travel** - The Office's proposed budget for travel is \$80,344, a decrease of \$5,816, as compared to the FY 2012 appropriation. Your Committee understands that the amount requested under the Office of the Secretary for travel, contractual services, other current expenses and fixed assets is also for the two other Divisions; the Division of Asia Pacific Africa & Multilateral Affairs and the Division of American & European Affairs.

Your Committee decided to cut certain international trips and domestic trips for the Home Office with the understanding that the Ambassadors in each respective jurisdiction could accommodate these international trips. Your Committee also cut one domestic trip with the understanding that such trip is not needed.

For the international trips, your Committee did not recommend the SPREP annual meeting in the amount of \$8,766, the Working Visit to Israel in the amount of \$11,000, the Pacific Plan Advisory Committee in the amount of 6,959 and decrease the trip to the Pacific Island Forum from \$10,000 to \$5,000. For the domestic travel, your Committee cut the proposed trip for the Secretary to appraise the States on Overseas Development Assistance. With these cuts, your Committee recommends **\$42,889**.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

**Contractual Services** - In FY 2012, an amount of \$30,000 was appropriated. The amount requested for this year reflects the same amount. Your Committee recommends **\$30,000**.

**Other Current Expenses** - An amount of \$95,000 was appropriated in FY 2012. For FY13, an amount of \$45,000 is being requested, which is a decrease of \$50,000, as compared to the FY 2012 appropriation. Your Committee recommends **\$45,000**.

**Fixed Assets** - In FY 2012, there was no amount appropriated for fixed assets. For FY 2013 an amount of \$16,000 is being requested to purchase a copier machine for the office. Your Committee recommends **\$16,000**.

**VIII (b). ASIA PACIFIC AFRICA & MULTILATERAL AFFAIRS**

**Personnel** - For FY 2013 proposed budget, an amount of \$104,656 is being requested, a decrease of \$770, as compared to the FY 2012 appropriation. The proposed amount is for six employees under this division. According to the Administrative Officer of the Department, the decrease will not affect any employees under this division. The decrease is merely to correspond to the actual amount in the Personnel Action of one of the employees. Your Committee recommends **\$104,656**. The breakdown of the \$104,656 is summarized below.

## STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
2. Assistant Secretary (Kandhi Elieisar)	PL 42/3	\$22,106	\$2,732	\$24,838
2. DAS/Asian Affairs (Brendy Carl)	PL 38/1	\$16,106	\$1,991	\$18,097
3. DAS/South Pacific Affairs (Shanty Sigrah)	PL 38/1	\$16,106	\$1,991	\$18,097
4. DAS/Multi-Lateral Affairs (Jackson Soram)	PL 38/1	\$16,106	\$1,991	\$18,097
5. Foreign Services Officer II (Stacy Yleizah)	PL 36/1	\$14,544	\$1,798	\$16,342
6. Executive Secretary (Dorinda Thomas)	PL 26/1	\$8,175	\$1,010	\$9,185

**VIII(c). AMERICAN & EUROPEAN AFFAIRS**

**Personnel** - An amount of \$85,104 was appropriated in FY 2012. The same amount is being requested for FY 2013 for five employees. Your Committee recommends \$85,104. The breakdown of the \$85,104 is summarized below.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

Positions	Pay Level	Base	11% fringe benefits	Actual Amount
1. Assistant Secretary (Ricky Cantero)	PL 42/3	\$22,106	\$2,732	\$24,838
2. DAS/European (Berlino Martin)	PL 38/1	\$16,106	\$1,991	\$18,097
3. DAS/American (Carson Mongkeya)	PL 38/1	\$16,106	\$1,991	\$18,097
4. Foreign Services Officer II (Joyce Perman)	PL 36/1	\$14,544	\$1,798	\$16,342
5. Secretary (Sylvia Charles)	PL 20/1	\$6,880	\$850	\$7,730

**Grants, Subsidies and Contributions**

In addition to the operations budget, your Committee recommends the following grants and subsidies, which are membership dues for international organizations:

Organization	FY12 appropriation	FY13 Dept. request	FY13 EBRC recomm.	Committee Recommends
The Forum Secretariat	\$46,000	\$46,000	\$46,000	\$46,000
Secretariat for Pacific Community	\$56,000	\$56,000	\$56,000	\$56,000
UN Membership fees	\$60,000	\$60,000	\$70,000	\$70,000
ESCAP <sup>1</sup>	\$5,000	\$5,000	\$5,000	\$5,000
East-West Center	\$5,000	\$5,000	\$5,000	\$5,000
ACP Cotonou Membership fees	\$10,000	\$10,000	\$12,000	\$64,000
<b>Total</b>	<b>\$182,000</b>	<b>\$182,000</b>	<b>\$194,000</b>	<b>\$246,000</b>

Your Committee learned that every time the Department wires the \$10,000 dollar for the ACP Cotonou Membership fee to Europe, the office in Europe will receive a lesser amount in euro.

Accordingly, the outstanding contribution by Micronesia to the ACP Secretariat Budget as of March 01, 2012 is 63,091.23



STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

euro. In order to resolve these arrears, your Committee recommends \$64,000 for fiscal year 2013.

The break down of Micronesia's arrears of 63,091.23 is as follow:

<b>Arrears</b>	(All figures in Euro)
2007	5,771.74
2008	9,510.00
2009	9,510.00
2010	9,651.00
2011	<u>11,664.00</u>
	46,106.74
Interest on arrears as of Feb. 29, 2012	4,002.49
Contribution for FY12	12,982.00
<b>Total due</b>	<b>63,091.23</b>

Your Committee was informed that there was a request from the former Consul General Tadao Sigrah to the Department. According to Mr. Sigrah, the government owed him some money. Your Committee is requesting the Department to look into this matter and advise the Committee.

Your Committee on External Affairs has carefully reviewed the President's Recommended FY 2013 Budget and all information provided by the Executive and the entities under your Committee's jurisdiction. The recommended sums set forth above reflect your Committee's recommendations on the level of funding for the designated activity, program or project for FY 2013.

Subject to the conditions and limitations set forth herein and the availability of funds as determined by your Committee on Ways and Means, your Committee on External Affairs recommends approval of the amounts listed above.

STANDING COMMITTEE REPORT NO. 17-144

RE: P.C. NO. 17-216/EX AFF

SUBJECT: FISCAL YEAR 2013 BUDGET

SEPTEMBER 24, 2012

Respectfully submitted,

/s/ Paliknoa K. Welly  
Paliknoa K. Welly, chairman

Tiwiter Aritos, vice chairman

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

/s/ Berney Martin  
Berney Martin, member

/s/ Tony H. Otto  
Tony H. Otto, member

/s/ David W. Panuelo  
David W. Panuelo, member

/s/ Wesley W. Simina  
Wesley W. Simina, member