

STANDING COMMITTEE REPORT NO. 18-68

RE: C.B. No. 18-79 (J&GO)

SUBJECT: FSM NATIONAL POSTAL SERVICE REVOLVING FUND

DECEMBER 02, 2013

The Honorable Dohsis Halbert
Speaker, Eighteenth Congress
Federated States of Micronesia
Second Regular Session, 2013

Dear Mr. Speaker:

Your Committee on Judiciary & Governmental Operations, to which was referred C.B. No. 18-79, entitled:

"A BILL FOR AN ACT TO FURTHER AMEND TITLE 55 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED, BY CREATING A NEW SUBCHAPTER XVIV UNDER CHAPTER 6 TO ESTABLISH A REVOLVING FUND IN ORDER TO FUND MAINTENANCE PROJECTS THAT IMPROVE THE SERVICES OF THE NATIONAL POSTAL SERVICE OF THE FEDERATED STATES OF MICRONESIA THROUGHOUT THE NATION, AND FOR OTHER PURPOSES." ,

begs leave to report as follows:

The intent and purpose of this bill is expressed in its title.

Your Committee on Judiciary & Governmental Operations held a public hearing on October 3, 2013. Representatives of the National Postal Services were present in support of C.B. No. 18-79.

Your Committee notes that the National Postal Service generates revenue through sales of postage stamps, renting of postal boxes, and shipping packages. Currently, all money to the penny raised by the National Postal Service must be immediately placed within the General Fund.

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Your Committee also notes that the National Postal Service, which operates multiple offices throughout the FSM, has expenses that arise. These expenses can vary from a leaky roof that needs to be repaired to a copy machine that needs to be fixed. As stated above, the National Postal Service has no cash reserves or "petty cash drawer" of its own. When the need for maintenance or repairs arises, the National Postal Service must submit a request to Finance. Such requests can take weeks to process, leaving the negative impact of the necessary repair to remain during the processing time.

Thus, your Committee notes that under the current system, the National Postal Service might have maintenance costs, which runs several hundred dollars while simultaneously raising several hundred dollars from stamp sales. Yet, the money raised is sent to Finance along with a request for several hundred dollars to make the necessary repair, which will not be processed for weeks. This is an inefficient situation that the proposed revolving fund will remedy.

C.B. No. 18-79 creates a \$20,000 revolving fund for the National Postal Service to use for maintenance and service improvement projects. This is not a request for additional funds for the National Postal Service; rather, the revolving fund allows the National Postal Service some ability to address maintenance needs as they arise from revenue it generates.

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Your Committee is in accord with the intent and purpose of C.B. No. 18-79 and recommends its passage on First Reading and that it be placed on Calendar for Second and Final Reading in the form attached hereto.

Respectfully submitted,

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

/s/ Berney Martin
Berney Martin, vice chairman

/s/ Tiwiter Aritos
Tiwiter Aritos, member

Yosiwo P. George, member

/s/ Dohsis Halbert
Dohsis Halbert, member

/s/ Bonsiano F. Nethon
Bonsiano F. Nethon, member

Isaac V. Figir, member