

STANDING COMMITTEE REPORT NO. 18-224

RE: C.B. NO. 18-220/W&M

SUBJECT: CONGRESS' AUTHORITY TO APPROPRIATE
SECTOR GRANTS FOR STATES.

SEPTEMBER 25, 2014

The Honorable Dohsis Halbert
Speaker, Eighteenth Congress
Federated States of Micronesia
Fifth Regular Session, 2014

Dear Mr. Speaker:

Your Committee on Ways & Means, to which was referred
Congressional Bill 18-220, entitled:

"A BILL FOR AN ACT TO APPROPRIATE THE SUM OF
\$5,421,600 FROM THE GENERAL FUND OF THE FEDERATED
STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING
SEPTEMBER 30, 2015, FOR THE PURPOSE OF INFRASTRUCTURE
IMPROVEMENTS IN THE STATES OF CHUUK AND KOSRAE, AND
FOR OTHER PURPOSES."

begs leave to report as follows:

The intent and purpose of this act are expressed in its
title.

Your Committee has reviewed Congressional Bill number 18-220,
along with the legal opinion of the Attorney General received
September 22, 2014 (A.G. Op. No. 7).

Your Committee remains skeptical as to whether Congress can
appropriate sector grants for states. The Office of
Legislative Counsel has issued a legal opinion disagreeing
with the view of the Attorney General. The Office of
Legislative Counsel noted that Public Law 13-72 should have
been consulted when making the determination as to whether

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Congress is authorized to appropriate sector grants for the States.

Your Committee would like to point out that the legal opinion issued by the Attorney General does not address Public Law 13-72 in making its determination. Instead the A.G.'s opinion relies upon the Constitution of the Federated States of Micronesia in reaching the conclusion that Congress may appropriate funds for the States.

Your Committee notes that the urgency of the Weno Road project in Chuuk and Kosrae Hospital Redesign weighs heavy on the collective conscience of Congress and believes we should do what we can to expedite the process.

While your Committee is conflicted as to the authority of Congress to appropriate sector grants for the two projects, your committee shall defer to the Attorney General's opinion in taking action.

CONCLUSION

Your Committee has carefully reviewed Congressional Bill 18-220. Your Committee on Ways and Means is in accord with the intent and purpose of C.B. No. 18-220, and recommends its passage on First Reading and that it be placed on the Calendar for Second and Final Reading in the form attached hereto as C.B. 18-220.

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Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

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

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

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

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

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

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