

SPECIAL COMMITTEE REPORT NO. 18-02

RE: COMMITTEE TO WAIT ON THE PRESIDENT

JULY 17, 2013

The Honorable Dohsis Halbert  
Speaker, Eighteenth Congress  
Federated States of Micronesia  
First Special Session, 2013

Dear Mr. Speaker:

Your Committee to Wait on the President, consisting of members Joseph J. Urusemal, Paliknoa K. Welly, Berney Martin, and Victor Gouland, Chairman, was duly appointed on July 16, 2013.

The Committee met with President Manny Mori and Vice-President Alik L. Alik on July 16, 2013. Also in attendance were members of the cabinet and staff.

Chairman Gouland informed the President that Congress has convened in accordance to this call for a special session and was ready to transact business. The President welcomed the members of the Committee on behalf of the Vice President and his staff, and thanked them for attending.

The President reiterated his greatest priority was the sunset clause on tax reform, and he called this special session because the July 19<sup>th</sup> deadline was looming. He believes that tax reform will be good for the States, as they will need money going forward. The President also suggested that Congress consider the possibility of modifying the requirement of all four States to participate in tax reform to requiring only three states' participation to move ahead.

Another priority item is the Federal Programs Revolving Fund (C.B. No. 18-14). The President believes that this measure will especially benefit Chuuk and Kosrae. He also expressed that in light of the concern that money had been expended by the Administration improperly, the Revolving Fund could help avoid such problems.

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The President also expressed that ODA Policy was a priority item. The President had received a letter from Speaker and intends to respond with a letter. It was his position that many concerns raised in the letter were predicated upon misunderstanding, which he hopes to clear up. The President stated that the projects in question (note: \$1 million for Kosrae from UNDP - Okat Bridge - government building in Chuuk) were either not committed to yet, or were directly from the donor to the State without going through the National Government. He emphasized that Congress always gets the final say on ODA projects, and agreed that communication with Congress could be improved.

The Pohnpei Port Development Project was a fourth priority for the President. He believes it is important, and further, will be a self-paying project from port fees collected. The President heartily recommended that Congress give its support.

The fifth priority was in regards to Pending Grant Resolutions. The President admitted some grants were expended without consultation of Congress. He thanked Congress for calling attention to these oversights.

Finally, the President referenced the letter from Speaker regarding improved communication. He whole-heartedly agreed with the sentiments expressed in the letter and echoed his desire for improved communication between the two branches. These included either branch informing the other of the intention to call a special session with greater forewarning, as well as taking greater advantage of informal discussions to more expeditiously resolve issues. The President hoped the Executive and Legislative Branch could consult and cooperate with each other in the interests of the country.

Chairman Gouland greeted the President and Vice President, members of the cabinet and staff on behalf of Congress, and thanked them for taking the time to meet with the Committee. Chairman Gouland informed the President there were a number of issues Congress wished the Committee to discuss, and opened the floor to other Committee members to express their items.

Vice-Speaker Welley inquired about funds appropriated by Public Law No. 18-05. Although there were technical problems with the

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funds assigned to Kosrae and Yap, SBOC had withheld funds assigned to Chuuk and Pohnpei as well. The President expressed that he had his staff look into it, and the funds for Chuuk and Pohnpei were now cleared for use.

Senator Urusemal stated that there would be a hearing on July 17, 2013, at 1 p.m. relating to the Pending Grant Resolutions. The President stated that he would not be attending, but that members of the Executive Branch would be in attendance. As Chairman of Education, Senator Urusemal also expressed his concern over teacher's salaries. Specifically, that a teacher with a college degree hired to replace a teacher that did not have a degree would receive the same salary as the non-degree teacher that preceded them. The President responded that all salaries were frozen, including his and members of Congress.

Chairman Gouland thanked the President and Vice President for their time and stated he would inform Congress of their discussion.

The meeting was brought to a close with mutual expressions of appreciation and good wishes.

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Respectfully submitted,

/s/ Victor Gouland  
Victor Gouland, chairman

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

/s/ Berney Martin  
Berney Martin, member

/s/ Paliknoa K. Welly  
Paliknoa K. Welly, member