

STANDING COMMITTEE REPORT NO. 19-121

RE: C.B. NO. 19-12/J&GO

SUBJECT: TO ESTABLISH THE JOINT COMMITTEE ON  
COMPACT REVIEW AND PLANNING (JCRP) AND  
ITS SECRETARIAT IN PREPARATION FOR 2023

MAY 13, 2016

The Honorable Wesley W. Simina  
Speaker, Nineteenth Congress  
Federated States of Micronesia  
Fourth Regular Session, 2016

Dear Mr. Speaker:

Your Committee on Judiciary and Governmental Operations, to which was jointly referred C.B. No. 19-12, entitled:

"A BILL FOR AN ACT TO ESTABLISH THE JOINT COMMITTEE ON  
COMPACT REVIEW AND PLANNING AND ITS SECRETARIAT, FOR  
THE PURPOSE OF COORDINATING THE NATION'S PREPARATION  
EFFORTS TOWARDS EFFECTIVE AND SMOOTH POST COMPACT  
GOVERNMENT UPON EXPIRATION OF THE COMPACT IN 2023, AND  
FOR OTHER PURPOSES.",

begs leave to report as follows:

The intent and purpose of the bill are expressed in its title.

**Comments from the States**

On August 17, 2015, your Committee mailed letters to the Governors of the four states inviting the submission of written comments and thoughts on the bill. As of May 10, 2016, no written submissions have been received.

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**Public Hearing**

Your Committee, in conjunction with your Committee on Ways & Means, held public hearings on C.B. No. 19-12 in each of the four states: January 18, 2016 (Kosrae); March 3, 2016 (Pohnpei); April 28, 2016 (Yap); and May 2, 2016 (Chuuk).

Each public hearing was well attended and included representatives from a variety of spheres: state executive branches, state legislative branches, municipalities, private sectors, non-profit sectors, and individual citizens.

Kosrae

The Governor inquired about the similarities and differences between the JCRP and the 2023 Planning Committee. It was explained that the JCRP would contain a representative from each state as well as a member of Congress from each state. Consequently, each state would have two JCRP members to keep the best interests of the state in mind.

The Speaker inquired whether the bill would address the imbalance of JEMCO in favor of the U.S. It was explained that the bill does not address the composition of JEMCO

Several attendees mentioned their concerns with the composition of the JCRP. One attendee suggested increasing the members from each state from one to two. Another attendee stated that there were already too many total members of the JCRP. That attendee recommended reducing Congress' representation on the JCRP from one from each state delegation, four total, to just one representative. This would result in a six-member committee.

An attendee recommended that the JCRP report regularly to the states as well as to the President and Congress.

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Pohnpei

The Governor advised your Committee that his government fully supports this bill and that this process should get underway. However, the Governor suggested transferring the appointment authority in Section 2 from the President to the Governor of each state reasoning that each Governor is in the best position to identify the best candidate. A discussion ensued about the possibility of allowing each state to vet its candidate, who would then go through the state level "advise and consent" process.

An attendee from the Pohnpei executive branch suggested moving Section 4(7) into Section 2 of the bill as the former relates to the process of establishing the JCRP.

Attendees from the FSM executive branch broached the issue of the relationship between the JCRP and the 2023 Planning Committee. It was explained that the mandate of the 2023 Planning Committee was to draft an action plan, which it did. The idea behind the JCRP is to provide legal authority to act upon this action plan among other responsibilities.

The attendees made one suggestion for a specific language revision: in Section 4(6) on page 3, line 14, insert language broadening the periodic reporting requirement to include not only Congress and the President, but also the four Governors and the heads of each state legislature.

Also in attendance at the public hearing in Pohnpei were the Attorney General, the Deputy Secretary for Foreign Affairs, and representatives from the Department of Finance.

Yap

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As had occurred in Pohnpei, a similar concern about the selection process for the state representative on the JCRP emerged during the hearing in Yap. Specifically, it was suggested that the phrase "in consultation with the leadership of each state" (page 2, lines 6-7) be changed to read "in consultation with the ~~leadership~~ government of each state." Also, some concern was also expressed that 9 members might be too large and unwieldy.

Another specific concern was raised by an attendee from the Yap legislative branch regarding the inclusion of the following language on page 3, lines 18-20: "as well as periodic surveys exploring the value of net benefits to a foreign nation from an exclusive security prerogative." It was felt that this language was perhaps too inflammatory and actually unnecessary when the surveys could still be completed without specifically mentioning them.

An attendee explained that the state would prefer that all financing be born by Congressional appropriation contrary to the provision contained in Section 5(3).

An attendee from the Yap legislative branch expressed concern that there was no provision related to the term of the members of the JCRP.

It should be noted that a representative from the Yap executive branch indicated that written comments would be forthcoming.

### Chuuk

An attendee from the Chuuk legislative branch indicated that they were in full support of the JCRP. An attendee from the private sector indicated that this very important piece of legislation deserves much discussion and consideration. However, he was initially concerned that the creation of yet another government entity would simply result in more talking without much concrete action. An attendee from the non-profit sector urged the Committee

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to consider including non-political figures on the Committee in order to include a broader range of perspectives and to guard against institutional intransigence.

In addition, similar concerns about the selection process for the state representative on the JCRP that were voiced in other states emerged during the hearing in Chuuk.

The attendees made one suggestion for a specific language revision: on page 2, lines 24-25, change the language from "termination of the Amended Compact of Free Association" to "termination of the financial provisions of the Amended Compact of Free Association."

**Conclusion**

Your Committee would like to offer the following technical amendments:

1. Page 4, line 5, delete "5" and insert "6" in lieu thereof.

Your Committee is in accord with the intent and purpose of C.B. No. 19-12 and upon concurrence with your Committee on Ways and Means recommends its passage on First Reading and that it be place for the Calendar for Second and Final Reading in the form attached hereto as C.B No. 19-12, C.D.1.

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