

TWELFTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

SECOND SPECIAL SESSION, 2002 CONGRESSIONAL BILL NO. 12-92, C.D.1, C.D.2,
C.D.3, C.D.4, C.D.5

AN ACT

To further amend Public Law No. 12-12, as amended, by amending sections 2, 3, 4, 5, 6, 7, 8, 13 and 16 to appropriate \$943,105 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2002 to provide supplemental funding for the 3rd and 4th quarter housing allowance, the professional premium and 2nd quarter housing allowance for the Legislative Branch, the professional premium for the Judicial Branch, public education and the referendum on the proposed constitutional amendments, and for the Maritime Fisheries Institute; to remove the conditions on financial assistance for students studying at CMI and PCC; to change the use of the funds previously appropriated for COM-FSM, Chuuk Campus Phase I construction; to re-designate the funding source for communications expenses; to change certain allottees and lapse dates; and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Section 2 of Public Law No. 12-12, as amended by
2 Public Law No. 12-21, is hereby further amended to read as follows:
3 "Section 2. Operating expenses of the Executive Branch. The
4 sum of \$14,306,725, or so much thereof as may be necessary,
5 is hereby appropriated from the General Fund of the Federated
6 States of Micronesia for the fiscal year ending September 30,
7 2002, for the operations of the Executive Branch of the
8 National Government during fiscal year 2002. Of the total
9 funds appropriated under this section, \$470,800 shall be
10 deemed to come from the funds available for communications
11 under section 215(b)(2) of the Compact of Free Association.
12 The sum appropriated by this section shall be apportioned as
13 follows:

1 (1) Office of the President
2 \$809,876, for the activities set forth in the performance
3 budget pages A1.1 through A1.2 of the budget book.

4 (2) Department of Foreign Affairs

5 (a) \$3,771,123, for the activities set forth in the
6 performance budget pages A2.1 through A2.9 of the budget
7 book.

8 (b) Conditions on use of JCN funds. Funds
9 appropriated under this subsection for Joint Committee on
10 Compact Economic Negotiations (JCN) travel (\$50,000) and
11 representation expenses (\$55,000) shall not be available for
12 obligation or disbursement until:

13 (i) funds appropriated for such purposes under
14 the JCN budget have been exhausted;

15 (ii) JCN has provided a written report to the
16 Committee on External Affairs of the Congress of the
17 Federated States of Micronesia, through its Chairman, on the
18 use of funds already obligated or disbursed, including a
19 description of such use and an allocation among the outputs
20 for which it was used; and

21 (iii) JCN has provided to said committee, in
22 writing, signed by the JCN chairman and members, a detailed
23 description of the planned use of the funds it is seeking to
24 obligate or have disbursed.

25 (c) Conditions of use of Washington D.C. Embassy/JCN

1 Representation funds. \$50,000 of the funds appropriated
2 under this subsection for representation shall be for
3 meetings between members and staff of the U.S. Congress and
4 members of the FSM Congress; PROVIDED however that up to
5 \$20,000 of these funds may be reprogrammed for use by JCN for
6 representation if all section 2(2)(b) representation funds
7 have been exhausted and the requirements contained therein
8 have been met.

9 (3) Department of Finance and Administration
10 \$2,234,306, for the activities set forth in the performance
11 budget pages A3.1 through A3.8 of the budget book.

12 (4) Department of Economic Affairs
13 \$1,373,627, for the activities set forth in the performance
14 budget pages A4.1 through A4.18 of the budget book.

15 (5) Department of Transportation, Communication and
16 Infrastructure
17 \$1,500,773, for the activities set forth in the performance
18 budget pages 5.1 through 5.3 of the budget book. Of the
19 total funds appropriated under this subsection, \$25,000 for a
20 consultant in communications policy shall be deemed to come
21 from funds available under section 215(a)(2) of the Compact
22 of Free Association for telecommunications.

23 (6) Department of Health, Education and Social Affairs
24 \$980,543, for the activities set forth in the performance
25 budget pages A6.1 through A6.19 of the budget book.

1 (7) Department of Justice
2 \$3,078,213, for the activities set forth in the performance
3 budget pages A7.1 through A7.6 of the budget book. Of the
4 total funds appropriated, \$519,000 shall be deemed to come
5 from funds available under section 216(a)(1) of the Compact
6 of Free Association for marine surveillance.

7 (8) FSM Public Defender
8 \$558,264, for the activities set forth in the performance
9 budget pages A8.1 through A8.2 of the budget book."

10 Section 2. Section 3 of Public Law No. 12-12 is hereby amended to
11 read as follows:

12 "Section 3. Operating expenses of the Legislative Branch.
13 The sum of \$3,161,474, or so much thereof as may be
14 necessary, is hereby appropriated from the General Fund of
15 the Federated States of Micronesia for the fiscal year ending
16 September 30, 2002, for the operations of the Legislative
17 Branch of the National Government during fiscal year 2002 in
18 order to achieve the activities set forth in the performance
19 budget pages B.1 through B.3 of the budget book. Of the
20 total funds appropriated under this section, \$50,000 shall be
21 deemed to come from the funds available under section
22 215(b)(2) of the Compact of Free Association."

23 Section 3. Section 4 of Public Law No. 12-12 is hereby amended to
24 read as follows:

25 "Section 4. Operating expenses of the National Judiciary.

1 The sum of \$1,016,581, or so much thereof as may be
2 necessary, is hereby appropriated from the General Fund of
3 the Federated States of Micronesia for the fiscal year ending
4 September 30, 2002, for the operations of the Judiciary
5 Branch of the National Government during fiscal year 2002 in
6 order to achieve the activities set forth in the performance
7 budget pages C.1 through C.3 of the budget book. Of the
8 total funds appropriated under this section, \$25,000 shall be
9 deemed to come from the funds available under section
10 215(b)(2) of the Compact of Free Association."

11 Section 4. Section 5 of Public Law No. 12-12 is hereby amended to
12 read as follows:

13 "Section 5. Operating expenses of the Public Auditor. The
14 sum of \$523,997, or so much thereof as may be necessary, is
15 hereby appropriated from the General Fund of the Federated
16 States of Micronesia for the fiscal year ending September 30,
17 2002, for the operations of the Office of the FSM Public
18 Auditor during fiscal year 2002 in order to achieve the
19 activities set forth in the performance budget pages D.1
20 through D.2 of the budget book. Of the total funds
21 appropriated under this section, \$12,000 shall be deemed to
22 come from the funds available under section 215(b)(2) of the
23 Compact of Free Association."

24 Section 5. Section 6 of Public Law No. 12-12, as overridden, is
25 hereby further amended to read as follows:

1 "Section 6. Operating expenses of agencies of the National
2 Government. The sum of \$1,855,677, or so much thereof as may
3 be necessary, is hereby appropriated from the General Fund of
4 the Federated States of Micronesia for the fiscal year ending
5 September 30, 2002, for the operations of the following
6 boards, commissions and agencies during fiscal year 2002. Of
7 the total funds appropriated under this section, \$29,000
8 shall be deemed to come from the funds available under
9 section 215(a)(2) and \$23,000 shall be deemed to come from
10 the funds available under section 215(b)(2) of the Compact of
11 Free Association. The sum appropriated by this section shall
12 be apportioned as follows:

13 (1) Micronesian Fisheries Authority
14 \$460,614, for the activities set forth in the performance
15 budget pages E1.1 through E1.6 of the budget book. Of the
16 total funds appropriated under this section, \$17,000 shall be
17 deemed to come from the funds available under section
18 215(b)(2) of the Compact of Free Association.

19 (2) Board of Regents COM-FSM
20 \$84,460, for the activities set forth in the performance
21 budget pages E2.1 through E2.2 of the budget book.

22 (3) FSM Coconut Development Authority
23 \$133,159, for the activities set forth in the performance
24 budget pages E3.1 through E3.2 of the budget book. Of the
25 total funds appropriated under this section, \$6,000 shall be

1 deemed to come from the funds available under section
2 215(b)(2) of the Compact of Free Association.

3 (4) FSM Banking Board
4 \$138,712, for the activities set forth in the performance
5 budget pages E4.1 through E4.2 of the budget book. Of the
6 total funds appropriated under this section, \$7,000 shall be
7 deemed to come from the funds available under section
8 215(a)(2) of the Compact of Free Association.

9 (5) FSM Postal Services
10 \$618,732, for the activities set forth in the performance
11 budget pages E5.1 through E5.3 of the budget book. Of the
12 total funds appropriated under this section, \$22,000 shall be
13 deemed to come from the funds available under section
14 215(a)(2) of the Compact of Free Association.

15 (6) FSM National Fisheries Corporation
16 \$375,000, for the activities set forth in the performance
17 budget page E6.1 of the budget book.

18 (7) Chuuk State Commission on Improvement Projects
19 \$45,000, for the operations of the Chuuk State Commission on
20 Improvement Projects."

21 Section 6. Section 7 of Public Law No. 12-12 is hereby amended to
22 read as follows:

23 "Section 7. Special programs. The sum of \$1,604,920, or so
24 much thereof as may be necessary, is hereby appropriated from
25 the General Fund of the Federated States of Micronesia for

1 the fiscal year ending September 30, 2002, for the following
2 special programs during fiscal year 2002. Of the total funds
3 appropriated under this section, \$43,200 shall be deemed to
4 come from the funds available under section 215(b)(2) of the
5 Compact of Free Association. The sum appropriated by this
6 section shall be apportioned as follows:

7 (1) FSM Aquaculture Center \$129,717, for the outputs set
8 forth in the performance budget pages F1.1 through F1.2 of
9 the budget book. Of the total funds appropriated under this
10 subsection, \$4,800 shall be deemed to come from the funds
11 available under section 215(b)(2) of the Compact of Free
12 Association.

13 (2) Joint Committee on Compact Economic Negotiations (JCN)
14 \$946,769, for the activities set forth in the performance
15 budget pages F2.1 through F2.2 of the budget book. Of the
16 amount appropriated by this subsection, \$50,000 shall not be
17 allotted until such time as a contract for an eminent
18 economist is executed, and then these funds shall be used
19 only for the purpose of paying amounts due under that
20 contract. Of the total funds appropriated under this
21 subsection, \$38,400 shall be deemed to come from the funds
22 available under section 215(b)(2) of the Compact of Free
23 Association.

24 (3) National Government Early Retirement Loan Repayment
25 Fund

1 \$282,309 for the repayment of the Asian Development Bank
2 financed early retirement loan.

3 (4) FSM National Government Employee Retirement Plan
4 \$-0-, for the purpose of providing the initial capital for a
5 retirement plan for the employees of the FSM National
6 Government.

7 (5) Office of the National Election Director
8 \$246,125, for the purpose of funding the operations of the
9 Office of the National Election Director, including the
10 national election offices in each of the four states."

11 Section 7. Section 8 of Public Law No. 12-12, as amended by
12 Public Law No. 12-21, is hereby further amended to read as follows:

13 "Section 8. Grants, subsidies and contributions. The sum of
14 \$2,908,191, or so much thereof as may be necessary, is hereby
15 appropriated from the General Fund of the Federated States of
16 Micronesia for the fiscal year ending September 30, 2002, for
17 the following grants, subsidies and contributions during
18 fiscal year 2002. The sum appropriated by this section shall
19 be apportioned as follows:

- 20 (1) Office of the President
- 21 (a) Pacific Islands News
- 22 Association..... \$ -0-
- 23 (b) Asia Pacific Broadcasting Union. -0-
- 24 (c) Asia Pacific Institute of
- 25 Broadcasting..... -0-

1	(2) Department of Foreign Affairs	
2	(a) Forum Secretariat.....	35,000
3	(b) The Pacific Community.....	30,000
4	(c) South Pacific Regional	
5	Environmental Program (SPREP).....	7,375
6	(d) United Nations Economic and	
7	Social Commission for Asia and the	
8	Pacific (ESCAP).....	5,000
9	(e) UN membership fees.....	100,000
10	(f) East West Center.....	10,000
11	(3) Department of Economic Affairs	
12	(a) Pacific Island Development	
13	Program.....	15,000
14	(b) Forum Fisheries Agency (FFA)....	21,000
15	(c) UN Development Program..... \$	3,000
16	(d) Coord. Commission for Offshore	
17	Mineral Prospecting (CCOMP).....	8,000
18	(e) Plant Protection Program.....	60,000
19	(f) Pacific Asian Travel Association	5,000
20	(g) FSM Giant Clam Culture.....	11,440
21	(h) FSM Coastal Fisheries Consortium	11,702
22	(i) National Plant Protection and	
23	Quarantine Communication.....	29,700
24	(j) OPIC Loan Repayment.....	250,000
25	(4) Department of Health, Education and	

1	Social Affairs	
2	(a) UN Fund for Population Activity	
3	(UNFPA)	3,000
4	(b) Aid to non-public schools.....	500,000
5	(c) Financial assistance for	
6	students studying at CMI and PCC.....	50,000
7	(d) President Graduate Scholarship..	-0-
8	(e) World Health Organization (WHO).	41,385
9	(f) National Board of Nursing.....	38,000
10	(g) Pacific Islands Health Officers	
11	Association (PIHOA)	20,000
12	(h) National Close-Up Local Program.	64,000
13	(i) FSM Amateur Sports Association..	35,000
14	(j) COM Board Annual Meeting.....	5,000
15	(k) Association of Territorial Health	
16	Organization.....	\$ 2,000

17 (5) Department of Justice; PROVIDED that,
18 no funds appropriated for Joint Law Enforcement
19 purposes may be used for travel or to purchase
20 vehicles, and PROVIDED FURTHER that no funds
21 shall be obligated or disbursed for the second
22 or third quarter of fiscal year 2002 unless,
23 before March 31, 2002, each state reports to the
24 Committee on Judiciary and Governmental
25 Operations on the use of all funds appropriated

1 for fiscal year 2001 and for the first half of
2 fiscal year 2002, including an explanation of
3 how each expenditure contributed to the purpose
4 of joint law enforcement.

5	(a) Kosrae Joint Law Enforcement....	35,000
6	(b) Pohnpei Joint Law Enforcement...	70,000
7	(c) Chuuk Joint Law Enforcement.....	80,000
8	(d) Yap Joint Law Enforcement.....	45,000

9 (6) Department of Transportation,
10 Communication and Infrastructure

11	(a) Asia Pacific Telecommunity	
12	to be deemed as deriving from funds available	
13	under section 215(a)(2) of the Compact of Free	
14	Association for telecommunications.....	\$ 9,000

15	(b) International Telecommunication	
16	Union to be deemed as deriving from funds	
17	available under section 215(a)(2) of the	
18	Compact of Free Association for	
19	telecommunications.....	57,639

20	(c) International Civil Aviation	
21	Organization.....	28,050

22	(d) Micronesian Shipping Commission.	10,000
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23 (7) Coconut Development Authority

24	(a) Copra Subsidy.....	100,000
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25 (b) Asia Pacific Coconut

1	Community.....	20,500
2	(8) Other grants, subsidies and	
3	contributions	
4	(a) Kosrae Judiciary	
5	(i) Unrestricted	30,000
6	(ii) Law School Scholarships....	35,000
7	(b) Pohnpei Judiciary.....	90,000
8	(c) Chuuk Judiciary.....	90,000
9	(d) Yap Judiciary	
10	(i) Unrestricted.....	50,000
11	(ii) Law School Scholarships....	20,000
12	(e) COM Treaty Obligation.....	25,000
13	(f) Micronesian Legal Services	
14	Corporation..... \$	150,000
15	(g) Constitutional Convention and	
16	Post-Convention duties.....	254,000
17	(h) Public education on the proposed	
18	constitutional amendments.....	129,000
19	(i) Referendum on the proposed	
20	constitutional amendments.....	219,400"

21 Section 8. Section 13 of Public Law No. 12-12, as amended by
22 Public Law No. 12-21, is hereby further amended to read as follows:

23 "Section 13. Capital and Human Resource Development.
24 The sum of \$11,415,200, or so much thereof as may be
25 necessary, is hereby appropriated from the General Fund of

1 the Federated States of Micronesia for the fiscal year ending
2 September 30, 2002, for capital improvement, development
3 programs and projects and human resource development. Of the
4 total funds appropriated under this section, \$2,955,926 shall
5 be deemed to come from the capital account funds available
6 under section 211 of the Compact of Free Association, and
7 \$1,387,700 from the funds available under section 216(a)(3)
8 of the Compact of Free Association. The sum appropriated
9 under this section shall be apportioned as follows:

10 (1) College of Micronesia-FSM

11 (a) Operations of the College of
12 Micronesia-FSM, including planning
13 and construction of new facilities.....\$ 3,067,000

14 (b) Student assistance for tuition
15 and housing to be deemed as deriving from
16 section 216(a)(3) of the Compact of Free
17 Association PROVIDED that these funds shall
18 be used strictly for direct financial
19 assistance to COM-FSM students, and PROVIDED
20 FURTHER that the co-payment by the student or
21 the student's parent must be proportionally
22 the same for each in relation to their total
23 obligation, and PROVIDED FURTHER that only
24 students maintaining a passing grade point
25 average will be eligible to receive these

1	funds. The funds appropriated under this	
2	subsection shall be apportioned as follows:	
3	(i) General assistance.....	295,000
4	(ii) Assistance for courses on	
5	Micronesian Government and Politics.....	5,000
6	(c) COM-FSM Multi-purpose gymnasium	
7	furnishing.....	60,000
8	(d) COM-Faculty office furnishing...	40,000
9	(e) Chuuk State Congressional	
10	Projects:	
11	(i) E.D. No. 1 Public Projects...	180,000
12	(ii) E.D. No. 2 Road Projects.....	180,000
13	(iii) E.D. No. 3 Road Projects.....\$	180,000
14	(iv) E.D. No. 4 Public Projects...	180,000
15	(v) E.D. No. 5 Houk Airport	
16	Project Grant.....	180,000
17	(vi) State-wide Public Projects.	100,000
18	(f) FSM Fisheries and Maritime	
19	Institute.....	663,000
20	(2) Post-secondary Educational Assistance	
21	to be deemed as deriving from section	
22	216(a)(3) of the Compact of Free Association:	
23	(a) Kosrae State.....	126,661
24	(b) Pohnpei State.....	288,003
25	(c) Chuuk State Scholarships,	

1 PROVIDED that the selection committee is
 2 required to provide to the State Scholarship
 3 Coordinator, copies of all documents which
 4 would provide details of the applicants, their
 5 grade point average, the courses studied and
 6 the institution attended, as well as names of
 7 those applicants who are selected to receive a
 8 scholarship and the amount proposed. This
 9 requirement must be satisfied prior to the
 10 release of scholarship funds to the students
 11 selected.

12	(i) General assistance.....	271,716
13	(ii) Scholarships for	
14	student's with the highest grade point	
15	averages.....	\$ 140,000
16	(d) Yap State.....	161,320
17	(e) Graduate and Professional School	
18	Scholarships-all States.....	100,000
19	(3) National Staff Upgrading.....	-0-
20	(4) FSM Capitol complex renovation.....	200,000
21	(5) Micronesian Entrepreneur Development	
22	Center.....	60,000
23	(6) FSM Development Bank - Development	
24	Loan Program.....	1,000,000
25	(7) Pohnpei sports facilities improvement	-0-

1	(8) Yap sports facilities completion.....	620,000
2	(9) FSM Trust Fund, PROVIDED that these	
3	funds shall be placed in the FSM Trust	
4	Fund until such time as an 'S' Account	
5	within the FSM Trust Fund is established	
6	by law, at which time the funds will be	
7	transferred to this account. If no 'S'	
8	Account is established by law, the funds	
9	shall remain in the FSM Trust Fund until	
10	such time as they are appropriated by law..	2,015,000
11	(10) FSM Consul General Guam residence	
12	construction.....	190,000
13	(11) Ms. Caroline Islands dry-docking.... \$	500,000
14	(12) National Visitors Bureau.....	512,500
15	(13) Chuuk State Multipurpose Gymnasium...	100,000"

16 Section 9. Section 16 of Public Law No. 12-12, as amended by
17 Public Law No. 12-21, is hereby further amended to read as follows:

18 "Section 16. Allotment and management of funds and lapse
19 date.

20 (1) *General Provisions.*

21 (a) All funds appropriated by this act shall be
22 allotted, managed, administered, and accounted for in
23 accordance with applicable law, including, but not limited
24 to, the Financial Management Act of 1979;

25 (b) The allottees shall be responsible for ensuring

1 that these funds, or so much thereof as may be necessary, are
2 used solely for the purpose specified in this act, and that
3 no obligations are incurred in excess of the sum
4 appropriated.

5 (2) *Allottees*. The allottees of the funds appropriated by
6 this act are as follows:

7 (a) section 2 - the allottee of these funds shall be
8 the President of the Federated States of Micronesia;

9 (b) section 3 - the allottee of these funds shall be
10 the Speaker of the Congress of the Federated States of
11 Micronesia;

12 (c) section 4 - the allottee of these funds shall be
13 the Chief Justice of the Supreme Court of the Federated
14 States of Micronesia;

15 (d) section 5 - the allottee of these funds shall be
16 the Public Auditor;

17 (e) section 6 through 13 - the allottee of these funds
18 shall be the President of the Federated States of Micronesia
19 or his designee; EXCEPT THAT for the following subsections of
20 section 6 through 13 of this act, the allottees shall be:

21 (i) section 8, subsection (5) - the allottee of
22 these funds shall be the Governor of the respective State, or
23 his designee;

24 (ii) section 8, subsection (6)(a) through (6)(d) -
25 the allottee of these funds shall be the Secretary of the

1 Department of Transportation, Communication and
2 Infrastructure;

3 (iii) section 8, subsection (8)(a) through (8)(d) -
4 the allottee of these funds shall be the Chief Justice of the
5 respective State;

6 (iv) section 8, subsection (8)(g) - the allottee
7 of these funds shall be the President of the Federated States
8 of Micronesia, or his designee, until such time as the
9 Constitutional Convention convenes and selects a President
10 and then the allottee of these funds shall be the President
11 of the Constitutional Convention;

12 (v) section 10, subsection (2)(b) - the allottee
13 of these funds shall be the Speaker of the Congress of the
14 Federated States of Micronesia, or his designee;

15 (vi) section 10, subsection (2)(c) - the allottee
16 of these funds shall be the Chief Justice of the Supreme
17 Court of the Federated States of Micronesia;

18 (vii) section 13, subsection (1)(a) through (1)(f)
19 - the allottee of these funds shall be the President of the
20 College of Micronesia-FSM, EXCEPT THAT the allottee of the
21 funds appropriated under subsection (1)(e) of section 13
22 shall be the Executive Director of the Chuuk State Commission
23 on Improvement Projects;

24 (viii) section 13, subsections (2)(a) through (2)(d)
25 - the allottee of these funds shall be the Governor of the

