



*The President*  
*Palikir, Pohnpei*  
*Federated States of Micronesia*

August 15, 2013

PRESIDENTIAL COMM. NO. 1864  
FSM CONGRESS

The Honorable Dohsis Halbert  
Speaker  
Congress of the Federated States of Micronesia  
Palikir, Pohnpei, FM 96941

RECEIVED  
AUG 15 2013  
FSM Congress  
Speakers Office

Dear Speaker Halbert:

I transmit the following congressional act, which I have signed to become **Public Law No. 18-11**:

Congressional Act No. 18-11, entitled: "AN ACT TO APPROPRIATE THE SUM OF \$1,680,000 FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, TO ASSIST THE STATES OF POHNPEI AND YAP IN RETIRING DEBT AND COVERING BUDGET SHORTFALLS, AND FOR OTHER PURPOSES."

I agree with the general intent of this act; however, I have concerns regarding the language and purpose in the allocation of funds for Pohnpei State. Laws governing social security impose an excise tax on employers. Failure to pay tax is a violation of law. This act appears to reward non-payment of tax by "Pohnpei employers" without penalty and without any review of the problem leading up to the non-payment of tax. In addition, it discourages those law-abiding employers who have paid the social security tax for their employees. This act sets a dangerous precedent compelling the National Government to pay off future social security taxes owed by delinquent employers and will have a negative impact on the National Government's budget and ability to adequately fund the social security program. It will also cause the systemic erosion of the social security system. Additionally, it would have been better had the Social Security Administration been the allottee of the funds. Naming a governor as the allottee may require certain confidential information on both the employer and the employee(s) to be disclosed to the allottee.

You may recall that in 2007, the national government used a grant from one of our development partners to pay off the Chuuk State Government's unpaid tax to social security. This act, however, is proposing to use local revenue to pay off the principal amount owed by Pohnpei employers. Public funds must be used for a public purpose. Therefore, I have line item vetoed lines 10-12 in the amount of \$895,000.

The Honorable Dohsis Halbert  
August 15, 2013  
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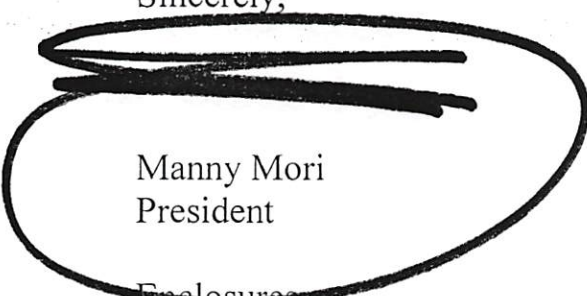
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Public Law No. 17-64, which is the Budget Act for FY 2013, appropriated \$150,000 for Micronesia Legal Services Corporation. The additional allocation of \$130,000 for MLSC is not transparent because there is no justification whatsoever to provide this additional funding.

I respectfully urge Congress to carefully review and consider the foregoing concerns.

With warm personal regards, I remain,

Sincerely,



Manny Mori  
President

Enclosures:

Xc: Chief Justice, FSM Supreme Court  
Secretary, Department of Justice  
Director, SBOC  
Legislative Counsel, CFSM  
Library, CFSM  
FSM PIO





CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3  
Palikir, Sokehs  
Pohnpei State, FM 96941  
Tel: (691) 320-2324 / 2338  
Fax: (691) 320-5122

Office of the Chief Clerk

July 24, 2013

His Excellency Manny Mori  
President  
Federated States of Micronesia  
Palikir, Pohnpei FM 96941

Dear President Mori:

I have the honor to transmit herewith Congressional Act No. 18-11, "AN ACT TO APPROPRIATE THE SUM OF \$1,680,000, FROM THE GENERAL FUND OF THE FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 2013, TO ASSIST THE STATES OF POHNPEI AND YAP IN RETIRING DEBT AND COVERING BUDGET SHORTFALLS, AND FOR OTHER PURPOSES.", which was passed by the Eighteenth Congress of the Federated States of Micronesia, First Special Session, 2013, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis".

Liwiana Ramon Ioanis  
Chief Clerk, Congress of the  
Federated States of Micronesia

Enclosures

PRESIDENTIAL COMM. NO. 18/64  
FSM CONGRESS







PRESIDENTIAL COMM. NO. 18-64  
FSM CONGRESS

EIGHTEENTH CONGRESS OF THE  
FEDERATED STATES OF MICRONESIA  
FIRST SPECIAL SESSION  
JULY 15 - 24, 2013

PUBLIC LAW No. 18- 11

## An Act

TO APPROPRIATE THE SUM OF \$1,680,000, FROM THE GENERAL FUND OF THE  
FEDERATED STATES OF MICRONESIA FOR THE FISCAL YEAR ENDING SEPTEMBER  
30, 2013, TO ASSIST THE STATES OF POHNPEI AND YAP IN RETIRING DEBT AND  
COVERING BUDGET SHORTFALLS, AND FOR OTHER PURPOSES.

INTRODUCED BY SENATOR: JOSEPH J. URUSEMAL

DATE: JULY 16, 2013

REFERRED TO: COMMITTEE ON WAYS AND MEANS

S.C.R. NO. 18-22 – JULY 22, 2013

FIRST READING: JULY 23, 2013

SECOND READING: JULY 24, 2013

A handwritten signature in blue ink, appearing to read "Liwiana Ramon Ioanis", is written over a horizontal line.

Liwiana Ramon Ioanis  
Chief Clerk, FSM Congress





CONGRESS OF THE FEDERATED STATES OF MICRONESIA

P.O. Box PS 3  
Palikir, Sokehs  
Pohnpei State, FM 96941  
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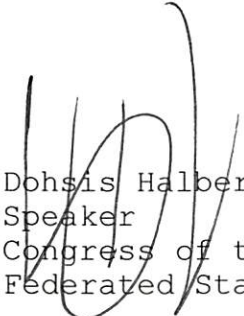
*Office of the Speaker*


**PRESIDENTIAL COMM. NO. 18-64**  
**FSM CONGRESS**

ACT NO. 18-11

(CONGRESSIONAL BILL NO. 18-27, C.D.1, C.D.2,  
C.D.3, C.D.4)

We hereby certify that on July 24 the foregoing act passed Second and Final Reading of the Eighteenth Congress of the Federated States of Micronesia, First Special Session, 2013, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

  
Dohsis Halbert  
Speaker  
Congress of the  
Federated States of Micronesia

  
Liwiana Ramon Ioanis  
Chief Clerk  
Congress of the  
Federated States of Micronesia

EIGHTEENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST SPECIAL SESSION, 2013 CONGRESSIONAL BILL NO. 18-27, C.D.1, C.D.2,  
C.D.3, C.D.4

**PUBLIC LAW No. 18-11**


AN ACT

To appropriate the sum of \$1,680,000, from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2013, to assist the States of Pohnpei and Yap in retiring debt and covering budget shortfalls, and for other purposes.

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

1           Section 1. The sum of \$1,680,000, or so much thereof as  
2 may be necessary, is hereby appropriated from the General Fund  
3 of the Federated States of Micronesia for the fiscal year  
4 ending September 30, 2013, to assist the States of Pohnpei and  
5 Yap in retiring debt and covering budget shortfalls, PROVIDED  
6 THAT the funds appropriated shall not be used for personnel and  
7 travel expenses. The funds shall be apportioned as follows:

8           1. Pohnpei State ..... \$ 1,130,000

9 PROVIDED THAT \$130,000 be used to fund the Micronesian  
10 Legal Services Corporation, ~~and \$895,000 be used to cover~~  
11 ~~the principal amount owed by Pohnpei employers to Social~~  
12 ~~Security.~~ 

13           2. Yap State ..... 550,000

14 PROVIDED THAT \$50,000 be used for fuel for the Field Trip Ship.

15           Section 2. Allotment and management of funds and lapse  
16 date. All funds appropriated by this act shall be allotted,  
17 managed, administered and accounted for in accordance with  
18 applicable laws, including, but not limited to, the Financial