AN ACT

To amend Public Law No. 14-80, by amending the title and sections 1, 2, 5, 8 and 9 thereof, in order to provide additional funding for the fiscal year ending September 30, 2007, and for other purposes.

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

Section 1. The title of Public Law No. 14-80 is hereby amended to read as follows:

"To appropriate the sum of $23,498,521.62 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007 for the purpose of funding the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, grants, subsidies and contributions and to establish a capital and human resource development budget for the first two quarters of the fiscal year 2007, and for other purposes."

Section 2. Section 1 of Public Law No. 14-80 is hereby amended to read as follows:

"Section 1. An annual budget in the amount of $32,730,005 for the fiscal year ending September 30, 2007 is hereby approved. There is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007"
the sum of $23,498,521.62 for the purpose of funding the
operations of all branches of the National Government of
the Federated States of Micronesia, its agencies,
various programs, grants, subsidies and contributions;
and capital and human resource development for the first
two quarters of the fiscal year ending September 30,
2007. The sum appropriated herein shall be apportioned
as follows:

Section 3. Section 2 of Public Law No. 14-80 is hereby
amended to read as follows:

"Section 2. Operating expenses of the Executive Branch.
The sum of $7,870,167 or so much thereof as may be
necessary, is hereby appropriated from the General Fund
of the Federated States of Micronesia for the fiscal
year ending September 30, 2007, for the purpose of
funding the operations of the Executive Branch of the
National Government for the first two quarters of the
fiscal year 2007. The sum appropriated by this section
shall be apportioned as follows:

(1) Office of the President.

$300,259, or so much thereof as may be necessary, for
the operations of the Office of the President for the
first two quarters of the fiscal year 2007. The sum
appropriated herein shall be apportioned as follows:

Personnel ......................................$ 123,671
1 Travel ..................................... 54,088  
2 Contractual Services ....................... 75,000  
3 OCE ........................................ 35,000  
4 Fixed Assets ............................... 12,500  

(2) Department of Foreign Affairs.  
$1,478,254, or so much thereof as may be  
necessary, for the operations of the  
Department of Foreign Affairs for the first  
two quarters of the fiscal year 2007. The sum  
appropriated herein shall be apportioned as  
follows:  
12 Personnel .................................$ 586,105  
13 Travel ..................................... 70,030  
14 Contractual Services ....................... 687,454  
15 OCE ........................................ 133,925  
16 Fixed Assets ............................... 740  

(3) Department of Finance and Administration.  
$1,260,114, or so much thereof as may be  
necessary, for the operations of the  
Department of Finance and Administration for  
the first two quarters of the fiscal year  
2007. The sum appropriated herein shall be  
apportioned as follows:  
24 Personnel............................................$ 646,353  
25 Travel ...........................................$ 101,200
Contractual Services ....................... 326,044 1
OCE ........................................ 165,917 2
Fixed Assets ............................... 20,600 3

(4) Department of Economic Affairs.

$587,386, or so much thereof as may be necessary, for the operations of the Department of Economic Affairs for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel ..................................$ 416,663 11
Travel ..................................... 34,585 12
Contractual Services ....................... 56,138 13
OCE ...................................... 69,000 14
Fixed Assets ............................... 11,000 15

(5) Department of Transportation,

Communication and Infrastructure.

$742,995, or so much thereof as may be necessary, for the operations of the Department of Transportation, Communications and Infrastructure for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:

Personnel ..................................$ 289,971 24
Travel ......................................$ 51,500 25
Contractual Services ........................................ 362,524
OCE ..................................................................... 35,000
Fixed Assets ....................................................... 4,000

(6) Department of Health, Education
and Social Affairs.

$1,355,344, or so much thereof as may be
necessary, for the operations of the
Department of Health, Education and Social
Affairs for the first two quarters of the
fiscal year 2007. Of the total funds
appropriated herein, $179,540 shall be deemed
to come from funds available under the amended
Compact for the education sector, $383,582
from the health sector, and $643,843 from the
supplemental education grant (SEG) for fiscal
year 2006, provided that, these funds shall
not be allotted or obligated until such time
as formal approval has been obtained in
accordance with the Amended Compact of Free
Association. The sum appropriated herein
shall be apportioned as follows:

Personnel ......................................................... $ 401,740
Travel ................................................................. 129,606
Contractual Services ................................. 93,194
OCE ................................................................. $ 728,454
<table>
<thead>
<tr>
<th></th>
<th>Fixed Assets</th>
<th>Department of Justice</th>
<th>Office of the Public Defender</th>
<th>Office of Compact Management</th>
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<tbody>
<tr>
<td>1</td>
<td>2,350</td>
<td>$1,266,795, or so much thereof as may be necessary, for the operations of the Department of Justice for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:</td>
<td>$317,996, or so much thereof as may be necessary, for the operations of the Office of the Public Defender for the first two quarters of the fiscal year 2007. The sum appropriated herein shall be apportioned as follows:</td>
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<tr>
<td>2</td>
<td></td>
<td>Personnel: $922,065</td>
<td>Personnel: $229,122</td>
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<tr>
<td>3</td>
<td></td>
<td>Travel: $52,000</td>
<td>Travel: $34,752</td>
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<tr>
<td>4</td>
<td></td>
<td>Contractual Services: $60,050</td>
<td>Contractual Services: $26,022</td>
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<tr>
<td>5</td>
<td></td>
<td>OCE: $232,680</td>
<td>OCE: $23,675</td>
<td></td>
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<td>6</td>
<td></td>
<td>Fixed Assets: -0-</td>
<td>Fixed Assets: 4,425</td>
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<tr>
<td>7</td>
<td></td>
<td>(7) Department of Justice.</td>
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<tr>
<td>8</td>
<td></td>
<td>(8) Office of the Public Defender.</td>
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<tr>
<td>9</td>
<td></td>
<td>(9) Office of Compact Management.</td>
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</table>
$561,024, or so much thereof as may be necessary, for the operations of the Office of Compact Management for the first two quarters of the fiscal year 2007. Of the total funds appropriated herein, $300,000 shall be deemed to come from funds available under the amended Compact carryover from fiscal year 2005 and shall be used for foreign consultant fees, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact. The sum appropriated herein shall be apportioned as follows:

Personnel ........................................$ 48,624
Travel ........................................ 35,000
Contractual Services ......................... 451,400
OCE ........................................... 17,000
Fixed Assets ................................. 9,000"

Section 4. Section 5 of Public Law No. 14-80 is hereby amended to read as follows:

"Section 5. Operating Expenses of the Public Auditor's Office. The sum of $662,876 or so much thereof as may be necessary, is hereby appropriated from the General Fund of the
Federated States of Micronesia for the fiscal year ending September 30, 2007, for the operations of the National Office of the Public Auditor for the first two quarters of the fiscal year 2007. Of the total funds appropriated herein, $261,284 shall be deemed to come from funds available under the amended Compact for Public Sector Capacity Building and shall be used to establish a sub-office in Chuuk State, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact. The sum appropriated by this section shall be apportioned as follows:

Personnel .................................. $192,642
Travel ...................................... 80,000
Contractual Services ...................... 100,950
OCE ........................................... 26,000
Fixed Assets .............................. 2,000
Establishment of Chuuk Sub-office ........ 261,284"

Section 5. Section 8 of Public Law No. 14-80 is hereby amended to read as follows:

"Section 8. Grants, Subsidies and Contributions. The sum of $3,125,252.62 or so much thereof as may be
necessary, is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007, for the following grants, subsidies and contributions during fiscal year 2007. The sum appropriated by this section shall be apportioned as follows:

(1) **Department of Foreign Affairs.**
   
   (a) Pacific Islands Forum Secretariat $46,000
   
   (b) Secretariat for the Pacific Community (SPC) ................. $56,000
   
   (c) UN and Specialized Agencies (UN) $60,000
   
   (d) UN Economic and Social Commission for Asia and the Pacific (ESCAP) ........ $5,000
   
   (e) East-West Center ................. $5,000
   
   (f) United Nations Development Program (UNDP) ......................... $23,500
   
   (g) Activities in preparation for the establishment of an FSM embassy in Beijing . $75,000

(2) **Department of Finance and Administration.**

   (a) National Authorizing Committee (ACP/EU) ....................... $0-

   (b) OCO Membership Fee .................... $2,000

   (c) Maintenance fee for Financial Management Information System ...................... $60,000

(3) **Department of Economic Affairs.**
<table>
<thead>
<tr>
<th></th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>1</td>
<td>(a) Pacific Islands Development Program</td>
<td>$15,000</td>
</tr>
<tr>
<td>2</td>
<td>(b) Forum Fisheries Agency (FFA)</td>
<td>$21,000</td>
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<tr>
<td>3</td>
<td>(c) UN Development Program</td>
<td>$3,000</td>
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<tr>
<td>4</td>
<td>(d) Coordinating Committee for Offshore Minerals Prospecting (SOPAC)</td>
<td>$40,000</td>
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<tr>
<td>5</td>
<td>(e) Pacific Asia Travel Association</td>
<td>$5,000</td>
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<tr>
<td>6</td>
<td>(f) UN Environmental Program (UNEP)</td>
<td>$600</td>
</tr>
<tr>
<td>7</td>
<td>(g) Western Forestry Leadership Coalition</td>
<td>$-0-</td>
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<tr>
<td>8</td>
<td>(h) Seaframe Program</td>
<td>$-0-</td>
</tr>
<tr>
<td>9</td>
<td>(i) Food Agriculture Organization (FAO)</td>
<td>$4,700</td>
</tr>
<tr>
<td>10</td>
<td>(j) UN Framework Convention</td>
<td>$250</td>
</tr>
<tr>
<td>11</td>
<td>(k) National Association of State Foresters</td>
<td>$-0-</td>
</tr>
<tr>
<td>12</td>
<td>(l) National Environmental Speech Contest</td>
<td>$-0-</td>
</tr>
<tr>
<td>13</td>
<td>(m) FA/TCP Matching</td>
<td>$34,500</td>
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<tr>
<td>14</td>
<td>(n) Matching for SPC Projects</td>
<td>$60,000</td>
</tr>
<tr>
<td>15</td>
<td>(o) Tourism activities, provided</td>
<td>$50,000</td>
</tr>
</tbody>
</table>

that, no funds shall be allotted until such time as the Tourism Unit has submitted a plan for the use of the funds to the Standing Committee on Resources and Development and received written approval of the plan from the Chairman of the Committee.
(4) Department of Health, Education and Social Affairs.

(a) UN Fund for Population Activity (UNFPA) ......................... 3,000
(b) South Pacific Regional Environmental Program (SPREP) ............. 7,375
(c) Aid to Non-Public Schools ........ 300,000
(d) Financial Assistance to FSM Students attending College of Marshalls and Palau Community College .......... 50,000
(e) World Health Organization (WHO) . 41,385
(f) National Board of Nursing ....... 10,000
(g) Pacific Islands Health Officers Association ......................... 20,000
(h) National Close-Up Local Program . 64,000
(i) FSM Amateur Sports Association .. 20,000
(j) College of Micronesia Board (COM) 5,000
(k) Association of Territorial Health Organization ....................... 2,000
(l) FSM Red Cross ......................... 70,000
(m) UNESCO ......................... 4,000

(n) Independent professional evaluations, including but not limited to the evaluation of the national student testing systems and a personnel audit of
the Chuuk State school system, provided that all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the Education Sector, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact .......

(o) Fuel, utilities, communication, equipment and contractual services for the Division of Education, provided that all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the Education Sector, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact .......

(p) $57,000 for Division of Health projects and programs, provided that, all funds appropriated herein shall be deemed to come from funds available under the amended Compact for the Health Sector, and provided that, these funds shall not be
allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact. The sum appropriated herein shall be apportioned as follows:

(i) Projected shortfalls in communications ......................... $2,000

(ii) Drugs and medical supplies for Mental Health & Substance Abuse Program 10,000

(iii) Contracting off-island visiting medical specialists .............. 28,000

(iv) TB & STD clinic supplies for the State governments ............... 3,000

(v) Travel for off-island visiting medical specialists .............. 14,000

(q) National Scholarship Fund, provided that, all funds appropriated herein shall be deemed to come from funds available from the Supplemental Education Grant (SEG) for fiscal year 2006, and provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the amended Compact ......... 141,777

(5) Department of Transportation,
<table>
<thead>
<tr>
<th></th>
<th>Communications and Infrastructure.</th>
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<tbody>
<tr>
<td>2</td>
<td>(a) Asia-Pacific Telecommunity (APT) $ 7,640</td>
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<tr>
<td>3</td>
<td>(b) International Telecommunications Union (ITU) ............................. 55,000</td>
</tr>
<tr>
<td>4</td>
<td>(c) International Civil Aviation Organization ................................. 28,050</td>
</tr>
<tr>
<td>5</td>
<td>(d) Micronesian Shipping Commission .......................... 10,000</td>
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<tr>
<td>6</td>
<td>(e) FSM Capital Energy/Utilities .... 300,000</td>
</tr>
<tr>
<td>7</td>
<td>(f) Marine and aviation skills updating .................................. 50,000</td>
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<tr>
<td>11</td>
<td>(6) Coconut Development Authority (CDA).</td>
</tr>
<tr>
<td>12</td>
<td>(a) Copra Subsidy ......................... 50,000</td>
</tr>
<tr>
<td>13</td>
<td>(b) Asia Pacific Coconut Community (APCC) ............................... 0</td>
</tr>
<tr>
<td>14</td>
<td>(c) Pilot Plant Project .............. 49,300</td>
</tr>
<tr>
<td>16</td>
<td>(7) Other Grants, Subsidies and Contributions.</td>
</tr>
<tr>
<td>17</td>
<td>(a) Kosrae Judiciary subsidy ......................... 30,000</td>
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<tr>
<td>19</td>
<td>(b) Pohnpei Judiciary subsidy ......................... 45,000</td>
</tr>
<tr>
<td>21</td>
<td>(c) Chuuk Judiciary subsidy ............ 45,000</td>
</tr>
<tr>
<td>22</td>
<td>(d) Yap Judiciary subsidy ............. 20,000</td>
</tr>
<tr>
<td>23</td>
<td>(e) COM Treaty Obligations ............ 25,000</td>
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<tr>
<td>24</td>
<td>(f) Micronesian Legal Services</td>
</tr>
<tr>
<td>25</td>
<td>Corporation .................................................. $ 150,000</td>
</tr>
</tbody>
</table>
(g) States Joint Law Enforcement,
provided that $25,000 shall go to Kosrae
State, $50,000 shall go to Pohnpei State,
$50,000 shall go to Chuuk State and $25,000
shall go to Yap State ..................... 150,000

(h) Tuna Commission Membership ...... 16,000

(i) Disaster Assistance Emergency
Fund (DAEF) Matching ....................... 200,000

(k) Maritime Boundary Delimitation .. 43,500

(l) Yap Judiciary subsidy to be used
solely to fund scholarships for citizens of
Yap who are studying law ................... 10,000

(m) Passport Revolving Fund ........... 233,607.62"

Section 6. Section 9 of Public Law No. 14-80 is hereby
amended to read as follows:

The sum of $8,555,333, or so much thereof as may be
necessary, is hereby appropriated from the General Fund
of the Federated States of Micronesia for the fiscal
year ending September 30, 2007, for the following
capital improvements, development programs and projects
and human resource development. The sum appropriated by
this section shall be apportioned as follows:

(1) College of Micronesia-FSM.

$6,272,833, or so much thereof as may be necessary, for
the operations, programs and projects of the College
during fiscal year 2007. The sum appropriated herein
shall be apportioned as follows:

(a) COM-FSM operations, PROVIDED THAT
all funds appropriated herein shall be deemed
to come from funds available under the amended
Compact for the Education Sector, provided
further that, $52,833 of these funds shall be
used only for fuel, utilities, communication,
equipment and contractual services, and
provided that, these funds shall not be
allotted or obligated until such time as
formal approval has been obtained in
accordance with the Amended Compact of Free
Association ...........................................$ 3,852,833

(b) Fisheries and Maritime Institute 650,000

(c) COM-FSM State Campus Facility

Improvement, PROVIDED THAT the sum
appropriated herein shall be deemed to come
from funds available under the
amended Compact for Infrastructure Development
Sector and, provided that, these funds shall
not be allotted or obligated until such time
as formal approval has been obtained in
accordance with the Amended Compact of Free
Association ........................................ $ 1,500,000

(d) COM-FSM Work Study Program,

PROVIDED THAT the General Fund shall be reimbursed for any expenditures under this subsection from Supplemental Education Grant (SEG) funds for fiscal year 2007 once these funds are made available .................... 270,000

(2) Department of Finance and Administration.

(a) National Staff Upgrading .......... 50,000

(b) Asian Development Bank MLFC Loan -0-

(3) Department of Economic Affairs.

(a) FSM Tourism Promotion .......... 100,000

(b) FSM Trade and FDI Project ...... 75,000

(c) Diversification of Energy ...... 125,000

(d) Crop Production Improvement .. 15,000

(4) Department of Transportation,

Communication and Infrastructure.

(a) Dry Docking of MS Voyager PROVIDED THAT of the amount appropriated herein $756,592 shall come from funds available under the amended Compact for Infrastructure Development Sector and, provided that, these funds shall not be allotted or obligated until such time as formal approval has been obtained in accordance with the Amended Compact of Free
<table>
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<tr>
<th></th>
<th>Association ........................................</th>
<th>$880,000</th>
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<tbody>
<tr>
<td>2</td>
<td>(b) Tuna Commission Headquarters</td>
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<tr>
<td>3</td>
<td>Supplement ........................................</td>
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<td>4</td>
<td>(5) Department of Justice.</td>
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<tr>
<td>5</td>
<td>(a) FSM Patrol Boat Slipping .....................</td>
<td>250,000</td>
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<tr>
<td>6</td>
<td>(b) Construction of 2 fuel tanks ....</td>
<td>-0-</td>
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<td>7</td>
<td>(6) FSM Postal Services.</td>
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<td>8</td>
<td>(a) Pohnpei Post Office renovation ..</td>
<td>50,000</td>
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<td>9</td>
<td>(7) Infrastructure Maintenance Fund (IMF).</td>
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<td>10</td>
<td>(a) IMF PROVIDED THAT $118,750 of the funds</td>
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<td>appropriated herein shall be deemed to</td>
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<td>come from funds available under the amended</td>
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<td>Compact for Infrastructure Development Sector</td>
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<td>and, provided that, these funds shall not be</td>
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<td>allotted or obligated until such time as</td>
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<td>formal approval has been obtained in</td>
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<td>accordance with the Amended Compact of Free</td>
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<td></td>
<td>Association........................................</td>
<td>237,500</td>
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<td>19</td>
<td>(8) FSM Development Bank.</td>
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<tr>
<td>20</td>
<td>(a) Escrow Account USDA Housing Program ..........</td>
<td>-0-</td>
</tr>
<tr>
<td>21</td>
<td>(9) FSM Trust Fund.</td>
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<tr>
<td>22</td>
<td>(a) FSM Trust Fund created under the</td>
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<td>Amended Compact of Free Association, provided</td>
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<td>that, 50% of any FY 2006 domestic revenue</td>
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<td>carryover shall also be deposited into the FSM</td>
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</table>
Section 7. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

December 12, 2006

/s/ Joseph J. Urusemal
Joseph J. Urusemal
President
Federated States of Micronesia