

STANDING COMMITTEE REPORT NO. 21-27

RE: C.R. 21-50/W&M

SUBJECT: NOMINATION OF MR. EUGENE AMOR TO SERVE AS
THE SECRETARY OF THE DEPARTMENT OF FINANCE
AND ADMINISTRATION.

SEPTEMBER 23, 2019

The Honorable Wesley W. Simina
Speaker, Twenty-First Congress
Federated States of Micronesia
Second Regular Session, 2019

Dear Mr. Speaker:

Your Committee on Ways and Means, to which was referred C.R.
No. 21-51, entitled:

"A RESOLUTION TO CONFIRM THE NOMINATION OF MR. EUGENE AMOR
TO SERVE AS THE SECRETARY OF THE DEPARTMENT OF FINANCE AND
ADMINISTRATION OF THE FEDERATED STATES OF MICRONESIA.",

begs leave to report as follows:

The intent and purpose of this resolution are expressed in its
title.

Mr. Eugene Amor has been nominated by the President of the Federated
States of Micronesia to be the Secretary of the Department of Finance
and Administration. Article X, section 2(d) of the Constitution of
the Federated States of Micronesia and title 2, section 207 of the
Code of the Federated States of Micronesia (Annotated), provides that
this nomination is subject to the advice and consent of the Congress
of the Federated States of Micronesia.

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EDUCATION AND PROFESSIONAL EXPERIENCE

Presidential Communication No. 21-91 accompanied C.R. No. 21-50 and included Mr. Amor's curriculum vitae. After graduating from Xavier High School in Weno, Chuuk, Mr. Amor attended the United States Naval Academy in Annapolis Maryland, graduating with a Bachelor of Science degree in Economics. Mr. Amor has completed additional graduate level courses in Public Policy, Microeconomics, and Program Management at the University of Pittsburgh, Pennsylvania. Your Committee finds Mr. Amor's impressive educational achievements relevant and suitable for the position of Secretary of the Department of Finance and Administration (Finance).

Mr. Amor is an experienced economist and has served in various prestigious roles at the FSM National Government and internationally. Mr. Amor's previous experience includes: Manager at the Tax Administration Division at FSM Social Security Administration; Program Manager for FSM, RMI, and Palau for the Government of the Commonwealth of Australia; Chief Economist at the FSM National Government Office of Statistics, Budget, Overseas Development and Compact Management; Assistance Secretary of Finance for Budget and Economic Management at the FSM National Government Department of Finance; and most recently Economic Advisor to the Executive Director from Asia Pacific Region at the International Monetary Fund. Your Committee finds Mr. Amor's notable professional experiences appropriate and fitting for the position to which he has been nominated.

Your Committee on Ways and Means has reviewed C.R. No. 21-50 and P.C. No. 21-91 and finds that Mr. Amor has outstanding credentials, which qualify him for this appointment.

PUBLIC HEARING

Your Committee held a public hearing on the nomination of Mr. Amor on September 18, 2019. Witnesses at the hearing included the nominee, Mr. Eugene Amor; Chief of Staff to the President; Assistant Secretary at FSM Treasury; Assistant Secretary of the

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Division of Budget and Economic Management; and former Secretary of the Department of Finance, Ms. Sihna Lawrence. Also present at the hearing were numerous additional employees of the Department of Finance.

Chairman Figir welcomed the attendees and opened the meeting by turning the floor over to Mr. Amor for opening remarks. Mr. Amor expressed his appreciation to the President for the nomination and also to the Chairman for holding a hearing so soon after receiving the nomination. Mr. Amor described the position of Secretary of Finance and Administration as a prestigious and professional opportunity, one that will provide challenges, noting the important work ahead for the Nation, particularly in the next four years, and also a position with a lot of opportunity ahead.

Chairman Figir then opened the floor for additional testimony from attendees at the hearing. Former Secretary Lawrence indicated that she felt the nominee had the right criteria for the position, noting his intelligence and education, and also in particular the nominee's traits of honesty, loyalty, respect, and patience, all of which are integral for the Secretary position. Former Secretary also spoke of the nominee's experience and ability to work with international organizations such as the International Monetary Fund and World Bank, and how that experience will serve the Department well if the nominee is confirmed. In closing, the former Secretary stated that the nominee had her full support.

The Assistant Secretary of the Division of Budget and Economic Management testified next and offered words of support for the nominee, specifically that the nominee's experience and confirmation would elevate the Nation, and asked the members of your Committee to consider the nominee.

The Chief of Staff then testified to the Executive's enthusiastic recommendation of the nominee, noting the nominee's record of impressive accomplishments, and the nominee's

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increasing job responsibilities over time due to exemplary performance. Finally the Chief of Staff expressed that the President has utmost confidence in the nominee's ability to lead, interact, and engage at all levels of government and internationally.

Next the Assistant Secretary of FSM Treasury read a letter of support from the staff at the Department of Finance. The letter stated that the nominee has the full support of the Department, noting in particular the nominee's technical and leadership skills, professional accomplishments, and his demonstrated willingness to serve the FSM.

Chairmen Figir then opened the floor to Members of your Committee for questions. The Department of Justice, in response to questions about the nominee's record, explained that the Department had completed a background check on the nominee and the nominee has no criminal record.

The nominee was then asked how he would handle a situation where he was pressured to break the law. The nominee spoke of the steps he would take if faced with this situation, his loyalty to and respect of the laws and regulations in place, his responsibility to following the law, and ultimately that he would be willing to submit his resignation before breaking the law under pressure.

In response to questions from Members, the nominee then addressed the issue of processing payments for employees under contract; specifically that these payments are not being made on time. The nominee indicated it was the first he was learning of this issue, that the process for using the payments may need to be improved, and that the Department must process payments according to the contracts and appreciate that employees need to be able to rely on a stable payment schedule to support their families.

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In response to questions regarding how to improve and expedite the processing of PCDs, the nominee indicated that the Department should look into how to improve the PCD process, and that it can be amended without sacrificing the appropriate safeguards concerning public funds.

In response to questions regarding the nominee's familiarity with the Tax Reform legislation that has recently been reintroduced, the nominee replied that he has not yet had a chance to review the current proposed legislation, but that he will be happy to work with Congress on Tax Reform, noting that long-term there is a need to increase revenues, while mindful that it would be disadvantageous to overtax an economy that is not growing.

In response to questions regarding recent changes in certain regulatory interpretations, the nominee indicated that he would rely on key advisors to assist with regulatory interpretations, and that he understands the Department is currently waiting for a legal opinion from the Department of Justice. The nominee indicated that if confirmed he would be willing to work on clarifying certain regulations.

Finally, in response to questions about the overall fiscal accountability of the FSM Government, the nominee indicated that he does see room for improvement, particularly in the quality of spending, prioritizing what the country invests in, and that projects should generate results.

Chairman Figir concluded the meeting, and asked the nominee to follow-up on some of the issues raised at the hearing if confirmed.

CONCLUSION

Upon review of the nominee, his qualifications, and the testimony at the public hearing, your Committee is satisfied that the nominee is fit for service as the Secretary of Finance

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and Administration for the Federated States of Micronesia.
Therefore, your Committee on Ways and Means recommends Mr.
Eugene Amor be confirmed to serve as the Secretary of Finance
and Administration for the Federated States of Micronesia.

Your Committee on Ways and Means is in accord with the intent
and purpose of C.R. No. 21-50, and recommends its adoption.

Respectfully submitted,

/s/ Isaac V. Figir
Isaac V. Figir, chairman

/s/ Dion G. Neth
Dion G. Neth, member

/s/ Victor V. Gouland
Victor V. Gouland, member

/s/ Robson U. Romolow
Robson U. Romolow, member

/s/ Ferny S. Perman
Ferny S. Perman, member

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

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