

Governor's Mess.
No. 13-102
COW

GOVERNMENT OF KOSRAE
Office of the Governor
Kosrae State
Post Office Box 158
Tofol, Kosrae FM 96944
Telephone (691) 370-3002/3003/3009

October 27, 2023

The Honorable Semeon J. Phillip
Speaker
13th Kosrae State Legislature
Kosrae FM 96944

Re: Veto Message-LB No. 13-37

Dear Speaker Phillip,

I wish to extend my compliments and warm greetings to you and the members of the 13th Kosrae State Legislature. I regret to return the following bill, which I vetoed for the reasons stated in this transmittal.

Legislative Bill No. 13-37, L.D.2, entitled "A BILL FOR AN ACT TO AMEND SECTION 18.60[4] OF TITLE 18 OF THE KOSRAE STATE CODE BY MODIFYING THE SALARY SCHEDULE OF KOSRAE STATE GOVERNMENT PUBLIC SERVICE EMPLOYEES TO INCLUDE A FORTY-FIVE PERCENT (45%) SALARY INCREASE TO ITS AMOUNT AND TO AWARD THE SAME TO ALL OTHER STATE GOVERNMENT EMPLOYEES; AND FOR OTHER PURPOSES"

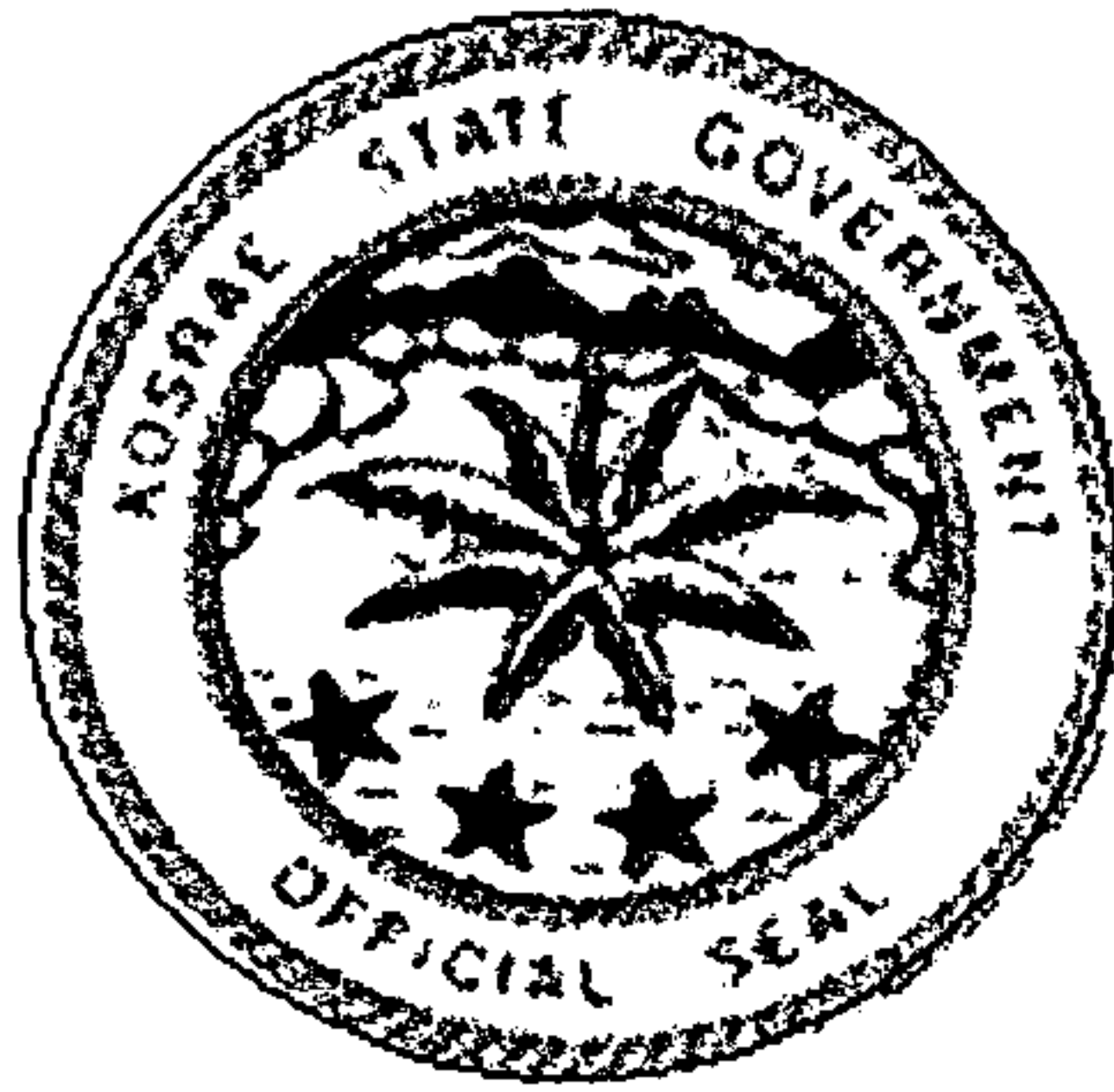
While my administration shared your vision for an improved and competitive salary schedule for our government, I am compelled to veto this bill because I am not certain at this time that I will be able to implement it comes January 1, 2024. I have no assurance that the required funds will be available by then. I must believe that this bill is passed on the basis of revenue increases that will derive from both the 2023 Amended Compact and our share of the fishing fees.

Mr. Speaker, you are keenly aware that the 2023 Amended Compact has yet to be approved by the US Congress and with the current situation in the US Congress it is difficult to predict now that approval will happen before January 2024, let alone US funding assistance beyond November 17th. Following approval of the amended compact by the US Congress, we still need to secure approval of JEMCO of our budget proposal reflecting the salary increases called for in this bill. We will deal with a reconstituted JEMCO and its requirements may change from what we are accustomed to. That process may take more time than we anticipate.

With respect to the anticipated increases in our domestic revenue sources, the EEZ fishing revenues in particular, again we are uncertain at this time as to the exact time frame this new revenue will be received by our treasury. The latest information we have from the national

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"WORKING TOGETHER FOR THE WELLBEING OF OUR PEOPLE AND KOSRAE"



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government is that they are awaiting passage of the enabling act that will govern the movement of this revenue to the states. Enclosed, please find Presidential Communication No. 23-152 to Speaker Moses, transmitting a proposed bill for this specific purpose.

Without the availability of the above-mentioned funding sources, it would be difficult to implement the required salary increases without disruption to some of the equally essential and core services our government provides. I wish to assure you and members that my office will continue to work with you and other key stakeholders to develop a compensation plan that addresses the deficiency in our current system and within our capability to execute.

I strongly urge that we continue our work on this important matter and therefore I recommend that we revisit this matter in due course once more information regarding our revenue sources become available. Should you and members need additional information, please do let me know.

Sincerely,

Tulensa W. Palik
Governor

CC: Chief Justice
Lt. Governor
Department/Agency Heads

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BY: KSL / kkr
@ 10:19 am



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SEP 30 2023

FSM Congress
Speakers Office

PRESIDENTIAL COMM. NO. 23-52
FSM CONGRESS

September 29, 2023

The Honorable Esmond B. Moses
Speaker
23rd FSM Congress
Federated States of Micronesia
Palikir, Pohnpei FM 96941

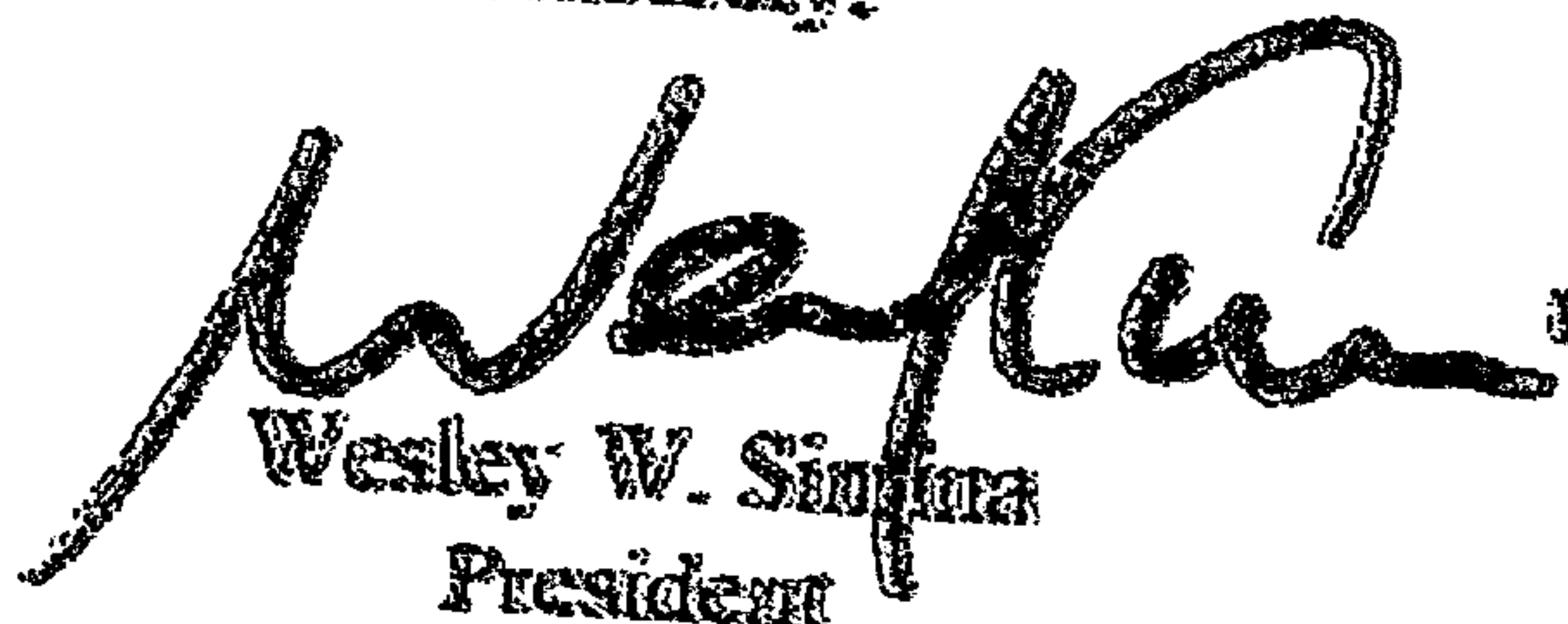
Dear Speaker Moses,

I am pleased to transmit the enclosed bill regarding the recently adopted constitutional amendment on the sharing of fishing fees with the State Governments. This bill allows for the distribution of fishing fee, which refers to all revenue collected from the sale of license to fish in the exclusive economic zone, including the sale of fishing days under the Vessel Day Scheme, irrespective of the type of fishing vessel, manner of payment of fees and the method of calculation used in determining the amount of fishing fees.

The timing of the distribution is within 10 days from the close of each quarter.

Given the urgency of this bill and the mounting pressure by the States for the release of their share of revenue, I would recommend that this bill be prioritized for passage. Thank you.

Sincerely,


Wesley W. Sinjira
President

TWENTY-THIRD CONGRESS OF THE FEDERATED STATES OF MICRONESIA

SECOND REGULAR SESSION, 2023

C.B. NO. _____

A BILL FOR AN ACT

To give effect to the constitutional amendment on the sharing of fishing fees to the States by amending for this purpose title 54 of the Code of the Federated States of Micronesia (Annotated) by inserting section 806 under chapter 8 of title 54 of the code, define fishing fees, clarify the distribution of fishing fees collected by the National Government to the State treasuries, and for other purposes.

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

1 Section 1. Title 54 of the Code of the Federated States of
2 Micronesia (Annotated) is hereby amended by inserting new
3 section 806 under chapter 6 thereof to read as follows:

4 "Section 806. Distribution of fishing fees.

5 Pursuant to Article IX Section 2(m) of the Constitution of
6 the Federated States of Micronesia, fifty percent of
7 revenue received from fishing fees shall be distributed to
8 State treasuries. Distribution shall be effected within 10
9 business days following the close of each quarter.

10 (a) For the purpose of this section the term "fishing fee"
11 refers to revenue collected by the Department of
12 Finance and Administration from the sale by the
13 National Oceanic Resource Management Authority (NORMA)
14 of license to fish in the exclusive economic zone,
15 including the sale of fishing days under the Vessel
16 Day Scheme, irrespective of the type of fishing
17 vessel, manner of payment of fees and the method of

1 calculation used in determining the amount of fishing
2 fees."

3 (b) The fishing fee shall be distributed according to the
4 following rules:

5 (1) 70% of the fishing fees shall be distributed
6 according to the 2010 Census until such time that a
7 new census is completed. For this purpose, the
8 Department of Resources and Development shall
9 provide update of census to the Department of
10 Finance and Administration every time a new census
11 result is available; and

12 (2) 30% of the fishing fees shall be distributed
13 equally among the States.

14 (c) The Secretary of Finance and Administration may issue
15 appropriate regulation to implement this section."

16 Section 2. This act shall become law upon approval by the
17 President of the Federated States of Micronesia or upon its
18 becoming law without such approval.

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20 Date: _____

Quincy Lawrence
Floor Leader
(by request)

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