

The KASELEHLIE PRESS

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Pohnpei hosts mid-year meeting of JEMCO

By Bill Jaynes
The Kaselehlie Press

March 23, 2012

Pohnpei, FSM—JEMCO committee members met in the Pohnpei State governor's conference room on March 23 for their mid-year meeting.

JEMCO is the Joint Economic Management Committee that oversees management issues of the Compact of the Free Association between the FSM and the United States of America. Its membership consists of three appointed representatives from the U.S. and two representatives from the FSM.

U.S. Representatives are Nikolao Pula who serves as the chairperson, Christopher Malut, and William Gallo. FSM representatives were Secretary

of the Department of Foreign Affairs, Lorin Robert and the Director of SBOC, Evelyn Adolph.

When FSM President Mori informed Congress of the upcoming meeting in a written communication he made it clear that the meeting was not open to the public but that Senators who wanted to attend could coordinate their attendance through the office of SBOC (the "short" title for that office is the "Office of Statistics, Budget, and Overseas Coordination.")

According to a U.S. Embassy source there were a total of 85 approved observers and participants at the meeting. No members of the press were amongst the approved observers at the meeting and no invitation was extended to allow for that type of participation. JEMCO did allow for a press conference immediately following the closure of the meeting. Press representatives in attendance at that press conference were Mr. Dave Arthurs of Baptist Radio, and Bill Jaynes of The Kaselehlie Press.

JEMCO voted to approve seven resolutions during the mid-year meeting. One proposed resolution that Mr. Pula said was voted down by the majority membership was a resolution to reinstate funding to the College of Micronesia - FSM.

When asked where that money would go Pula said that it is the choice of the FSM Government. "JEMCO has a preference that the FSM government should come up with its own plans" to improve primary and secondary education. He said that the US delegation was "not anti-COM" but that members think that the College of Micronesia has more access to alternative sources of funding than do FSM's primary and secondary schools. As example he pointed out that COM could "capture" more of the money that Pell Grants offer.

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PUC mulls CFC generators as stop gap power solution

By Bill Jaynes
The Kaselehlie Press

March 29, 2012

Pohnpei, FSM—In a surprise move, Caroline Fisheries Corporation (CFC) ordered two high speed generators with capacities of 1.2 megawatts (1200 kilowatts) each. Apparently at least one of those generators is currently at the dock awaiting payment of import taxes.

Nixon Anson, Pohnpei Utilities Corporation's (PUC) Acting General Manager initially said during a telephone interview that the generators were a gift-in-kind from CFC. After thinking on that statement over night

See "PUC" on page 4



JEMCO Members Christopher Marut, Secretary Lorin Robert, Nikolao Pula Evelyn Adolph, and William Gallo



Contracted Japanese engineer, Ishizaki-san and Chinese engineer Xu Tao working together with the local PUC engineers on successful overhaul of No.9 generator.

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Red Cross prepares in Micronesia

Micronesia Red Cross Society

24 February 2012, Pohnpei: The Micronesia Red Cross Society (MRCS), The Australian Red Cross (ARC) and The French Red Cross (Croix Rouge Française) recently conducted training in "Basic Logistics in the Humanitarian Sector" at the Cliff Rainbow Hotel, Pohnpei. The training was financed and supported by the European Commission, the Australian Government and the International Federation of Red Cross and Red Crescent Societies (IFRC). The purpose of the training was to improve logistics preparedness as a key component of disaster reduction efforts in Micronesia.

In his opening remarks at the first day of training, the Chairman of the MRCS Board of Directors, Mr. Diaz Joseph, stated that "This training is very important for MRCS so that we can be better prepared in the event of disaster and continue 'saving lives' and 'changing minds' ". These points were further emphasized by the Australian Red Cross delegate, Mr. Grant Kelly, who highlighted that "During emergencies, the need to respond efficiently and quickly is crucial. A well coordinated logistics operation is, therefore, very important in disaster response". Ms. Diane Michard, volunteer from the French Red Cross also pointed out that the training program added a sense of realism by using field activities set in Micronesia.

The five day training event was attended by MRCS staff and volunteers from the Pohnpei Headquarters, Yap Chapter, Chuuk Chapter and Kosrae Chapter, together with other participants consisting of a representative from Pohnpei Department of Public Safety, Government officials and a representative from the International Organization for Migration (IOM). With an emphasis on logistics preparedness to cover the initial needs following a disaster, the training focused on ensuring that the requested relief items for victims of a disaster are immediately available and delivered at the places and times they are needed, as well as ensuring best value for money. The training also provided an overview of other important topics related to logistics preparedness including logistics assessment, inventory and stock movement reporting.

A key activity during the week was the inspection and refurbishment of stocks of relief items held by the MRCS in storage containers in Pohnpei for distribution to families affected by a disaster. These relief items include kitchen sets, basic shelter materials, hygiene materials and water containers. Similar stocks are held in storage containers in each of the Local Chapters for use in an emergency.

National plans of action were developed by the participants on the final day of the training and these provide concrete

goals and actions for furthering the role of MRCS in preparing and responding to a disaster. Some of the plans of action laid the groundwork for future action plans to be implemented by the Local Chapters. The training also provided a good opportunity to encourage MRCS to work with the Government and other humanitarian agencies in developing Memorandum of Understandings (MoUs) pertaining to logistics preparedness.

The effectiveness of the training was summed up by Mr Wayner Louis, Disaster Management Officer for the MRCS who said, "I feel that we are much better prepared to deal with a disaster and to perform the full range of logistics activities required to help the people of Micronesia."



FSM puts in place "Trafficking in Person" legislation

FSM Information Services

March 23, 2012

On March 16, President Manny Mori approved Congressional Act number 17-37, designating it to become Public Law number 17-38, amending Title 11 of the Code of the Federated States of Micronesia (FSM) to define certain crimes relating to "trafficking in persons" and prescribe penalties for violations.

In his letter to Speaker Isaac V. Figir, President Mori stressed the importance of the passage of the legislation, saying that it is "an important first step in implementing some of the obligations that FSM assumed by accession to the Palermo Convention and the United Nations Optional Protocol to Prevent, Suppress and Punish Trafficking in Person".

The FSM President submitted to Congress a proposed bill entitled "Trafficking in

Person Act of 2011" on August 30, 2011 after the August 5 adoption of Resolution 17-15 – a resolution to adopt the UN Protocol to Prevent, Suppress, and Punish Trafficking in Person (TIP).

After the submission of a proposed TIP legislation, Congress took some time to carefully review the measure as it was a "first impression in the FSM", requiring broad multilateral review, interaction and support. What eventually completed after seven months in Congressional Act 17-37 was a creation of Congress, with input from the International Organization for Migration (IOM). The Act was an improvement on what was initially proposed by the Department of Justice as it incorporates a specific section in the law that defines an additional offense of "aggravated human trafficking", which carries a penalty of not more than 30 years of imprisonment and/or a fine of not less than \$5,000 but not more than \$25,000. Additionally, the legislation directs the Department of Justice to establish guidelines and procedures for providing assistance and protection to trafficking victims and witnesses in the FSM, and defines the rights for trafficking victims, including immunity from criminal prosecution for acts of human trafficking.

The offenses that are specifically defined in the legislation along with penalties are human smuggling, aggravated human smuggling, human trafficking, trafficking in children, aggravated human trafficking, exploiting a trafficked person and offenses relating to fraudulent travel or identity documents. Moreover, the legislation obligates commercial carriers servicing the FSM to carefully ascertain that passengers possess necessary travel documents and provides a \$1000 penalty fee per passenger, with the possibility of outright cancellation of authority to operate in the FSM for repeated non-compliance.

According to the Department of Justice, TIP offenders will face specific penalties as now clearly indicated and defined in the law. However, further study is necessary in order for the department to develop appropriate guidelines in support of "victims and witnesses" of human trafficking as mandated in the new legislation.

The Kaselehlie Press

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Bill Jaynes
Managing Editor

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Youth Camps in the Mortlocks

Embassy of the United States of America Kolonia

The Chuuk State Field Office of US Peace Corps Micronesia is proud to announce that, in cooperation with the Australian Embassy, two summer camps will take place in the Mortlocks region of Chuuk State this summer. "Camp Boys to Men" will take place June 18th - 22nd on Moch Island, and "Camp Fapul" ("Young Women's Camp") will take place June 18th - 22nd on Piafou, a small island near Lekinioch. The camps will focus on issues and challenges facing young men and women in the Mortlocks.

The idea for holding a summer camp in the Mortlocks started in 2010 with three Peace Corps Volunteers (PCV), Alex Plum (Moch Island), Dan Lebednik (Kuttu Island), and Trevor Ramsey-Macomber (Ta Island). As teachers and community development workers in the Mortlocks, they witnessed alarming behavior among the young male population: rampant tobacco usage, high dropout rates, and unsafe sexual practices. Working in cooperation with positive adult male role-models in the Mortlocks, the PCVs organized and facilitated "Camp Boys to Men: Mortlocks Style," a four-day summer camp for 8th grade boys in the Mortlocks. The purpose of the camp was to give a culturally sensitive, yet honest and direct presentation of the issues facing these young men.

"Our goal, in the short-run, was to see a greater awareness, on the part of young men, of their roles and responsibilities as they grow up. What would a tobacco-free Micronesia look like? What does a healthy relationship look like today, while still respecting Chuukese tradition? Why is high school so important to attend? Over the long-run, we aim to build capacity among Mortlockese leaders to sustain this camp for future generations," said Plum.

With the success of the inaugural camp, it was replicated the following year and expanded to include more islands, more campers, and more camp counselors. Inspired by the successes of these two camps, PCV Farrah Stern (Lekinioch Island) began meeting with local women to discuss the possibility of holding a girls camp addressing issues specific to young women in the Mortlocks.

"I was amazed with the response of the women. Not only were they excited about holding a camp for girls, but they were willing to put in a lot of time and effort to make it happen," said Stern, who authored the grant application for Camp Fapul. PCV Ben Perdue (Satowan Island) echoed these sentiments about planning for the boys' camp. "Camp Boys to Men has become a staple in the Mortlocks. Students, parents, and island leaders constantly ask me about camp and how they can be involved."

This is an example of combined funding support between the USA and the Australian governments. The Direct Aid Program of the Australian Embassy has funded Camp Boys to Men from its inception and will fund both the boys' camp and the girls' camp in 2012. "The Australian Embassy has been monumental in their assistance to the people of the Mortlocks. They have consistently supported positive youth development, and the people of the Mortlocks are exceptionally grateful," said Perdue. US Peace Corps Volunteers in Micronesia, funded wholly by the USA, provide educational services to youth and schools throughout Micronesia.

Unutilized dialysis machines in Chuuk State being reconsidered

FSM Information Services

March 27, 2012

More than a year ago, the Government of Israel donated two dialysis machines to Chuuk Hospital to help with kidney related problems in the State of Chuuk. The machines could not be utilized upon their arrival as there were outstanding logistical difficulties and other challenges that prevented immediate installation.

In a March 6 letter from President Manny Mori to Governor Johnson Elimo, the President informed the Governor of his intention to recall the machines from Chuuk State if they remained uninstalled and not being used by the next three months.

The President is concerned that while other parts of the nation desperately need such equipment, the two machines have been unutilized and remained idle at the Chuuk Hospital for a long time. This kind of situation, according to the President, creates negative implications on FSM's sincerity and ability to utilize the much needed assistance from donors and partners, such as Israel.

By the letter, the President invited the Chuuk State Department of Health Services to also provide information on the status of the dialysis machines and the hospital's readiness to fully make use of them in the next three months.

The President's Office has not received any response from neither the Chuuk State Department of Health Services nor the Governor's Office as of March 26.



KAMAGAR!



KINISOU CHAPUR!



KALAHNGAN!



KULO MA LULAP!



Founder Frank Lyon mapping the Trust Territories in 1975...

Mahalo!

LY★N

...for the privilege of "Improving Island Life" since 1961...



Australian Development Leadership Awards Scholarships

Scholarship opportunities for current and future leaders for Intake 2013

The 2013 intake of Australian Leadership Awards (ALA) Scholarships is now open. The Australian Agency for International Development (AusAID) is pleased to invite applications for study at **Masters and PhD** levels in Australia.

The overarching goals of Australia's Development Awards are: to develop capacity and leadership skills so that individuals can contribute to development in their home country and to build people-to-people linkages at the individual, institutional and country levels.

ALA Scholarships are academically prestigious awards, offered to high achievers with the potential to assume leadership roles that can influence social and economic policy reform, development and governance in their home countries and region. The purpose of ALA scholarships is to develop leadership in the Asia Pacific region.

Priority areas for programs of study are:

disability, economic growth, education, health, environment, climate change, food security, gender, governance, human rights, energy, rural development and water & sanitation.

Note: To ensure equity and broad participation, AusAID encourages women, people with disability, ethnic minorities, people living in rural areas and members of socio-economically disadvantaged groups to apply.

Applications for the commencement of the 2013 academic year open on 1 Feb 2012 and will close on 30 April 2012.

Applicants must:

- Be a citizen of the Federated States of Micronesia, Republic of Marshall Islands or Republic of Palau.
- Have a record of high-level undergraduate or post-graduate academic achievement;
- If required by the university, have an IELTS score of 6.5 or above (with no individual band less than 6) – or the equivalent level of TOEFL - with the results no longer than two years by 25th August 2012.
- Not have held a foreign scholarship in the 24 months prior to application.
- Return to their country of origin for at least two years immediately upon completion of the scholarship.

Please email your request for a copy of the application form through: phpi.mail@dfat.gov.au
Please refer to the ALA Scholarships Handbook on the website below for **online application instructions**.

For detailed information on ALA Scholarships please visit: <http://www.usaid.gov.au/scholar/ala.cfm>

Local contact: Leah Briones, AusAID Senior Program Manager, Australian Embassy, Kolonia, Pohnpei. FSM Phone (691) 320 5448.

...PUC

Continued from front page

he called back in the morning and revised his earlier statement saying that CFC is asking for PUC to share in the cost of the generators. He said that PUC is in the process of creating a written agreement and are negotiating with CFC for the use of the generators. The PUC board has not yet come to a decision regarding the generators. They seem to want to be certain that whatever strings are attached to the "gift" of the skid mounted generators are completely visible and well defined in order to avoid any potential entanglements.

In the absence of the CFC Chief Executive Officer who at press time was attending the meetings of the Western and Central Pacific Fisheries Commission taking place in Guam, CFC office staff members were unable to comment at all about the generators nor about the motivation for providing them.

The generators, whether they are donated or whether some other arrangement is reached couldn't have come at a better time assuming that CFC and PUC are able to come to terms.

PUC announced in mid January that they would be forced to ration power for three weeks while engineers rebuilt the #9 generator. They later revised their projected completion date to the first week of March while Pohnpei residents patiently waited. As projected, PUC completed the rebuild of the generator by the end of the first full week of March. They had earlier implied, although they did not explicitly say so, that power rationing would end then but that has not been the case.

An engineer at the PUC power plant explained the normal power plant operating principles far better than did the General Manager or the Acting General Manager. He told us when we called to question the power generation numbers PUC provided, that each of the three remaining Daihatsu's need to provide 1500 kilowatts of power in order to supply day time power needs in Pohnpei; a total of 4500 kilowatts. Night time power demand can reach as high as 1700 kilowatts per generator for a total of 5100 kilowatts. He said that night time power demand usually averages approximately 1600 kilowatts per generator for a total of 4800 kilowatts.

If one of the three Daihatsu generators has to be shut down for any reason, and there are plenty of reasons to have to do so, the remaining 600 kilowatt Caterpillar generator is not capable of providing enough power to take up the slack and power has to shut down for at least a portion of Pohnpei.

If PUC is able to put the CFC generators to use they will provide more than sufficient backup power while PUC attempts to raise enough money to purchase parts for the other two Daihatsu generators, one of which, the #7 generator is in such bad

condition that it could blow up at any time. If that happens before backup generators are put in place, PUC will be forced to shed power (ration power) until they can raise the funds to repair it, assuming that "blowing up" doesn't mean another crankshaft bent beyond repair, which is what happened to the now completely unusable #10 generator.

That #10 generator was likely a victim of having been too hard or for too long in an overheated condition. It was relegated to "parts horse" status late last year when consultants determined that the bent crankshaft was too far gone for repair.

PUC engineers constantly watch the three remaining "workhorse" generators and if the temperature increases too much they are forced to shut the heated generator down which means that 1500 to 1700 kilowatts of power generation capacity simply disappears. PUC needs all three Daihatsu generators because no combination of remaining generators can provide enough juice to supply Pohnpei's power requirements.

The Japan International Cooperative Agency (JICA) was the main funder for the rebuild of the #9 generator. The rebuild will provide at least another 10 years of life for the generator.

According to a JICA press release, JICA and PUC together paid \$1.25 million for the rebuild. It said that after generator repairs were completed, PUC hired the Japanese Daihatsu engineer, Mr. H. Ishizaki and a Chinese engineer, Mr Xu Su Tao who works for Mr. Ishizaki's company which is now based in China, to plan for and to facilitate the removal of the "cylinder jacket" from the irreparable #10 generator for later use on the #7 generator.

The cylinder jacket is an unwieldy three ton assembly that surrounds the cylinders. The cylinder jacket on the #7 generator cracked and was temporarily repaired by welding, something that could fail at any time. A cracked cylinder jacket would allow an exchange of coolant and oil which would cause lubrication inefficiencies sufficient to overheat the engine much like a broken head gasket would do on a car.

Before the salvaged #10 cylinder jacket can be put to use on the #7 generator, PUC needs to buy approximately one million dollars worth of parts for that generator alone. But the #8 generator which is not yet in desperate condition because it does not have a cracked cylinder jacket also needs a million dollars worth of parts before it can be rebuilt.

On top of the \$2 million in parts before labor costs, all three of the Daihatsu generators need new radiators. Though the concept is similar in many ways, these are not radiators like one would find in the family car. Anson said that new radiators would cost approximately \$130,000 each. JICA Resident Representative Naoyoshi Sasaki provided a different estimate saying that the radiators would cost 1.5 million yen. At the exchange rate of two days ago that amount worked out to \$182,926USD.

If the current radiators were completely non-functional then there would be no power generation at all but they have not yet reached that stage and are still providing some cooling capacity; just not nearly enough. That lack of cooling capacity is a big reason why generators have to be shut down.

Anson said that new radiators would increase the efficiency of each of the generators so that they could each generate as much as 300 kilowatt hours each.

Sasaki said that the current generators that supply a similar capacity to the ailing generators at the PUC power plant would require infrastructure changes at the power plant including new foundation beds for the generators and a higher ceiling. Because of the all of the changes that would need to be made the cost for a new generator would be approximately \$6.25 million. He also said that it would take a long time between the logistics of landing a new generator in Pohnpei and the facilitation of infrastructure changes at the plant.

Meanwhile, FSMPC and PUC have been in tightly guarded negotiations over another possible solution to the Pohnpei power crisis. The Kaselehlie Press has been pursuing information on those negotiations for several weeks but has been met by stone walls on all sides.

V6AK Radio Broadcast Station about to restore normal operation arrangements

FSM Information Services

March 23, 2012

For over three years, Chuuk State's V6AK Radio Broadcast Station has been ineffective in keeping to its 18 hours of daily broadcast tradition as a result of problematic electrical system at its facilities.

Mr. Angelino Rosokow, Chief of the Division of Public Affairs that regulates the radio station, explained that the problem stems from the power line that hooks the station to the "island power" as a result of erratic power distribution to the expanding residential area where a few government offices are also placed. Yet, as the State Government faced an acute financial crisis that paralleled the period the radio station broke down, the much needed repair had to be delayed indefinitely.

According to Mr. Rosokow, the radio station has resorted to operating for only four hours a day the past few years and switched from using "the island power" to using a "back up power generator" to avoid a complete shut-down and further damage to the station's broadcast system.

Many in Chuuk have also said that using a generator to run the station is simply unsustainable and that the station has had times when it could not operate due to unavailability of fuel provision or spare parts for the generator.

However, Mr. Rosokow was keen on pointing out that the situation is going to be resolved in the very near future as Chuuk State has been granted funds from its Infrastructure Maintenance Fund (IMF) portion of Compact grants to procure power regulator equipments and needed accessories for the radio transmitter and to secure a professional contractor to assist V6AK Station in fixing the problems. This restoration project, which has already started, would enable the station to reconnect to the island power after corrective measures are fully in place, affording the station a steady power source in the long run and with preventive capacity to compensate against electrical fluctuations.

Mr. Eliseus Akapito, Chief of the Office of Planning, said that the V6AK repair project is one of three current "maintenance" projects for Chuuk State with funds from the State's share of the IMF. The other two projects are the Mwaan Elementary School on Weno Island and the Southern Namoneas High School on Fefen Island. Other school maintenance projects from the same funding source are in the pipeline according to Mr. Akapito.

Chuuk State has contracted the Maui based T&T Towers Company for the V6AK restoration project according to the Office of Planning.

First FSM/US Preliminary Joint Budget Consultations held in Pohnpei

FSM Information Services

March 23, 2012

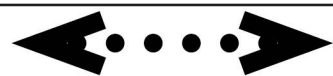
Officials from the US Department of Interior's Office of Insular Affairs and five governments of the FSM recently met in Pohnpei for Amended Compact Preliminary Joint Budget Consultations. Under the terms of the Amended Compact, Annual Budget Consultations between the US and FSM are meant to ascertain consistency with the funding requirements of the Amended Compact as well as the appropriateness of performance objectives and the adequacy of expenditures in achieving stated purposes. Since early years of the Amended Compact, budget consultations have typically occurred in late May to early June, utilizing draft implementation plans and proposed budgets, prior to finalized versions being consolidated by the FSM National Government and submitted to OIA by the required deadline of July 1st. In the three most recent budget development cycles, suggestions were made to SBOC's Division of Compact Management to hold advanced consultations, prior to Executive Budget Review Committee hearing sessions and budgets being finalized for submission to Congress and the four respective State Legislatures.

This year, to better assist with Compact budget formulation, particularly on those issues that have been directed by JEMCO, the Offices of SBOC and Insular Affairs

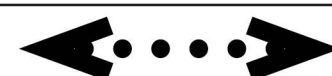
scheduled the first ever preliminary joint budget consultations from February 13-15, 2012, followed by an FSM internal Budget Meeting on February 16th. In a Presidential letter to the four FSM State Governors inviting their respective State Budget Officer, Directors of Health and Education and other key representatives relevant to Compact budgeting, the purpose of the preliminary consultations was noted as being primarily focused on guidelines, utilization and implementation of the seven Compact Sector grants.

Among the issues discussed were effects of cuts made by JEMCO to Scholarships and the College of Micronesia-FSM's operational budget. Other priority concerns addressed ranged from infrastructure development and the FSM's allocation distribution formula, to Compact Impact and the FSM's undesirable tier 3 standing on the US Trafficking in Persons Report. The PJBC was also meant as a precursor to the upcoming Midyear JEMCO Meeting, scheduled for March 23, 2012 in Pohnpei.

For more information about the Preliminary Joint Budget Consultations, please contact the Division of Compact Management at the Office of Statistics, Budget and Economic Management, Overseas Development Assistance & Compact Management (SBOC) at (691) 320-6260 or email slowe@sboc.fm.



NEW UTILITY TARIFF



The Pohnpei Utilities Corporation (PUC) since the inception of the tariff structure back in 1996 has faced with the challenging task of tariff adjustment due to its unpopularity. The PUC has been operating at a financial loss for a number of years and does not generate sufficient cash flow to adequately cover the up-keeping routine maintenance and asset replacement requirements such as regular overhauls of diesel generators, water supply system (treatment plants, storage tanks and distribution networks) and the wastewater system components.

To support level of investment in the utility services and to maintain existing assets, PUC's management has engaged several independent consulting firms (Ridgeway Capital Project, JICA and an ADB Consultant) for a cost recovery analysis schemes to enable PUC full cost recovery in providing the three (3) utility services as mandated. It was concluded that the economical solution to deal with the situation in maintaining stability and sustainability of the utility services are on the basis of the economic analysis as follows:

1. The base electricity tariff rate is to be increased by 4 cents per kWh (c/kWh) to a total of 14 c/kWh;
2. The water tariff is to be increased by 57 cents per 1,000 gallons to a total of \$2.37 /1,000 gallons; and
3. A new tariff is to be introduced for sewer services at a rate of \$2.73 / 1,000 gallons.

The PUC Management has recommended Power Tariff increase of \$0.04 cents be added to the existing PUC Power Tariff. The table below reflects the Power Tariff Structure and Customer Type.

Customer Type	Usage	Current Tariff	New Tariff
Residential Power Service:	Minimum Charge	\$4.00	\$4.00
	All Usage	\$0.10 + Fuel Cost per kWh	\$0.14 + Fuel Cost per kWh
Small General	Minimum Charge	\$4.00	\$4.00
	All Usage	\$0.10 + Fuel Cost per kWh	\$0.14 + Fuel Cost per kWh
Large Power Service	Minimum Charge	\$10.00	\$10.00
	All Usage	\$0.08 + Fuel Cost per kWh	\$0.12 + Fuel Cost per kWh
	All Demand	\$9.00 per kW	\$9.00 per kW
Industrial Power Service	Minimum Charge	\$25.00	\$25.00
	0 - 100,000 kWh	\$0.08 + Fuel Cost per kWh	\$0.12 + Fuel Cost per kWh
	Over 100,000 kWhs	\$0.06 + Fuel Cost per kWh	\$0.10 + Fuel Cost per kWh
	All Demand	\$8.10 per KVA	\$8.10 per KVA
All CashPower	All Usage	\$0.10 + Fuel Cost per kWh	\$0.14 + Fuel Cost per kWh

The PUC Management has recommended Water Tariff increase of \$0.57 cents be added to the current Water Tariff. The table below reflects the new tariff for water.

	Usage	Current Tariff	Proposed Tariff
Water Service:	Minimum Charge.....	\$5.00	\$5.00
	All Usage.....	\$1.80 per 1,000 Gallons	\$2.37 per 1,000 Gallons

The PUC Management has recommended Wastewater Tariff to be introduced on the Wastewater services provided by PUC. The Wastewater Treatment services currently have no charge other than the \$0.10 that is collected on the Water Tariff per 1,000 gallons. PUC Management recommends the adoption of the current recommendations of \$2.73 per 1,000 gallons for all connections and no subsidy. There are other options if subsidies are made available as present in the table below. Before the tariff is implemented Management will exhaust all efforts to have this service subsidized by the State Government or other environmentally friendly donors.

Type	Funding source	Proposed Tariff
Sewer only	PUC only	\$2.73 per 1,000 gallons
Sewer only	PUC and Capital Investments Subsidized by Government	\$2.14 per 1,000 gallons
Sewer only	PUC, Fully Subsidized Capital Investments and Depreciation Costs	\$1.24 per 1,000 gallons

Before any Tariff is adopted, the PUC Board has to consult the Board of Residential Properties and Public Utilities. On March 6, 2012, PUC Management has introduced a tariff adjustment report to the Board of Directors adoption for consultation with the RPPU Board. The report has details information and justification of the tariff adjustment goals and objectives.

On March 14, 2012 consultation meeting between the PUC Board of Directors and RPPU Board was carried upon the quorum of the RPPU Board of Directors. On March 16, 2012 PUC Board of Directors adopted the new tariff after consultation with the RPPU Board for the PUC Management to educate the general public. Approved Tariff will be effective on April 27, 2012.

If you have any question or comments please Contact Daisy Nanpei-Cantero or at telephone number 320-2374. Thank you.

Johnny Hebel
Chairman, Board of Directors
Pohnpei Utilities Corporation



Building Stronger Partnerships in the Pacific

By **Min Zhu**
Deputy Managing Director
International Monetary Fund

More than three years after the outbreak of the global financial crisis, many Pacific island countries are yet to reach the income levels they achieved before the crisis, and poverty has increased in some communities.

Despite the Pacific island countries' limited exposure to financial markets in Europe and other advanced countries, any sharp downturn in the global economy would reduce demand for the region's exports and slow down inflows of investment and remittances. It would also put downward pressure on tourist arrivals, and decrease the value of assets invested offshore of the Pacific islands with large trust funds (Kiribati, Marshall Islands, Micronesia and Timor Leste).

These are issues that have been in the minds of the region's leaders and citizens, particularly given the current global economic uncertainty emanating from Europe.

It is against this background that the International Monetary Fund (IMF) and the Government of Samoa are jointly organizing a high-level conference on building resilience against shocks and fostering inclusive growth in the Pacific.

The conference, to be held in Apia on March 23, is the first such event that the IMF has sponsored in the region. There will be participation from the region's finance ministers, central bank governors, development partners, private sector representatives, academics, and non-government organizations. Mr. Min Zhu, Deputy Managing Director of the IMF, will be attending the conference, and the World Bank and the Asian Development Bank are sending two of their Vice Presidents responsible for the Pacific region.

The upcoming conference in Samoa is part of the

overall effort by the IMF to boost its support to Pacific island countries and to re-focus on small states.

The region has seen negative effects over the past few years and needs to be better prepared to deal with future shocks. At the same time, the Pacific region needs to speed up economic growth to raise living standards and reduce poverty. Sadly, many families in the region are struggling with putting enough food on the table, sending children to school and paying medical bills. Without faster economic growth that benefits wider communities, it is doubly hard to help the disadvantaged, including the youth who have few job opportunities at the moment.

Micronesia also fared well in recent years, mainly supported by expansion in construction activities, fishery sector, and public administration. In view of the scheduled reduction of Compact grants, however, the medium term growth is expected to stay low around 1/2 percent. The economy faces similar challenges as Marshall Islands, with sluggish private sector growth and high dependency on foreign grants, especially the Compact grants from the United States. As Compact grants are scheduled to expire in 2023, it should accumulate sufficient fiscal surpluses over the medium term through swift implementation of the planned tax reform and containing current expenditures, among others the public wage bills. At the same time, the government should address structural impediments to private sector-led growth, such as restrictive legislations on investment, lack of skilled labor, and inadequate infrastructure.

Over the years the IMF has developed a strong partnership with the Federated States of Micronesia and other Pacific island countries to help them tackle their economic challenges. Under this partnership, the IMF has been working closely with countries to help control inflation, reduce unemployment, ensure adequate foreign reserves, and build a strong financial sector that would benefit businesses and consumers.

The IMF's core mission is and financial stability at the level, and through it, poverty reduction. Although directly fund development construction of hospitals and financial resources to its difficulties in meeting pa foreign countries. For exam US\$9 million emergency a help its recovery and reco a devastating tsunami hit. The ongoing IMF program has helped the country re stability, rebuild its foreign the economy. This has oc strong commitment of the a structural reforms, including

The IMF also helps countries though policy advice and technical assistance. Each year, the IMF sends a team to its member countries to conduct consultation on economic and financial policies with government officials, private sector representatives, development partners, and other key stakeholders. The findings from such consultations form the basis for its policy advice, which helps country authorities formulate their own policy and reform agendas. When countries face capacity constraints in implementing such agendas, the IMF lends its technical skills and provides training of country officials to overcome capacity constraints. Technical assistance, such as in the area of public financial management, monetary policy operations and bank regulation, helps build institutional foundations for sound policy making.

For some 20 years, the IMF has been providing such technical assistance through the Suva-based Pacific Financial Technical Assistance Center (PFTAC), funded by the IMF and development partners. In September, 2010, the IMF established a regional Resident Representative Office in Suva to better serve its Pacific island members, bringing its policy advice closer to the countries and on a more regular

Guest Perspective



and timely basis. Both the Resident Representative Office and the PFTAC are currently increasing their staff to provide better services to Pacific island countries. At the same time, the IMF headquarters in Washington have also devoted more resources to Pacific island countries, as shown by the recent establishment of a Pacific Island Unit.

The IMF has demonstrated its commitment to strengthen its partnership with Pacific island countries. At a time when the countries face increasing challenges in achieving faster and inclusive growth and reducing poverty, the IMF will continue to work with the countries to build a stronger partnership for a more prosperous Pacific.

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Remarks by Ambassador Suzuki On the occasion of First Anniversary of the Great East Japan Earthquake

At noon on March 16, the Embassy of Japan hosted a reception in commemoration of the Great East Japan Earthquake. The reception was held at the Cliff Rainbow Hotel. The Embassy posted a display of moving "before" and "after" reconstruction photos and showed a series of four videos entitled, "Thank You from Japan", "Setting Sail from Japan", "Japan Earthquake and Tsunami 2011", and "Moving Forward to Recovery." Acting Secretary of Foreign Affairs Mr. Samson Pretrick gave a speech on behalf of the FSM government and Ambassador Eiichi Suzuki spoke on behalf of the Japanese government. The accompanying text is the full context of his speech.

March 16, 2012

I would like to thank you all for joining this ceremony to commemorate the first anniversary of the Great East Japan Earthquake and to express our appreciations to the people of the FSM and the international community.

One year has passed since the Great East Japan Earthquake. Today, on behalf of the Government and the people of Japan, I would like to express my heartfelt gratitude to His Excellency President Mori and all people of the Federated States of Micronesia and the international community for your deepest concerns towards the victims of the earthquake by sending considerable amounts of donations and warm moral support.

The scale of the disaster was beyond our imagination. As many as 20,000 lives were either taken or still missing. More than 70,000 people still cannot go back to their home, and instead stay in remote places and suffer great inconveniences. Ever since the catastrophe, Japan has received warm and generous offers of assistance from more than 160 countries and regions and over 40 international organizations including the FSM, the home countries of the Diplomatic Corps, and International

Organizations whose representatives are present here with us. Your support and messages encouraged us to move towards the reconstruction of "a new Japan".

The recovery policies have been the top priority of the Japanese government. Over the past twelve months, our efforts have enabled business, tourism and the people's daily lives in Japan to recover to the almost normal level with the exception of the disaster affected areas. When it comes to travel restriction measures taken by foreign countries, for example, the U.S. has revised its measures through relaxation of the evacuation recommended area, limiting it to within 20 kilometers of the Fukushima Daiichi Nuclear Power Station. I encourage you to please visit Japan for business, study, tourism, etc., without undue worries.

Although the struggle still continues, especially to improve the living environment of citizens who were forced to relocate their families from the radiation contaminated areas, we are also working on various reconstruction projects, such as decontamination of radioactive materials, health inspection of the citizens, food safety inspection, compensation of the victims, and follow-up maintenance of devastated power plants. As its responsibility, Japan will share with the international community the experiences and lessons learned from the accident.

To the respectable supporters and friends of Japan, I would like to invite you all to see the reconstruction and improvements of the disaster struck regions with the photos and DVDs. Some of them were taken right after the earthquake, and the others show the progress made during the first year following the disaster.

This earthquake happened right upon my arrival to the FSM. What I learned, first, are the warmth of the people here, and the prominent friendship between Japan and the FSM. His Excellency President Mori sent me a letter of genuine condolences addressed

to former Prime Minister Kan the next day following the earthquake, which was followed by the donations from the Federal Congress of the FSM. Here in Pohnpei, a charity event was hosted by the students at COM, along with the various donation campaigns by a number of elementary and high school students and teachers. In Kosrae, many people and children donated at charity events in response to the Governor's initiative through the radio. There were also many warm and cheerful messages sent by the people in Chuuk and Yap. I literally felt the strong "Kizuna", bond of friendship, between the FSM and Japan. As the Ambassador of Japan to the FSM, I am determined to serve my duty with great appreciation and dignity in return of the warmth of people here.

In spite of the severe damages to the people and country caused by the earthquake, we will never be defeated by them. Although the way to accomplish the reconstruction might impose arduous tasks on us, we will still keep up with active engagement to the international community. Our current diplomacy target is "To leave the inward-looking tendency, and actively pursue the human security of people all over the world through international contributions such as Official Development Assistance, ODA."

The primary goal of our ODA policy is to protect human security. By "human security," I mean the condition where each one of us is free from hunger and fear, and able to contribute to the development of economy and society within a healthy environment. Today, numerous people still live under threat. Witnessing the severe conditions of the people suffered from the last earthquake, we are all reminded of the preciousness of this basic human security once again. Japan will treat human security of people in the world as ours, and do our very best to protect them.

As I learned from His Excellency President Mori's inauguration speech and the discussion at the last State National Leaders Conference, SNLC, it is understood that achieving self-reliant economy is the utmost goal of the development of this country. I recognized that the leaders of the FSM are making all their great efforts to overcome many challenges for the promotion of its domestic industries which are essential for that goal.

I would like to express my sincere respect to the leaders who are boldly tackle with the



mounting hard tasks for domestic reforms such as tax reform some of which have already been realized.

The Government of Japan will support to achieve the goal since we believe that the achievement of the self-reliant economy will further ensure the human security of this country.

To show our commitment, recently Japan has decided to provide the FSM with 3 million dollars worth of construction heavy equipments manufactured in the disaster affected areas. This is extracted from the supplementary budget for the reconstruction. The decision was made upon the consideration to protect the human security of residents of rural areas of this country where the shore erosions have been caused by sea level rise and the road conditions have been seriously deteriorated.

Japan gained valuable knowledge and lessons from the disaster. We are eager to share them with the international community, and improve the capability of disaster prevention in the world.

This May, Japanese Government will hold PALM6 in Okinawa. It is the conference on partnership between Japan and Pacific island countries, to which we are honored to invite His Excellency President Mori. Many of the Pacific countries are vulnerable to natural disasters such as sea level rise, tsunami or typhoons. Japan will focus our discussion topic on "Effective response towards natural disaster," and present ways to cooperate with the Pacific island nations on disaster prevention.

On this opportunity, the Embassy of Japan is going to introduce our experience and know-how for disaster measure through videos and pictures to local elementary schools and high schools in order to promote disaster prevention education together with the relevant organizations such as IOM.

Our nation is reconstructing from disaster, and your nation is constructing an independent economy. I hope that the two nations and their people will unite together to make our home countries ever stronger and ever more secure.

Thank you very much for your attention.



...JEMCO

Continued from front page

That would eliminate the possibility of the use of Pell Grants as a family fund raising tool rather than as a tool to allow access to post-secondary education opportunities for financially disadvantaged students for which they were intended.

Pula also said that FSM internal funding could be used to support its only college.

There has not been much internal financial support from the FSM government in the past.

U.S. Ambassador Peter Prahar who sat in on the press conference said "Most of the school systems in the FSM are failing their students. The reasons are interlinked."

"It's easy to see the problems but coming up with a solution is much more difficult," he said.

Arthurs asked Prahar a follow-up question regarding repeated requests by FSM governments for more U.S. Peace Corps volunteers to help in the FSM schools.

Ambassador Prahar said that there are over 270 schools in the FSM and hundreds of classrooms with thousands of students. He answered that the U.S. could never supply enough Peace Corps volunteers to teach

in every classroom in the FSM and even if it could it shouldn't be done. "There's no reason why Micronesian teachers can't educate Micronesian children," he responded.

JEMCO members agreed to table a resolution that would have mandated that Compact funds be reapportioned amongst the five governments of the FSM based on the ability of the government to collectively deliver essential services required to its citizens.

During the after meeting press conference Chairman Pula passed out a printed copy of a speech he delivered on the proposed resolution. Since the media was not present at the meeting we have no way of knowing whether there was a counter presentation from the FSM representatives.

Pula's speech was an important statement of US JEMCO policy and is reprinted here in its entirety.

"Although we have agreed not to pursue the resolution addressing the Long Term Planning and Economic Framework, we want to revisit the matter to make very clear the views of the United States with regard to the use of Compact funds to support sustainable essential services in health and education.

"We all realize that the annual decrements to Compact operation funding make it impossible to maintain the current level of services provided by the four FSM States

in healthcare and in primary and secondary education without changing the allocation of Compact funds, or by committing other revenues to those services.

"Without a clear strategy proposed by the GFSM (Government of the FSM) and embraced by the State and National leadership, JEMCO has a responsibility to ensure that adequate funding is dedicated to health and education in each of the four States. That is the intent of the resolution that we tabled this morning.

"The GFSM has more options than JEMCO to ensure that adequate resources are available to the States for health and education. These options might include using the increased revenues generated by Comprehensive Tax Reform, increasing State shares of other nationally collected revenues, or by reallocating the percentage of Compact funds shared by the States and the National Government. These are choices that can be made by the GFSM, not by JEMCO.

JEMCO has fewer options. It has the authority under the Compact and consistent with the FSM Constitution to change the allocation of Compact funds among sectors and among the five funded governments. Most importantly, it can shift funds from the National Government to the States, moving funds from national offices to State education and health departments where services are delivered. The US believes that JEMCO is obligated to exercise this authority, if warranted, to assure that sustainable services are maintained.

"That said, our preference is that the GFSM, through its Long Term Planning and Economic Framework makes the fiscal and program adjustments that will make one-side JEMCO action unnecessary.

"So we ask you to seriously consider the intent of the tabled resolution and take into account the view of the US as sector budgets (are) formulated and as the impact of the decrements become more severe."

JEMCO did not vote down or table all of the presented resolutions. It passed seven resolutions:

- The Compact Fund Control Commission (CFCC) in Chuuk will continue with its responsibilities modified in consistency with the newly enacted CRCC act and other agreements reached as a result of the CFCC review.
- GFSM will develop guidelines for the administration of the National Minimum Competency Test (NMCT) to be applied to primary and secondary schools receiving Compact funds in all four States. The release of each year's examination results must be made available no later than August 1 of that school year. The GFSM will be required to submit its goals, guidelines, work plan, and budget for administration of the Fiscal Year 2013 NMCT to the US Office of Insular Affairs (OIA) by July 1, 2012.
- There will be a new requirement that GFSM obtain a third party review of health and education data to evaluate

performance outcomes. The selection of the reviewer and the proposed review methodology is required to take place after consultation with OIA. Written reports are required by July 1, 2013.

- JEMCO is requiring a report from GFSM by August 1, 2012 that assesses and validates progress in implementing the Chuuk Education Reform Strategy. 2013 education sector grants for Chuuk State will be contingent upon verifying the validity of the elements of the reform strategy, and achievement of progress in implementing the Chuuk Education Reform Strategy.
 - Fiscal Year 2013-2017 Health Sector Grant fund will be contingent upon the GFSM including in its budgets for FY 2013-2017, plans to achieve measurable impact to eliminate leprosy, the continuation of multiple drug resistant tuberculosis control efforts, and decrease the number of diabetes-related hospitalizations.
 - Beginning in FY 2013, JEMCO will no longer allocate Compact funding for Honolulu-based operating expenses for medical referral coordination and the patient housing programs of the FSM States.
 - Infrastructure Development Plan, Health Facilities, and FAA Matching Funds:
 - o consistent with Article V (1) (e) of the Fiscal Procedures Agreement, the GFSM shall develop and submit to JEMCO a professionally prepared update of its Infrastructure Development Plan (IDP) to reflect GFSM priorities for new and reconstructed capital infrastructure to be financed by Compact funds. Insofar as Sector Grant funds are involved and prior to allocation of Public Sector Infrastructure assistance by the JEMCO, the IDP shall be subject to the concurrence of the JEMCO.
 - o the GFSM shall conduct a comprehensive health-needs assessment and facility assessment of the Chuuk State Hospital and present its findings, recommendation and cost estimates to JEMCO upon completion of the assessment.
 - o the GFSM shall submit to JEMCO for its review and concurrence a plan for the implementation of the Kosrae Hospital Project. The plan shall be based upon the "Site Scope Definition" prepared by BECA International Consultants Ltd. dated May 23, 2011.
 - o the JEMCO will look favorably upon a request from the GFSM for the use of Public Sector Infrastructure funds for the purchase of an emergency stand-by generator for Pohnpei State Hospital.
 - o no requests will be considered by JEMCO for GFSM matching funds of FAA AIP projects unless the following is included in future requests; 1) a clear description of local revenue efforts by the GFSM in providing matching funds to AIP projects, and 2) a revision by the GFSM to prevailing infrastructure project lists contained within the updated IDP that demonstrate the trade-offs of approving AIP projects against projects that would otherwise be funded with Compact sector assistance.
- JEMCO will hold its annual meeting in August during which funds will be designated for the following fiscal year.

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- Tuna and local cultures and lifestyles
- Pacific ways of fishing for Tuna
- Islanders working together to conserve and manage tuna



Email PNA your writing (poetry or short story max 5000 words), pictures of your artwork, short films (20 minutes or less) or filmed music, dance and drama performances. You must send all emails to worldtunaday@pnatuna.com by the 16th April.

Entry is free. No late entries accepted.

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WHAT IS THE SIGNIFICANCE OF THE MICRONESIAN SHIPPING COMMISSION?

As a result of a recent increase in the annual entry assurance fee for Vessel Operating Common Carriers (VOCCs) serving the Micronesian region from \$10,000 per year to \$50,000 per year, which was instituted during a special meeting held in Guam in early February of this year, the Micronesian Shipping Commission recently came under heavy criticism by politicians in the Republic of the Marshall Islands. Fueled by threats from the carriers to pass on the cost of the increase to the shippers and fanned by misinformation about the real need for the increase in fee, which the dissenting carriers have labeled as an attempt on the part of MSC to create an unnecessary bureaucracy, the sentiments have spread like a wild fire across the region from RMI to ROP necessitating the Presidents of the three Micronesian entities to step in and intervene on behalf of the carriers. This issue has raised a question in the minds of leaders in the three entities, "What is the value of the Micronesian Shipping Commission to its member countries?"

In order to fully appreciate the value of the MSC, namely its purpose and mandate as envisioned by its establishing treaty, it is necessary to first understand the challenges and obstacles that are involved in the provision of international shipping service in a small island setting such as ours and how they shape the quality of the service that we depend so much on to provide the basic necessities of life.

In the Micronesian sub-region, international shipping service has always been characterized by vast distances, low volume of import cargo, very nominal export and notably limited and mostly underdeveloped support infrastructures—hardly the sort of conditions that would generate a competitive environment and attract high quality service providers.

The three emerging constitutional governments of the RMI, Federated States of Micronesia ("FSM") and the Republic of Palau ("ROP") realized this problem early on in their groundwork for self government and agreed to maintain the entry assurance system established and administered under Executive Order 113 of the Government of the Former Trust Territory of the Pacific Islands, which allowed a limited number of qualified carriers to service the region as a whole, subject to certain criteria designed to promote a safe, efficient, reliable and economical service within the region in consideration for a guarantee or assurance of security from over-competition in the system. The carriers in the system have historically favored this arrangement because of the guarantee of the opportunity to earn a profit through controlled competition in a limited market. The Participating Government all benefit from the same level of economical and reliable service regardless of their individual volume of cargo. As such the entry assurance system was formally adopted by a treaty in 1997 between the three Micronesian Governments after being tested over a period of 18 years following the termination of the Trusteeship Agreement.

The rationale behind this cooperative effort therefore is first to present service providers with an attractive package in terms of cargo volume to induce shipping companies or ocean carriers to want to do business in an area where they would not normally serve because of the above-mentioned conditions, i.e., low cargo volume, vast distances, and undeveloped support infrastructures. The second rationale behind the entry assurance system, duly administered by the MSC, is to have a united front in negotiating for favorable service terms. Thirdly, the intent was and is to cut cost in the establishment and manning of separate institutional frameworks for the administration of individual international shipping system by pooling and sharing available limited resources.

While it is conceivable that the three participating entities could go their separate ways and establish as well as regulate individually their own respective international shipping service system, the resulting system would incontestably be less attractive because a bigger pie that used to consist of 426,024 revenue tons per year (100%) will be divided into three smaller pies of 66,084 (16%) revenue tons for the RMI, 221,139 (52%) for the FSM. and 138,801 (33%) for the ROP. A less attractive system volume will not generate a competitive environment but instead likely invite only poor quality service providers that are financially strapped and lacking in safety and other necessary international maritime requirements for the operation of commercial shipping service. A worst case scenario would be a complete phase-out of international shipping service due to economic viability, with carriers arguing that the low cargo volume simply no longer supports the cost of operation.

Unlike the airline industry that provides international air service to and from the region in a manner such that users have no say whatsoever in the level of fare or the schedule and frequency of service they provide, the MSC provides

a medium for the three governments to speak on behalf of the users in deciding which carriers are best qualified to offer the best service in the region. It is given legal capacity to establish entry assurance fee, review and approve or disapprove applicable freight rates, routes and schedules proposed by the service providers and to monitor their service for compliance.

The MSC currently regulates the operation of 7 VOCCs and 7 NVOCCs serving the region on specific routes and regular schedules from ports in the US Mainland including Hawaii, the Far East and Orient as well as Australia, New Zealand and the South Pacific. The MSC recently welcome MELL into the VOCC group with the approval of its Entry Assurance in early February 2012 to serve the Western ports of Micronesia in collaboration with Eurasia Line as well as to extend its service independently to the eastern ports of Micronesia from the Far East and Orient.

The VOCCs are the backbone of the system and are the carriers that provide the vessels and equipment utilized in the service. These VOCCs are supported by the NVOCCs which do not actually operate any vessels but help small shippers consolidate smaller loads of cargo into containers and book them with the VOCCs for delivery to their final destinations. The NVOCCs adds a door-to-door convenience to the shipping service. The VOCCs complements each other's service through the execution of CCAs or connecting carrier agreements which must be approved by MSC. The NVOCCs slot charter space on board the VOCCs vessels. These are the operating parameters currently sanctioned by the MSC.

Compared to other developing countries in the Pacific Region, the RMI, FSM and ROP, all things considered, have the best and most stable international shipping service system in existence because of their investment in the MSC. For this reason, other countries in the South Pacific are now seeking to adopt similar intergovernmental arrangements to oversee their own international shipping requirements. Therefore, in essence, the existence of a safe, efficient and economical international shipping service to the people of the Micronesian sub-region is what the RMI, the FSM and ROP get from the fee that MSC collects from the carriers and the three participating governments to fund its operation.

Like other agencies of the participating MSC governments, MSC faces significant budget pressures that will shape its ability to maintain today's system, which again provides a secure and stable operating environment for the participating carriers while safeguarding the interest of the shippers in the sub-region. The Executive Committee of the MSC, comprised of the three senior representatives of the three participating governments, took a hard long look at its budgetary needs based on what its real functions and responsibilities are under the Treaty and decided that an increase in the current entry assurance fee is absolutely necessary if the MSC is to continue to function as intended, i.e., not as a one-man part-time ad hoc government sponsored agency but a fully staffed, proactive, and responsive one.

The Executive Committee is painfully aware of the effect of the increase in entry assurance fee on the carriers involved and the potential spillover of its application to the public at large. However, having reviewed and analyzed these factors in relation to the annual revenue generating capacity of the system which is in the neighborhood of \$86-\$100 million per year, together with its immediate critical need for operating funds, the MSC after notifying the carriers in October 2011 of its funding dilemma has deemed it necessary to implement the fee prior to the new cycle of the entry assurance renewal in 2014. The VOCCs were both verbally and in writing informed of this increase in fee and the reasons on why the fee was to increase since a year ago and were requested to submit their comments to the Commission. They were requested that if they disagreed with the increase in the annual Entry Assurance Fee, then they must submit their reasons and present to the Commission their options; however, none of the VOCCs submitted anything in writing to the Commission. Some of them verbally conveyed to the Commissioners that they were not objecting to the increase as long as the increase is justifiable.

Based on its assessment, it is MSC's view that the increase will affect the profit margin and ROI of the affected carriers but will in no way put their operation in the red. Naturally, MSC will carefully review the application of any surcharges instituted by the carriers to recover this cost and will only approve what it considers reasonable and justifiable.

This article paid for by the Micronesia Shipping Commission

Letter to the Editor

Sail on MSC

Dear Editor,

I am writing regarding the recent decision by the Micronesia Chief Executives admonishing the Micronesia Shipping Commission to hold off on its proposed increase in the Entry Assurance fees which are levied on the shipping companies servicing the islands. I believe the leaders should be commended for this decision, especially in view of the rising costs of fossil fuel these days. I believe the decision also provides the skeptics, who repeatedly question the necessity of having such a forum for Micronesia's Chief Executives, an opportunity to embrace the idea that there is more that we can achieve by having in place such a regional or sub-regional entity. Most importantly, the decision means a great deal to the livelihoods of the fisherman in Mili and the farmer in Tobi who will be able to retain a greater percentage of the incomes they make from selling their catch and harvest by not spending more on imported commodities.

While we the consumers applaud the good decision made by our Chief Executives, we also hope that the decision will not affect or undermine the need to maintain the Micronesia Shipping Commission. This is an important regional organization and is perhaps the last remaining entity from the old Trust Territory days which is still very much needed. The basic premise for creating this entity is clearly spelled out in the MSC Treaty and has withstood the test of time. And I believe it will continue because of the simple fact that Micronesia (FSM, ROP and RMI), the three entities comprising the MSC, are made up of hundreds of islands scattered across vast stretches of ocean. The sheer distance and remoteness from the world markets, small populations, narrow production and export bases, and limited economies of scale should clearly favor the argument for MSC to continue its regulatory oversight over the carriers providing essential shipping services to our islands. It would just be incomprehensible if MSC is dissolved given the trend now in the greater Pacific region which is favoring the creation of similar entities by the Melanesians and the Polynesians.

If indeed the Micronesia Shipping Commission needs more revenues to expand or improve its oversight responsibilities over all the Vessel Entry Assurance and Non-Vessel Entry Assurance Holders, the member countries should be approached for assistance. I believe it is not justified to ask the shipping companies because the net effect will be an increase in the price of imported commodities. Any increases in the price of imported commodities either triggered by such attempts like what MSC is proposing to do with the Entry Assurance fees or when the shipping companies raise their cargo tariffs and rates to offset an increase in the price of crude oil, are all added burdens on the people.

I believe the Micronesia Shipping Commission was created to protect the interests of the people by ensuring that reliable and regularly scheduled shipping services to the islands are maintained. Without this entity, Micronesians will go back to the days when the shipping companies cherry pick their routes or islands to service and our imported goods will be transported by fly-by-night carriers. Some islands will not be served on a regular basis and the decision to deliver such goods will be made only if the fly-by-night carrier will make a profit. Imagine how hard life would be to live on such beautiful and tropical islands, but with poor and unreliable inter-island shipping services. We will be faced with unregulated and astronomical increases in the price of imported commodities and constant shortages of essential commodities. I pray and hope that the Micronesia Shipping Commission will continue to operate because in the larger scheme of things, its very existence affects not just the economic growth of our islands but how we can sustain our political independence. Sail on MSC, the wind is still behind your sails.

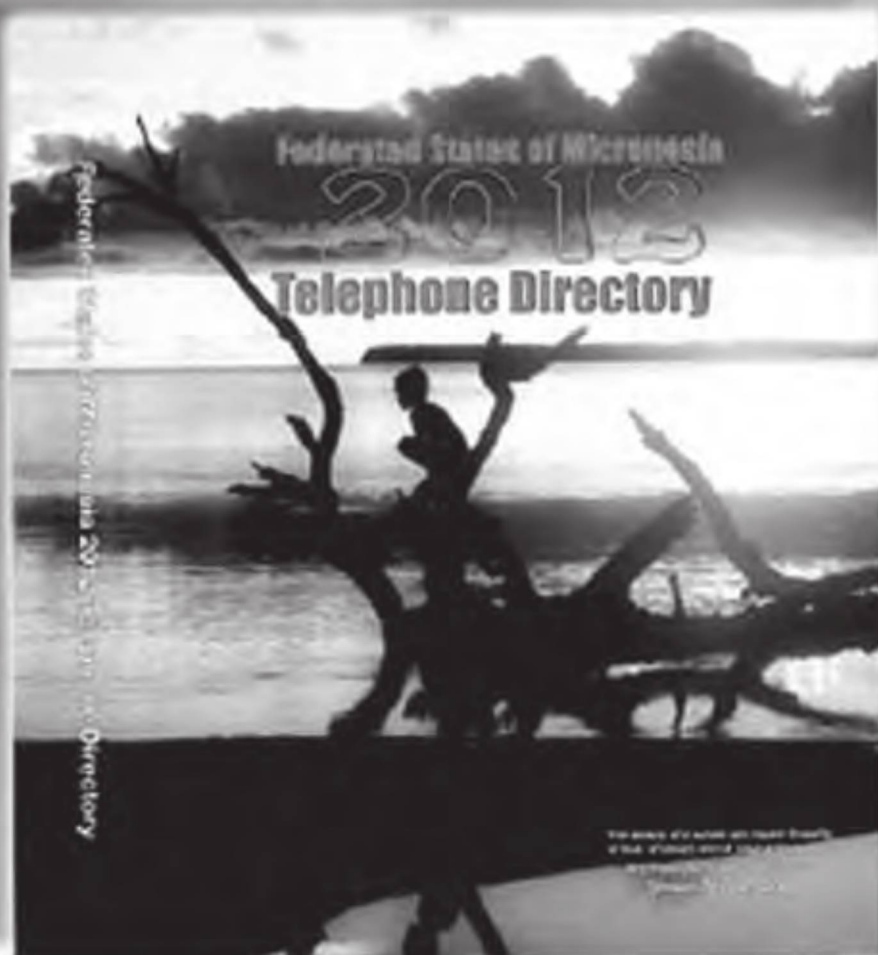
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*Akillino H. Susaia
FSM Ambassador to the Republic of China*

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KPress Perspective

Be careful what you ask for, you might get it!

I find it interesting that when the International Monetary Fund, the World Bank, or the Asian Development Bank come to the FSM and make recommendations that we all know won't work in the FSM; recommendations like liberalizing land ownership, we all scream that they are out of touch with FSM culture and ultimately throw out all of the recommendations because one of them will not work. But when other outside organizations come into the FSM and announce that monopolies should be dismantled, some of us jump right on that bandwagon without reviewing the history of that particular monopoly or taking a critical and realistic look at the meaningful evidence.

I couldn't agree more with those outside entities who say that monopolies should not work and I believe that the Telecom industry should not continue to be a monopoly in the FSM. Had I been around when the act establishing FSM Telecommunication Corporation was introduced I likely would have been screaming the loudest of all, that monopolies don't work either in theory or in practice.

All of the countries in the Pacific region to which outside agencies point in order to make their case about the evils of telecom monopolies are shining examples of the fact that in most instances monopolies do not work. In each of those example countries, government-run monopolistic and out of control telecoms were gouging customers. To add insult to injury they were also providing poor services with little or no development of new technologies. Evidence shows that after competitors were allowed to operate in those island nations, the price of telecommunications services went down and service capacity went up. This is exactly what proponents of dismantling the monopoly are saying will happen in the FSM if the market for telecom services is opened up for competition.

But in my opinion there's a problem with the argument. The prices for telecom services in the example countries after those countries allowed for competition are to this day higher than the prices that our own FSMTC charges even after the recent price increases; price increases that were necessary both because of increasing costs and because of the new requirement that FSMTC must pay Gross Revenue Tax. In several cases the prices in those other countries are still substantially higher.

So if pricing for services is the beef then the argument in support of dismantling the FSMTC monopoly falls flat if compared to similar countries. FSMTC has held the price line even better than countries with competition in the telecom industry. Would I like to see a lower price? Absolutely but then I consider it to be a trade off. If I truly wanted a lower telecom price I'd move to a country where there are 30 million or so people to share the cost.

I conducted a very informal survey of my friends in the US and Australia on Facebook. Only a few responded to my question which asked how much they pay on average for telephone, Internet and cable services. Their answers astounded me really. Not one of them was paying less than \$150 a month for those services and one was paying over \$300 a month. Yes, their connection speeds made my mind spin but as I said these are people living in HUGE markets. If I had cable which I've decided we don't need my monthly cost would be significantly lower than the lowest of the responses I received.

Worldwide there are no similar countries with which to compare the FSM. The FSM is spread across 1700 miles in an area of the Pacific Ocean that covers over a million square miles. Its 107,000 people are a tiny market for a telecom provider to begin with but spread them amongst many islands and reaching that tiny market becomes a monumental and extraordinarily expensive task and the environment in which FSMTC has been working for nearly three decades.

Guam is not a good comparison market. Their market size is also small at 187,000 people but all of those people are on one island of 212 square miles AND the U.S. Military is there bringing with it all of its substantial telecommunications requirements and also its

telecommunications infrastructure.

FSM was only able to get a fiber optic line because the Kwajalein missile base needed it and because FSMTC has a AAA credit rating (incidentally, higher than that of the United States) and because of that, could mobilize the required \$15 million investment.

Before I continue this perspective I feel it's important to do the full disclosure thing here.

- I HAVE done some paid writing work for FSMTC (never for the newspaper) and I hope to do more in the future but I am NOT a hired minion of the corporation.
- FSMTC IS the most consistent advertiser in The Kaselehlie Press but I have printed negative stories about other advertisers in the past and will print negative stories about FSMTC if that is warranted by the truth.
- I AM on a first name basis with most of FSMTC's staff but we don't "hang out" together. Actually, I've always felt that FSMTC staff members are a bit uncomfortable when I'm around. I have no idea if that is true or not but that's the impression with which I've always been left.

I know that proponents for dismantling the FSMTC monopoly are adamant that theirs is the correct tack to take and they have some very good and well reasoned arguments for their position. I respect those arguments and I understand their bases probably better than those proponents think.

I know that my opinion is not necessarily popular but it is MY opinion and that opinion has not been dictated

Continued on next page

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- 2008 Hyundai R55-3 With Blade & 12 Inch Bucket, 2,745 Hrs. \$ 28,000

WHEEL LOADERS.

- 2009 Hyundai HL 740-7 2.8 Cubic Yard GP Bucket. \$ 88,000
- 2005 New Holland Skid Steer Loader LS 185, 85 HP, GP Bucket. \$ 19,500
- 2009 New Holland B95.B 4WD Backhoe GP Bucket. \$ 59,300

ROLLERS

- 2005 Bomag BW 100AD Ride-One 36 Inch Roller 2.5 Ton, 1650 Hrs. \$ 13,500
- 2008 Bomag BW 120AD Ride-One 42 Inch Roller 2.5 Ton, 950 Hrs. \$ 26,000

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- 80 KW, 3 Phase, 120/208 Volt, Onan Gen. Set Weather Proof Encl. \$ 11,300
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Continued from previous page

to me by FSMTC although I have had conversations with them about my opinions. FSMTC has never sought me out to tell me what I should think. Good thing, because if they ever had done my nature would have required instant rebellion against the very idea!

And now we continue: by theory and practice, monopolies have no built in motivation to plow profits back into development of new products and for that reason alone monopolies can be stagnant, useless entities.

But FSMTC HAS plowed earnings back into development of new products and technologies. They're still doing so as the revenue is available to support it. Witness their investment of approximately \$4 million into the establishment of digital television in Chuuk, Yap, and Kosrae.

I understand that after they made that investment a movement began, to open up those television markets to competition. But there never has been a law prohibiting a competitor from coming in and offering those services. No one was offering them so FSMTC did, even though it will be at least 10 years before they reach anything like a breakeven point on that investment.

We've already talked about the \$15 million fiber investment.

When I arrived in Pohnpei, FSMTC was providing very basic satellite based Internet service, land line telephone service, and they were partners in a cable television business in Pohnpei and owners of the cable system in Kosrae. That was all I knew about. It was refreshing then, to live in a place where it was not at all necessary for me to have a cell phone. I could have owned one but then its best use would have been as a paper weight. Soon cell phone towers began to appear and within a short period of time cell phones were an absolute necessity of life on this island paradise. There were all sorts of cellular dead spots and there still are but FSMTC has not been content to let the dead spots lie, ask the people of Awak, Pohnpei and many other previous dead FSM cellular locations. Since the initial roll out of the service, FSMTC has been investing money every year as the resources are available, to fill in the cellular dead spots wherever they are, and yes, they know exactly where they are. I've seen the maps.

Internet service stunk out loud when I first came to the FSM. I considered that factor to be one small price to pay in order to live in the paradise that is the FSM, though at times it was a grievous personal price. It was six months after the fact before I received the news that my beloved grandfather had died. That event was not 30 years ago, it was just under ten.

Today, I can read updates on Facebook moments after my mother posts them from her home in the southern U.S. State of Georgia about 8000 miles away. Dad still doesn't do the Facebook thing but I can contact him by email and he responds.

When he does it's almost like we're sitting in the room together.

Because of FSMTC investments in technology, Skype is a possibility too though my family and I haven't quite been able to figure out how to coordinate our FSM and U.S. East Coast time schedules. That's not an FSMTC problem. And while we're on that subject, I have never heard one single negative word from any FSMTC staff member about the fact that Internet voice communication services undermine FSMTC's long distance service revenues. Some monopoly corporations interested only in revenue might have been tempted to block services like Skype, but I know for a fact that FSMTC staff members are using those services too.

And so now, Congress, in response to the cries of the constituents is considering a bill to open up the FSM telecommunications industry to competition. In theory I'm all for that. FSMTC has also declared in Congressional hearings and elsewhere that it is ready for competition but only if they are allowed to compete on a level playing field.

The FSMTC enabling act requires that FSMTC prices and services be equitable in all of the FSM states. It sets up a Board of Directors with one representative from each State with the idea that each of those directors will look out for the needs of his or her own home State, and that has worked. Because of the enabling law that governs FSMTC, the Board of Directors sets prices and product features on an equitable basis throughout the FSM within the limitations of available technology. So while it actually costs more to deliver Internet services in the other States than it does in Pohnpei because of the fiber optic cable here, FSMTC must set the pricing to be the same as it is in the other States. They also have to limit the bandwidth that they deliver in Pohnpei because the other States must go out through a satellite, then out and back through the fiber, and then back again over the satellite, and so those states will experience latency not experienced in Pohnpei. It would not be reasonably equitable service otherwise. It might be a bitter pill for residents of Pohnpei to swallow but it's only fair to the rest of our FSM brothers and sisters and it's in the law.

I see nothing in the proposed changes to the enabling act that would require a competitor to do the same. It could be that designers of the proposed changes to the FSMTC act assume that competition will drive prices down but the problem is that they're not REALLY setting up a competitive telecom market in the FSM just because that's what they say they're doing. It looks to me like they're actually setting up an environment that will ultimately mean the slaughter of FSMTC.

If FSMTC were to go under some time in the future because they couldn't compete in an open market then that is one thing, and it would be sad but so be it. It's the way of the world, but I'm not seeing the establishment of a true open market under the proposals because FSMTC would not be able to truly compete.

I see nothing in the proposed changes to the act that would prohibit a company from entering the market of just one State, serving only that State's interest at a price and a service level with which FSMTC could not by law compete because it has to provide equitable service and pricing throughout the FSM.

For instance, let's say that the proposed changes pass into law today. Tomorrow XYZ Company comes into Pohnpei and sets up just Internet services by leasing space on the fiber optic line. Within a few months they are offering huge bandwidth for half the price, something that FSMTC could do except that they can't offer those same services at the same price in Chuuk, or Yap, or Kosrae. So all or most of FSMTC's customers switch over to XYZ Company and FSMTC has greatly reduced revenue in Pohnpei, but Pohnpei's prices were artificially inflated in order to provide equitable services and prices in the other States. That money is no longer there to support services in the other States and the prices have to significantly increase to a level that more accurately reflects the true cost of service in those States.

XYZ Company sees its chance and begins the process all over again Chuuk. XYZ's share holders don't see a profit in the tiny populations of Yap and Kosrae and decide not to offer services there. Yap and Kosrae's prices are now through the roof because there are just a handful of people to share the cost of telecommunications in those States and customers drop out one by one because the cost of service is just too high in their economies. FSMTC collapses and no one, anywhere in the world is willing to take on Telecom services for two such tiny island communities. They're done.

Pohnpei and Chuuk are chugging along with good bandwidth and low prices until XYZ share holders realize that suddenly XYZ company has a monopoly not of law but of fact and so why shouldn't they charge as much as they charge in say, Fiji which has a much more robust economy than Pohnpei and Chuuk. Customers begin to fall away in those two States and so XYZ Company shaves cost by leasing less bandwidth on the fiber optic line. And that's all she wrote.

Of course proponents for dismantling the FSMTC monopoly could require any competing private telecoms to serve all of the States with equitable services and prices but number one, what private corporation would enter such a difficult market under those terms, and number two, that wouldn't be real competition either.

Apparently the committee will be shopping the proposed bill around at hearings in the States and they will be listening to constituents who are clamoring for competition in the FSM telecom industry. I truly hope that when they do there will be at least a few witnesses with well reasoned concerns to whom they will listen. Apparently at the oversight hearing last week whenever FSMTC representatives tried to answer a question the committee told them that it was the committee's meeting and they didn't need lectures from FSMTC.

Sure there is a great deal of room for improvement at FSMTC. Customer service could be drastically improved for one. It'd be fantastic if prices were even lower and I hate, hate, hate the idea of a monopoly but it was a surprisingly effective FSMTC enabling act that brought FSM safely to the brink of this important decision.

It's entirely possible that my opinion is overly simplistic and if that is the case then that's fine, I'd just like to hear real arguments based on facts rather than on emotion or outright jealousy of countries that have better telecommunications systems. I understand the jealousy thing, I mean I'm really, really jealous that Eric Clapton just bought a brand new custom built, one off Ferrari that cost over \$4 million and I'm driving a \$750 Nissan S'carga with rotted seats, a hole in the floor board and a sunroof covered in visqueen held in place by gaffer's tape, but my budget does not currently support a \$4 million Ferrari. My budget barely supports the Nissan but them I'm not Eric Clapton, am I?

It seems to me that FSMTC is developing as fast as the market will support those developments.

So constituents want telecommunications competition? Fair enough, but be careful what you ask for, you might get it.

Bill Jaynes
Managing Editor



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Marshall Islands / Toxic waste: first fact-finding mission by UN human rights expert on hazardous waste

United Nations

GENEVA (21 March 2012) – United Nations Special Rapporteur Calin Georgescu will visit the Marshall Islands from 26 to 30 March 2012 to assess the impact on human rights of the nuclear tests conducted by the United States between 1946 and 1958, in what is the first ever visit to the country by an independent expert of the UN Human Rights Council.

“I will assess the efforts undertaken by the governments of the Republic of the Marshall Islands and of the United States of America to eliminate or mitigate the negative effects of the testing on the Marshallese population,” said the Special Rapporteur on the human rights obligations related to environmentally sound management and

disposal of hazardous substances and waste.

“This visit will give my mandate the chance to gather lessons learnt in this field of nuclear testing and ensure accountability in such cases,” Mr. Georgescu said. “It will also be an exceptional opportunity to assess how the Marshallese peoples’ basic rights including the right to food, adequate housing and health have been affected.”

During his four-day mission, the independent expert will hold meetings with several stakeholders, including government officials and civil society organizations. Based on information gathered during the visit, the Special Rapporteur will prepare a report containing its conclusions and recommendations to present to the Human Rights Council in September 2012.

Conservation Corner

Shark Week,

Pohnpei!

From April 1st to the 7th, Pohnpei will be celebrating Shark Week. These celebrations are part of the Global Shark Campaign spearheaded by the Pew Environment Group and the Micronesia Shark Sanctuary Campaign headed by the Chief Executives of Micronesia. At their Micronesia Chief Executives’ Meeting in Pohnpei from July 25-28, 2011, the Chief Executives passed a resolution authorizing the development of a regional ban on the possession, sale, offer for sale and trade of shark fins in the Oceans of the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, the US Territory of Guam and the Commonwealth of the Northern Marianas Islands (Micronesia). The resolution also calls for the establishment of a strategic framework in order to implement a marine based conservation program of action that will establish the world’s first and biggest regional shark sanctuary in Micronesia by December 2012.

The Republic of Palau was the first nation in the world to declare itself a shark sanctuary. Since then the US Territory of Guam, the Commonwealth of the Northern Marianas Islands and the Republic of the Marshall Islands have all passed laws prohibiting the sale of shark fins and other shark parts. FSM has several bills introduced at the state levels and a resolution at the national level calling for the establishment of shark protection laws.

The Pew Environmental Group is working with the Micronesia Conservation Trust (MCT) to support shark awareness and protection campaigns in the Federated States of Micronesia through MCT’s local partner organizations. The Pohnpei State Government and the Conservation Society of Pohnpei (CSP) are now leading the campaign in Pohnpei. As part of these campaigns, MCT along Pohnpei State, CSP and others are working with a couple of professional videographers to develop a shark movie to be played on an outdoor screen at the Spanish Wall Park from April 5-7th.

Why sharks? Sharks are apex predators that help to keep a balance in our marine ecosystems by weeding out the weak and sick fish and other marine creatures, ensuring that only the genes from strong and healthy fish and marine creatures are passed on. This is very similar to the way Pohnpeians or Pacific islanders take care of their crops, most especially their breadfruits. Farmers have to manage their breadfruits by constantly picking off the fruits that have disease so they don’t destroy the whole lot. A few spoiled or invested breadfruits can destroy an entire lot from a tree. By picking out the invested breadfruits, they ensure that the rest are saved and remain healthy/survive for longer periods. This is the same role sharks play on our reefs.

Please join us at the Spanish Wall Park starting at 7pm from April 5-7th, 2012 for what we hope will be a spectacular and eye opening movie. Thank you!

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• Alcoholics Anonymous meets every Wednesday at Cantero Hall at the Roman Catholic Vicariate office at 7:00 p.m. Public welcome.

• Pohnpei Lions Club meets monthly every 4th Tuesday at Kia’s Restaurant at 6:30 p.m. Public Welcome.

• The Christian Ministerial Association of Pohnpei meets the third Wednesday of each month at 10:00 a.m. in Cantero Hall at the Roman Catholic vicariate office.

• Devotions every Sunday 9:30 a.m. at the Bahai Center in Dolonier. For details, call 320-2182.

• Habitat for Humanity Pohnpei holds their meetings every Tuesday from 11:30 a.m.-12:30 p.m. at the Sei Restaurant.

• Soccer practice/games at PICS field Monday, Tuesday, Thursday 5:30 p.m. Everyone welcome.

• The Rotary Club of Pohnpei holds its weekly meetings Thursdays at 12:15 p.m. at PCR Nantehlik.

• St John’s Catholic Church in Kosrae conducts services every Sunday at 9:30 a.m. For further information, call 370-3240 or 370-3209.

• FANGO holds its monthly Issue Based Dialogue (IBD) on the last Wednesday of each Month at the Sei Restaurant at 12:00 p.m. to 1:00 p.m. The public is welcome.

• The Rotary Club of Truk Lagoon holds its weekly meetings every Wednesday at 12:00 Noon at the High Tides Restaurant. You are welcome to attend and can contact us at: rotarycluboftruklagoon@yahoo.com

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Pohnpei Catholic School Students took a field trip to Banana Collection at Island Food Community of Pohnpei Training Center

By *Chizuru Seki (JICA)*

Island Food Community of Pohnpei

On Friday March 23, 2012, 6th graders, teachers and the principal of Pohnpei Catholic School (PCS) made a visit to Island Food Community of Pohnpei (IFCP) training center in Pohnpei Botanical Garden, Kolonia.

This visit was a part of Youth to Youth (Pwoulopwul ong me Pwulopwul) Environmental and Educational awareness program coordinated by Conservation Society of Pohnpei (CSP) in partnership with IFCP.

As a participating agency, IFCP partners up with Pohnpei Catholic School (PCS) in Kolonia for the school year 2011-2012. IFCP has been conducting educational awareness focusing on CHEEF (Culture, Health, Environment, Economy and Food Security) benefits of local food in the classroom.

That day, students, teachers and the principal of PCS walked through the IFCP banana collection where over 20 varieties of bananas were growing.

Mrs. Emihner Johnson, Acting Executive Director of IFCP, pointed and taught PCS students, teachers and the principal about specific differences of each banana cultivar by utilizing the banana characterization poster which compared the photos of fruit bunch, fruit finger, petiole canal, pseudostem and neck of the six banana cultivars (Utin Mwas, Karat, Peleu, Akadah Weitahta, Akadah and Uht Kapakap).

In the banana collection garden at IFCP training center, there were many more bananas planted than those six cultivars highlighted in the poster. As they went through the garden, Mrs. Johnson indicated the characteristics of those bananas.

Yellow flesh cultivars of daiwang and akadah bananas nourished students, teachers and the principal of PCS while they were learning about the feature of bananas. After they ate bananas, banana skins were thrown under the growing banana plants, teaching them that the remaining of local food can become compost and nourish the plants.

Some students took suckers of Ihpali, yellow flesh banana, from IFCP banana collection to plant at their house or school.

In April, those 6 graders of PCS are subjected to go on another field trip to IFCP gene bank in Pohnlangas, Madolenihmw to learn more about Pohnpei local food and its CHEEF benefits.

IFCP would like to thank its partner school, PCS and a coordinator of Youth to Youth program, CSP for this great opportunity to increase the awareness of local food in school.

Special thanks are given to IFCP funding sources: SPC CePaCT, Australian Embassy, SPC Healthy Life-Style and Japan International Cooperation Agency (JICA).



Students took banana suckers to plant at their house or school



Banana characterization poster is used to explain the features of bananas



Catholic School took a tour of IFCP banana collection garden



The Federated States of Micronesia National Olympic Committee (FSMNOC) hosted a 3-day FSM National Sport Medicine Workshop on Pohnpei from March 27-30, 2012. The workshop participants were doctors, nurses, physiotherapists, coaches and sports administrators from Kosrae, Pohnpei, Chuuk and Yap. The expert instructors were Dr. Caleb Otto from Palau and Jordan Salesa/Situfu from New Zealand. The workshop was funded from an International Olympic Committee Medical Commission Olympic Solidarity grant.

Executive Order No. 40 issued to establish 2023 Planning Committee

FSM Information Services

March 27, 2012

President Manny Mori issued Executive Order No. 40, establishing the "2023 Planning Committee" on March 6, which will comprise one representative from each of the four States and the National Government. The States' representatives will be appointed by the respective Governors while the Chairperson of the committee shall be appointed by the President.

The creation of the committee is in line with the discussions made at the State and National

Leadership Conference held in Pohnpei in February, 2012 when the Leaders explored a number of feasible approaches, should cessation of financial assistance under the Amended Compact fall in place beginning 2023.

As specific tasks for the committee, the President has identified the following, as explained in the Executive Order: (1) Undertake assessment of the nature and magnitude of the financial situation of the FSM Governments in 2024 onwards and identify the expected budgetary shortfalls; (2) Explore different alternatives and funding scenarios for addressing the projected budgetary shortfalls; (3) Develop and present to

the leadership a realistic and reliable action plan for addressing the looming financial shortfall in 2024 and beyond; (4) others as may be necessary to complete the committee's task.

The President also said that "it is imperative for the FSM Governments to take the initiative" in seeking understanding of the issues that derive from the decreases and possible cessation of financial assistance under the Amended Compact, studying their "implications on the lives of citizens" and the effective solutions to pursue.

Through a March 9 letter to Speaker Isaac V.

Figir, the President has made a request for an amount of \$207,000 to fund the committee's meetings, participants' allowances, consultants' contracts and other necessary needs.

Pursuant to the Executive Order, the committee shall accomplish its task within one year, or as soon as practical, "and transmit to the FSM President and the entire leadership a report of its findings and recommendations".

The Office of Statistics, Budget, Overseas Development and Compact Management (SBOC) will be the Secretariat for the committee.

Yap receives grants through Japan's Grassroots Aid

Embassy of Japan

Ambassador Eiichi Suzuki traveled to Yap to sign over two grants to the Division of Public Health of Yap State and Yap Women's Association. The grants were approved through Japan's Grant for Grassroots Human Security Projects.

The first grant contract signed on March 19, 2012 for "Project for Health Care Service Improvement" in the amount of \$39,580 will be provided to the Division of Public Health

to purchase a vehicle that will travel the long distances to the villages to provide medical services such vaccination and preventive healthcare in a sanitary environment. As the villages in Yap are many yet so far in distance, many villagers are not able to easily get to the State Hospital and also, the awareness for preventive healthcare such as vaccination have not been able to reach the villagers as well. It is the hope of both the donor and receiver that the provision of this vehicle will improve this situation.

Subsequently, Yap Women's Association (YWA) also received \$112,000 for the "Project for Construction of Multi-purpose Facility to Promote Women's Independence in Yap State" signed over on March 20, 2012. This project is aimed to address a multitude of issues namely the empowerment and the protection of the women and children; in the way that it can serve as a shelter for women and children suffering from domestic violence; and it will also serve as an evacuation center during natural disasters such as typhoons.

At the ceremony for the "mobile clinic", Yap State Governor Anefal presented remarks and the grant was signed by Mr. Dominic Taruwemai, Deputy Director of Yap Department of Health Services and for another ceremony for the "Project for Construction of Multi-purpose Facility to Promote Women's Independence in Yap State", Yap State Legislature, Speaker Falan presented remarks and the grant was signed by Mrs. Anefal, President of Yap Women's Association.

