

AN ACT

To appropriate the sum of \$21,876,944 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2007 for the purpose of funding the operations of all branches of the National Government of the Federated States of Micronesia, its agencies, various programs, grants, subsidies and contributions and to establish a capital and human resource development budget for the first two quarters of the fiscal year 2007, and for other purposes.

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

1 Section 1. An annual budget in the amount of \$32,730,005 for
2 the fiscal year ending September 30, 2007 is hereby approved.

3 There is hereby appropriated from the General Fund of the
4 Federated States of Micronesia for the fiscal year ending
5 September 30, 2007 the sum of \$21,876,952 for the purpose of
6 funding the operations of all branches of the National Government
7 of the Federated States of Micronesia, its agencies, various
8 programs, grants, subsidies and contributions; and capital and
9 human resource development for the first two quarters of the
10 fiscal year ending September 30, 2007. The sum appropriated
11 herein shall be apportioned as follows:

12 Section 2. Operating expenses of the Executive Branch. The
13 sum of \$7,570,167 or so much thereof as may be necessary, is
14 hereby appropriated from the General Fund of the Federated States
15 of Micronesia for the fiscal year ending September 30, 2007, for
16 the purpose of funding the operations of the Executive Branch of
17 the National Government for the first two quarters of the fiscal

1 year 2007. The sum appropriated by this section shall be
2 apportioned as follows:

3 (1) Office of the President.

4 \$300,259, or so much thereof as may be necessary, for
5 the operations of the Office of the President for the
6 first two quarters of the fiscal year 2007. The sum
7 appropriated herein shall be apportioned as follows:

8	Personnel	\$	143,671
9	Travel		44,088
10	Contractual Services		65,000
11	OCE		35,000
12	Fixed Assets		12,500

13 (2) Department of Foreign Affairs.

14 \$1,478,254, or so much thereof as may be
15 necessary, for the operations of the
16 Department of Foreign Affairs for the first
17 two quarters of the fiscal year 2007. The sum
18 appropriated herein shall be apportioned as
19 follows:

20	Personnel	\$	586,105
21	Travel		70,030
22	Contractual Services		687,454
23	OCE		133,925
24	Fixed Assets		740

25 (3) Department of Finance and Administration.

1 \$1,260,114, or so much thereof as may be
 2 necessary, for the operations of the
 3 Department of Finance and Administration for
 4 the first two quarters of the fiscal year
 5 2007. The sum appropriated herein shall be
 6 apportioned as follows:

7	Personnel.....	\$	646,353
8	Travel		101,200
9	Contractual Services		326,044
10	OCE		165,917
11	Fixed Assets		20,600

12 (4) Department of Economic Affairs.
 13 \$587,386, or so much thereof as may be
 14 necessary, for the operations of the
 15 Department of Economic Affairs for the first
 16 two quarters of the fiscal year 2007. The sum
 17 appropriated herein shall be apportioned as
 18 follows:

19	Personnel	\$	416,663
20	Travel		34,585
21	Contractual Services		56,138
22	OCE		69,000
23	Fixed Assets		11,000

24 (5) Department of Transportation,
 25 Communication and Infrastructure.

1 \$742,995, or so much thereof as may be
 2 necessary, for the operations of the
 3 Department of Transportation, Communications
 4 and Infrastructure for the first two quarters
 5 of the fiscal year 2007. The sum appropriated
 6 herein shall be apportioned as follows:

7	Personnel	\$	289,971
8	Travel		51,500
9	Contractual Services		362,524
10	OCE		35,000
11	Fixed Assets		4,000

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

14 \$1,355,344, or so much thereof as may be
 15 necessary, for the operations of the
 16 Department of Health, Education and Social
 17 Affairs for the first two quarters of the
 18 fiscal year 2007. Of the total funds
 19 appropriated herein, \$179,540 shall be deemed
 20 to come from funds available under the amended
 21 Compact for the education sector, \$383,582
 22 from the health sector, and \$643,843 from the
 23 supplemental education grant (SEG), provided
 24 that, these funds shall not be allotted or
 25 obligated until such time as formal approval

1 has been obtained in accordance with the
2 Amended Compact of Free Association. The sum
3 appropriated herein shall be apportioned as
4 follows:

5	Personnel	\$	401,740
6	Travel		129,606
7	Contractual Services		93,194
8	OCE		728,454
9	Fixed Assets		2,350

10 (7) Department of Justice.

11 \$1,266,795, or so much thereof as may be
12 necessary, for the operations of the
13 Department of Justice for the first two
14 quarters of the fiscal year 2007. The sum
15 appropriated herein shall be apportioned as
16 follows:

17	Personnel	\$	922,065
18	Travel		52,000
19	Contractual Services		60,050
20	OCE		232,680
21	Fixed Assets		-0-

22 (8) Office of the Public Defender.

23 \$317,996, or so much thereof as may be
24 necessary, for the operations of the Office of
25 the Public Defender for the first two quarters

1 of the fiscal year 2007. The sum appropriated
2 herein shall be apportioned as follows:

3	Personnel	\$ 229,122
4	Travel	34,752
5	Contractual Services	26,022
6	OCE	23,675
7	Fixed Assets	4,425

8 (9) Office of Compact Management.

9 \$261,024, or so much thereof as may be
10 necessary, for the operations of the Office of
11 Compact Management for the first two quarters
12 of the fiscal year 2007. The sum appropriated
13 herein shall be apportioned as follows:

14	Personnel	\$ 48,624
15	Travel	35,000
16	Contractual Services	151,400
17	OCE	17,000
18	Fixed Assets	9,000

19 Section 3. Operating expenses of the Legislative
20 Branch. The sum of \$1,611,083, or so much thereof as
21 may be necessary, is hereby appropriated from the
22 General Fund of the Federated States of Micronesia for
23 the fiscal year ending September 30, 2007, for the
24 operations of the Legislative Branch of the National
25 Government for the first two quarters of the fiscal year

1 2007. The sum appropriated by this section shall be
2 apportioned as follows:

3 (1) Speaker and Members.

4 \$741,386, or so much thereof as may be
5 necessary, for the operations of the Office of
6 the Speaker and Members of the Congress of the
7 Federated States of Micronesia for the first
8 two quarters of the fiscal year 2007. The sum
9 appropriated herein shall be apportioned as
10 follows:

11	Personnel	\$	207,645
12	Travel		219,941
13	Contractual Services		288,800
14	OCE		25,000

15 (2) Staff Offices.

16 \$624,697, or so much thereof as may be
17 necessary, for the operations of the Congress
18 staff offices for the first two quarters of
19 the fiscal year 2007. The sum appropriated
20 herein shall be apportioned as follows:

21	Personnel	\$	411,481
22	Travel		54,686
23	Contractual Services		84,250
24	OCE		61,170
25	Fixed Assets	\$	13,110

1 (3) Congress Delegation Offices.

2 \$245,000, or so much thereof as may be
3 necessary, for the operations of the Congress
4 delegation offices for the first two quarters
5 of the fiscal year 2007. The sum appropriated
6 herein shall be apportioned as follows:

7	(a) Kosrae Delegation	
8	Office	\$ 35,000
9	(b) Pohnpei Delegation	
10	Office	70,000
11	(c) Chuuk Delegation Office	105,000
12	(d) Yap Delegation Office	35,000

13 Section 4. Operating Expenses of the National

14 Judiciary Branch. The sum of \$551,518, or so much
15 thereof as may be necessary, is hereby appropriated from
16 the General Fund of the Federated States of Micronesia
17 for the fiscal year ending September 30, 2007, for the
18 operations of the Judiciary Branch of the National
19 Government for the first two quarters of the fiscal year
20 2007. The sum appropriated by this section shall be
21 apportioned as follows:

22	Personnel	\$ 354,868
23	Travel	50,000
24	Contractual Services	63,450
25	OCE	\$ 83,200

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1 Fixed Assets

2 Section 5. Operating Expenses of the Public

3 Auditor's Office. The sum of \$401,592, or so much
4 thereof as may be necessary, is hereby appropriated
5 from the General Fund of the Federated States of
6 Micronesia for the fiscal year ending September 30,
7 2007, for the operations of the National Office of the
8 Public Auditor for the first two quarters of the fiscal
9 year 2007. The sum appropriated by this section shall
10 be apportioned as follows:

11	Personnel	\$	192,642
12	Travel		80,000
13	Contractual Services		100,950
14	OCE		26,000
15	Fixed Assets		2,000

16 Section 6. Operating Expenses of agencies of the
17 National Government. The sum of \$718,710, or so much
18 thereof as may be necessary, is hereby appropriated from
19 the General Fund of the Federated States of Micronesia
20 for the fiscal year ending September 30, 2007, for the
21 operations of the following boards, commissions and
22 agencies for the first two quarters of the fiscal year
23 2007. The sum appropriated by this section shall be
24 apportioned as follows:

- 25 (1) National Oceanic Resource Management

1 Authority (NORMA).

2 \$188,803, or so much thereof as may be
3 necessary, for the operations of NORMA for the
4 first two quarters of the fiscal year 2007.

5 The sum appropriated herein shall be
6 apportioned as follows:

7	Personnel	\$	96,253
8	Travel		37,500
9	Contractual Service		35,850
10	OCE		19,200

11 (2) Board of Regents (COM-FSM).

12 \$29,000, or so much thereof as may be
13 necessary, for the operations of the Board of
14 Regents, COM-FSM for the first two quarters of
15 the fiscal year 2007. The sum appropriated
16 herein shall be apportioned as follows:

17	Personnel	\$	-0-
18	Travel		20,500
19	Contractual Services		5,000
20	OCE		3,500
21	Fixed Assets		-0-

22 (3) Coconut Development Authority (CDA).

23 \$44,361, or so much thereof as may be
24 necessary, for the operations of the Coconut
25 Development Authority for the first two

1 quarters of the fiscal year 2007. The sum
2 appropriated herein shall be apportioned as
3 follows:

4	Personnel	\$	33,861
5	Travel		2,500
6	Contractual Services		3,000
7	OCE		5,000
8	Fixed Assets		-0-

9 (4) FSM Banking Board.

10 \$76,325, or so much thereof as may be
11 necessary, for the operations of the FSM
12 Banking Board for the first two quarters of
13 the fiscal year 2007. The sum appropriated
14 herein shall be apportioned as follows:

15	Personnel	\$	35,777
16	Travel		15,100
17	Contractual Services		9,050
18	OCE		8,998
19	Fixed Assets		7,400

20 (5) FSM Postal Services.

21 \$330,221, or so much thereof as may be
22 necessary, for the operations of the National
23 Postal Services for the first two quarters of
24 the fiscal year 2007. The sum appropriated
25 herein shall be apportioned as follows:

1	Personnel	\$	204,521
2	Travel		20,500
3	Contractual Services		62,500
4	OCE		42,700
5	Fixed Assets		-0-

6 (6) National Fisheries Corporation (NFC).
7 \$50,000, or so much thereof as may be
8 necessary, for the operations of the National
9 Fisheries Corporation for the first two
10 quarters of the fiscal year 2007. The sum
11 appropriated herein shall be apportioned as
12 follows:

13	NFC operations subsidy	\$	50,000
14	Air freight subsidy		-0-

15 Section 7. Special Programs. The sum of \$403,582
16 or so much thereof as may be necessary, is hereby
17 appropriated from the General Fund of the Federated
18 States of Micronesia for the fiscal year ending
19 September 30, 2007, for the following special programs
20 during fiscal year 2007. The sum appropriated by this
21 section shall be apportioned as follows:

22 (1) FSM Aquaculture Center.
23 \$79,282, or so much thereof as may be
24 necessary for the operation of the FSM
25 Aquaculture Center during the fiscal year

1 2007. The sum appropriated herein shall be
2 apportioned as follows:

3	Personnel	\$	\$38,617
4	Travel		8,802
5	Contractual Services		9,474
6	OCE		22,389
7	Fixed Assets		-0-

8 (2) Office of the National Election

9 Director.

10 \$314,300, or so much thereof as may be
11 necessary for the operation of the Office of
12 the National Election Director during the
13 fiscal year 2007. The sum appropriated herein
14 shall be apportioned as follows:

15	Personnel	\$	180,080
16	Travel		5,220
17	Contractual Services		21,000
18	OCE		108,000
19	Fixed Assets		-0-

20 (3) Sustainable Development Council.

21 \$10,000, or as much thereof as may be necessary, for the
22 operations of the Sustainable Development Council during
23 fiscal year 2007. All funds appropriated herein shall
24 be expended for travel.

25 Section 8. Grants, Subsidies and Contributions. The sum of

1 \$2,387,800, or so much thereof as may be necessary, is hereby
2 appropriated from the General Fund of the Federated States of
3 Micronesia for the fiscal year ending September 30, 2007, for the
4 following grants, subsidies and contributions during fiscal year
5 2007. The sum appropriated by this section shall be apportioned
6 as follows:

7 (1) Department of Foreign Affairs.

8	(a) Pacific Islands Forum Secretariat	\$ 46,000
9	(b) Secretariat for the Pacific	
10	Community (SPC)	56,000
11	(c) UN and Specialized Agencies (UN)	60,000
12	(d) UN Economic and Social Commission	
13	for Asia and the Pacific (ESCAP)	5,000
14	(e) East-West Center	5,000
15	(f) United Nations Development	
16	Program (UNDP)	23,500
17	(g) Activities in preparation for the	
18	establishment of an FSM embassy in Beijing .	75,000

19 (2) Department of Finance and Administration.

20	(a) National Authorizing Committee	
21	(ACP/EU)	-0-
22	(b) OCO Membership Fee	2,000

23 (3) Department of Economic Affairs.

24	(a) Pacific Islands Development Program	15,000
25	(b) Forum Fisheries Agency (FFA) ...\$	21,000

1	(c) UN Development Program	3,000
2	(d) Coordinating Committee for Offshore	
3	Minerals Prospecting (SOPAC)	40,000
4	(e) Pacific Asia Travel Association .	5,000
5	(f) UN Environmental Program (UNEP) .	600
6	(g) Western Forestry Leadership	
7	Coalition	-0-
8	(h) Seaframe Program	-0-
9	(i) Food Agriculture Organization (FAO)	4,700
10	(j) UN Framework Convention	250
11	(k) National Association of State	
12	Foresters	-0-
13	(l) National Environmental	
14	Speech Contest	-0-
15	(m) FA/TCP Matching	34,500
16	(n) Matching for SPC Projects	60,000
17	(o) Tourism activities, provided	
18	that, no funds shall be allotted until such	
19	time as the Tourism Unit has submitted a plan	
20	for the use of the funds to the Standing	
21	Committee on Resources and Development and	
22	received written approval of the plan from	
23	the Chairman of the Committee	50,000
24	(4) <u>Department of Health, Education and</u>	
25	<u>Social Affairs.</u>	

1	(a) UN Fund for Population	
2	Activity (UNFPA)	\$ 3,000
3	(b) South Pacific Regional	
4	Environmental Program (SPREP)	7,375
5	(c) Aid to Non-Public Schools	300,000
6	(d) Financial Assistance to FSM	
7	Students attending College of Marshalls	
8	and Palau Community College	50,000
9	(e) World Health Organization (WHO) .	41,385
10	(f) National Board of Nursing	10,000
11	(g) Pacific Islands Health	
12	Officers Association	20,000
13	(h) National Close-Up Local Program .	64,000
14	(i) FSM Amateur Sports Association ..	20,000
15	(j) College of Micronesia Board (COM)	5,000
16	(k) Association of Territorial	
17	Health Organization	2,000
18	(l) FSM Red Cross	70,000
19	(m) UNESCO	4,000
20	(5) <u>Department of Transportation,</u>	
21	<u>Communications and Infrastructure.</u>	
22	(a) Asia-Pacific Telecommunity (APT)	7,640
23	(b) International Telecommunications	
24	Union (ITU)	55,000
25	(c) International Civil Aviation	

1	Organization	\$ 28,050
2	(d) Micronesia Shipping Commission .	10,000
3	(e) FSM Capital Energy/Utilities	300,000
4	(f) Marine and aviation	
5	skills updating	50,000
6	(6) <u>Coconut Development Authority (CDA).</u>	
7	(a) Copra Subsidy	50,000
8	(b) Asia Pacific Coconut	
9	Community (APCC)	-0-
10	(c) Pilot Plant Project	49,300
11	(7) <u>Other Grants, Subsidies and Contributions.</u>	
12	(a) Kosrae Judiciary	
13	subsidy	30,000
14	(b) Pohnpei Judiciary	
15	subsidy	45,000
16	(c) Chuuk Judiciary subsidy	45,000
17	(d) Yap Judiciary subsidy	20,000
18	(e) COM Treaty Obligations	25,000
19	(f) Micronesia Legal Services	
20	Corporation	150,000
21	(g) States Joint Law Enforcement,	
22	provided that \$25,000 shall go to Kosrae	
23	State, \$50,000 shall go to Pohnpei State,	
24	\$50,000 shall go to Chuuk State and \$25,000	
25	shall go to Yap State	\$ 150,000

1	(h) Tuna Commission Membership	16,000
2	(i) Disaster Assistance Emergency	
3	Fund (DAEF) Matching	200,000
4	(k) Maritime Boundary Delimitation ..	43,500
5	(l) Yap Judiciary subsidy to be used	
6	solely to fund scholarships for citizens of	
7	Yap who are studying law	10,000

8 Section 9. Capital and Human Resource Development. The sum
9 of \$8,232,500, or so much thereof as may be necessary, is hereby
10 appropriated from the General Fund of the Federated States of
11 Micronesia for the fiscal year ending September 30, 2007, for the
12 following capital improvements, development programs and projects
13 and human resource development. The sum appropriated by this
14 section shall be apportioned as follows:

15 (1) College of Micronesia-FSM.
16 \$5,950,000, or so much thereof as may be necessary, for
17 the operations, programs and projects of the College
18 during fiscal year 2007. The sum appropriated herein
19 shall be apportioned as follows:

20 (a) COM-FSM operations, PROVIDED THAT
21 all funds appropriated herein shall be deemed
22 to come from funds available under the amended
23 Compact for the Education Sector, and provided
24 that, these funds shall not be allotted or
25 obligated until such time as formal approval

1 has been obtained in accordance with the

2 Amended Compact of Free Association\$ \$3,800,000

3 (b) Fisheries and Maritime Institute 650,000

4 (c) COM-FSM State Campus Facility

5 Improvement, PROVIDED THAT the sum

6 appropriated herein shall be deemed to come

7 from funds available under the

8 amended Compact for Infrastructure Development

9 Sector and, provided that, these funds shall

10 not be allotted or obligated until such time

11 as formal approval has been obtained in

12 accordance with the Amended Compact of Free

13 Association 1,500,000

14 (2) Department of Finance and Administration.

15 (a) National Staff Upgrading 50,000

16 (b) Asian Development Bank MLFC Loan -0-

17 (3) Department of Economic Affairs.

18 (a) FSM Tourism Promotion 100,000

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

20 (c) Diversification of Energy 125,000

21 (d) Crop Production Improvement 15,000

22 (4) Department of Transportation,

23 Communication and Infrastructure.

24 (a) Dry Docking of MS Voyager PROVIDED

25 THAT of the amount appropriated herein

1 \$756,592 shall come from funds available under
2 the amended Compact for Infrastructure
3 Development Sector and, provided that, these
4 funds shall not be allotted or obligated until
5 such time as formal approval has been obtained
6 in accordance with the Amended Compact of Free
7 Association\$ 880,000
8 (b) Tuna Commission Headquarters
9 Supplement -0-
10 (5) Department of Justice.
11 (a) FSM Patrol Boat Slipping 250,000
12 (b) Construction of 2 fuel tanks -0-
13 (6) FSM Postal Services.
14 (a) Pohnpei Post Office renovation .. 50,000
15 (7) Infrastructure Maintenance Fund (IMF).
16 (a) IMF PROVIDED THAT \$118,750 of the
17 funds appropriated herein shall be deemed to
18 come from funds available under the amended
19 Compact for Infrastructure Development Sector
20 and, provided that, these funds shall not be
21 allotted or obligated until such time as
22 formal approval has been obtained in
23 accordance with the Amended Compact of Free
24 Association..... 237,500
25 (8) FSM Development Bank.

1 (a) Escrow Account USDA Housing Program \$ -0-

2 (9) FSM Trust Fund.

3 (a) FSM Trust Fund created under the
4 Amended Compact of Free Association, provided
5 that, 50% of any FY 2006 domestic revenue
6 carryover shall also be deposited into the FSM
7 Trust Fund500,000

8 Section 10. Employment Ceilings. The maximum number of
9 positions for each branch and agency of the National Government of
10 the Federated States of Micronesia for fiscal year 2007 shall be
11 as follows:

- 12 (1) Executive Branch 500
- 13 (2) Legislative Branch 57
- 14 (3) Judiciary Branch 31
- 15 (4) Public Auditor's Office 22
- 16 (5) Agencies

17 (a) National Oceanic Resource Management
18 Authority 11

19 (b) Coconut Development Authority 4

20 (c) FSM Postal Services 38

21 (d) FSM Banking Board 4

22 (6) Special Programs

23 (a) FSM Aquaculture Center 4

24 (b) Office of the National Director 11

25 Section 11. Reprogramming. Reprogramming of funds into or

1 from the personnel budget line items shall not be permitted.
2 Reprogramming of funds from any utilities or communications budget
3 line items shall not be permitted. Reprogramming of funds
4 appropriated for the operations of the various field offices
5 within the Department of Justice and the Department of Finance and
6 Administration shall not be permitted. The President may
7 reprogram up to 10% to or from, whichever is less, from the funds
8 appropriated to each department and office in section 2 (Operating
9 expenses of the Executive Branch). Reprogramming of funds within
10 a department, office or agency shall be effected by the head of
11 such department, office or agency by specifying in writing to the
12 Secretary of Finance and Administration, FSM National Government,
13 the accounts for which funding is either increased or decreased.
14 The President shall report to Congress within one month of the
15 last day of each financial quarter all amounts reprogrammed inter
16 or intra a department, office or agency.

17 Section 12. Allotment and management of funds and lapse
18 date.

19 (1) General Provisions.

20 (a) All funds appropriated by this act shall be
21 allotted, managed, administered and accounted for in
22 accordance with applicable law, including, but not
23 limited to, the Financial Management Act of 1979 and the
24 amended Compact of Free Association between the United
25 States Government and the Government of the Federated

1 States of Micronesia and its related agreements.

2 (b) The allottees shall be responsible for
3 ensuring that these funds, or so much thereof as may be
4 necessary, are used solely for the purpose specified in
5 this act, and that no obligations are incurred in excess
6 of the sum appropriated.

7 (2) Allottees. The allottee of the funds appropriated
8 by this act are as follows:

9 (a) Section 2 - the allottee of these funds shall
10 be the President of the Federated States of Micronesia;

11 (b) Section 3 - the allottee of these funds shall
12 be the Speaker of the Congress of the Federated States
13 of Micronesia;

14 (c) Section 4 - the allottee of these funds shall
15 be the Chief Justice of the Supreme Court of the
16 Federated States of Micronesia;

17 (d) Section 5 - the allottee of these funds shall
18 be the Public Auditor of the Federated States of
19 Micronesia;

20 (e) Sections 6 through 9 - the allottee of these
21 funds shall be the President of the Federated States of
22 Micronesia, EXCEPT THAT for the following subsections of
23 sections 8 through 9 of this act:

24 (i) section 8 subsection (7)(a) through (d)
25 - the allottee of these funds shall be the Chief Justice

1 of the respective state,

2 (ii) section 8 subsection (7)(1) - the
3 allottee shall be the Yap Office of the Public Defender,
4 and

5 (iii) section 9(1)(a) through (c) - the
6 allottee of these funds shall be the President of the
7 College of Micronesia-FSM.

8 (3) Lapse Date. The authority of the allottee to
9 obligate funds appropriated by this act shall lapse as
10 of September 30, 2007, EXCEPT the funds appropriated
11 under section 9 of this act shall not lapse.

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24 Section 13. This act shall become law upon approval by the
25 President of the Federated States of Micronesia or upon its

1 becoming law without such approval.

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September 30, 2006

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/s/ Joseph J. Urusemal

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Joseph J. Urusemal

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President

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Federated States of Micronesia

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