

## Political Reviews

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*Micronesia in Review: Issues and Events, 1 July 2013  
to 30 June 2014*

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#### FEDERATED STATES OF MICRONESIA

During the period covered by this review, the Federated States of Micronesia (FSM) grappled with several significant challenges to its integrity as a functional government and a legal state—some long-standing, some newly borne, all symptoms of international, regional, and domestic discord. The responses of the state governments and the FSM national government revealed a persistent truth in the politics of the federation: solidarity outside, dissension within.

Leading the litany of challenges was the perennial—and existential—threat of climate change. In May 2013, climatologists measured atmospheric concentrations of carbon dioxide near the summit of Mauna Loa in Hawai‘i as exceeding 400 parts per million, the highest ever recorded (Carrington 2013). In September 2013, Working Group I of the 5th Assessment Report of the Intergovernmental Panel on Climate Change (IPCC) released a major report on the physical science basis of climate change, wherein the group asserted that it is “extremely likely” that most of the observed increase in global average surface temperature over the last sixty years was due to “anthropogenic forcings” and predicted that the global sea level will rise at a rate very likely exceeding

the already-alarming rate observed in the last forty years (IPCC 2013). The sea level in the FSM was measured to be rising by ten millimeters per year, more than three times the global average, with predictions that it will rise up to six inches from the current level by 2030 (ICCAI 2013). King tides, storm surges, and coastal flooding have afflicted the FSM, contaminating farmland, ruining freshwater supplies, and disrupting island communities throughout the federation.

In this context, on 5 September 2013, FSM representatives joined those from the fifteen other members of the Pacific Islands Forum in endorsing the Majuro Declaration for Climate Leadership during the Forum meeting held in the Marshall Islands (PIF 2013). The declaration announces the intent of Forum members to assume climate leadership, a mantle marked by ambitious greenhouse-gas-emission reductions and a regional transition to renewable and clean energy sources. Via its representatives, the FSM government committed to, among other things, halving the federation’s import and use of imported petroleum fuels by 2020, generating half the electricity needed for use in rural areas from renewable energy sources by the same year, and realizing a “net gain of area and health status of coral reefs” between 2013 and 2020 (PIF 2013).

The Pacific Islands Forum also featured a Declaration on Establishing a Pacific Regional Data Repository for

Sustainable Energy for All (SE4ALL), which was introduced by Tonga and endorsed by all the Forum representatives including those of the FSM. The SE4ALL initiative is a global effort launched in 2010 by United Nations (UN) Secretary-General Ban Ki-moon that aims to achieve three goals by 2030: provide universal access to modern energy, double global energy efficiency, and double the share of global renewable energy. The declaration endorsed by the Forum calls for the establishment of a central clearinghouse in the Pacific for information about sustainable energy best practices, in the hope of assisting Pacific states to reduce fuel imports, make energy services more affordable and efficient, and adopt broader sustainable energy portfolios, per the objectives of the SE4ALL initiative. Several weeks after the Forum concluded, FSM President Emanuel Mori held a bilateral meeting with Prime Minister Sialeʻataongo Tuʻivakanō of Tonga in New York City in the margins of the opening of the 68th Session of the UN General Assembly, during which he signed the declaration on behalf of the FSM (FSMIS, 24 Sept 2013).

In addition to adopting clear and ambitious national commitments to tackle climate change and its drivers under the Majuro Declaration and the SE4ALL initiative, the FSM government continued its groundbreaking work in tackling climate change through a somewhat unorthodox approach: reducing powerful greenhouse gases called hydrofluorocarbons (HFCs), pursuant to the Montreal Protocol on Substances that Deplete the Ozone Layer. HFCs are potent, manmade greenhouse gases used

primarily in refrigeration and air conditioning. They are up to thousands of times more harmful than carbon dioxide, though they are relatively short-lived. In the past, the FSM (which is a state party to the Montreal Protocol) had proposed phasing out the use of hydrochlorofluorocarbons (or HCFCs, which are distinct from HFCs) under the protocol—a proposal that met with favorable responses from the international community and ultimately succeeded in reducing the targeted substances (FSMPJO, 18 Sept 2013). The FSM then turned its attention to HFCs, which are not currently covered by the protocol. In 2009, the FSM was the first country to propose phasing down HFCs by amending the Montreal Protocol to include provisions targeting the manufacturing of HFCs. In the past year, the proposal enjoyed broad support, including from the United States, China, and the rest of the Group of Twenty (G20), whose leaders publicly and jointly agreed on 6 September 2013 to use the Montreal Protocol to phase out HFCs in their respective countries (Eilperin 2013).

The FSM also took advantage of the November 2013 Conference of Parties to the UN Framework Convention on Climate Change (UNFCCC) in Warsaw, Poland, to further advocate for its proposal to amend the Montreal Protocol. Noting growing international support for amending the protocol, Ambassador Jane J Chigiyal, the permanent FSM representative to the United Nations and a member of the Bureau of the UNFCCC Conference of Parties, stated that countries “have the same mutual goal to close the emissions gap and we think that doing

so through the Montreal Protocol to reduce HFCs would make a difference” (FSMIS, 20 Nov 2013).

As groundbreaking and ripe for success as its work on the Montreal Protocol has been, the FSM continued to struggle to make any significant headway in UNFCCC negotiations. At the Conference of Parties in Warsaw, the FSM negotiators followed the lead of the Republic of Nauru, which chaired the negotiating bloc of the Alliance of Small Island States (AOSIS). AOSIS advocated for, among other things, increased climate finance for mitigation and adaptation efforts in developing countries, as well as a “new international mechanism for loss and damage associated with climate change impacts.” Unfortunately, developed countries refused to commit to interim deadlines for contributing the \$100 billion they had promised in a previous Conference of Parties to give to the Green Climate Fund by 2020. (The fund has not received any contributions to date.) Developed countries also blocked the establishment of a new “loss and damage” mechanism, citing concerns about assuming legal liability for harms inflicted by their greenhouse-gas emissions on developing countries. In the end, the Conference of Parties in Warsaw was largely inconsequential, at least from the FSM perspective (C2ES 2013). That bodes ill for the UNFCCC process, which is supposed to produce a new international legal instrument or “an agreed outcome with legal force” by December 2015 (with entry into force no earlier than 2020) to update or replace the battered Kyoto Protocol. It is doubtful whether such a monumental task can

be achieved, at least to the satisfaction of the FSM and its AOSIS allies.

While struggling with a mixed bag of results in multilateral efforts to tackle climate change, the FSM government had success with domestic approaches. On 24 September 2013, the FSM Congress ratified the Doha Amendment to the Kyoto Protocol (FSMIS, 24 Sept 2013). The amendment extends the emissions reductions commitment period of the Kyoto Protocol to 2020. The FSM government formally submitted its ratification to the depositary of the amendment on 21 January 2014, becoming one of only seven states to do so.

Additionally, on 3 January 2014, the FSM government enacted the Climate Change Act. The act essentially obligates all sectors in the federation’s four states that are responsible for environment, disaster management, infrastructure, health, transportation, finance, and education to “mainstream” climate-adaptation issues and approaches in their policies and action plans. Andrew Yatilman, the director of the FSM Office of Environment and Emergency Management, noted that “activities [related to disaster risk and climate change] tend to be carried out by staff separately, with climate change generally viewed more as an environmental issue. We are now in the process of realigning our programme to make the two more complementary” (Wilson 2014). President Mori, when signing the act into law, stressed that “establishing a national policy in the area of climate change is essential in protecting our nation and furthering the interests and well-being of our people” (FSMIS, 9 Jan 2014). The act is the first of its kind for a

Pacific small island state, falling neatly into the call of the Majuro Declaration for Pacific states to become “climate leaders.”

In tandem with its crusade against climate change, the FSM government took steps to address the special stresses placed on the world’s oceans by irresponsible human activity. Of particular concern for the FSM was the effect of ocean acidification and illegal, unreported, and unregulated (IUU) fishing on the federation’s maritime food security and the health of the marine life in FSM waters. Throughout the year at the United Nations, where UN members and civil society continued negotiating Sustainable Development Goals to replace the current Millennium Development Goals in 2015, the FSM delegation championed the inclusion of a standalone Sustainable Development Goal on the Ocean, which would establish benchmarks by which states can take concrete actions to ensure a healthy, productive, and resilient ocean for the global community (UNESCO 2014).

From 22 to 25 April 2014, underscoring its commitment to the ocean, the FSM, represented by Secretary of Foreign Affairs Lorin S Robert, participated in the Global Oceans Action Summit for Food Security and Blue Growth in The Hague, Netherlands. The summit gathered representatives from governments, civil society, the scientific community, coastal communities, and the fishing industry to discuss several major threats to maritime health and food security: IUU fishing, pollution, and marine ecosystem destruction. Secretary Robert joined other participants in advocating for a so-called “blue economy,” which

would generate food, jobs, and other opportunities through the conservation, sustainable management, and equitable utilization of the world’s oceans (Summit 2014).

Following on the heels of that summit, FSM representatives attended an international conference—“Our Ocean”—convened by the US Department of State in Washington, DC, 23–24 June 2014. Participants at the conference, including the United States, committed to preventing IUU fishing through improved tracking of fishing vessels and consumer education about seafood choices; halting ocean acidification by curbing carbon dioxide emissions; and creating more marine protected areas by 2020 (Our Ocean 2014).

The conference marked the increasing attention being paid by the highest echelons of the US government to the health of the ocean, as well as a keen sensitivity to the issues and concerns of the Pacific region at a time when the Barack Obama administration has found its pivot to Asia to be challenging. Indeed, a day after the conference concluded, US Secretary of State John Kerry attended Pacific Day celebrations in Washington, DC, where he mingled with ambassadors, ministers, and other luminaries from the Pacific. During Pacific Day, Secretary Robert—who, along with Director Patrick Mackenzie of the FSM National Oceanic Resources and Management Authority and FSM Ambassador to the United States Asterio Takesy, represented the FSM at the “Our Ocean” conference—remarked that it was “a cruel twist of fate” that the ocean has become a threat rather than succor for the people of Oceania due to rising

seas, erratic storm surges, and warming temperatures ruining coral reefs and diverting pelagic fish stocks from FSM waters (FSMPIO, 27 June 2014).

The ocean as a whole presented a roster of tribulations for the FSM, but a particularly vexing one was sustainable fisheries. On the one hand, the FSM continued to reap the economic benefits of issuing fishing licenses to foreign fishing operators hunting the tuna stocks in FSM waters, particularly bigeye and skipjack. Indeed, according to the scientific committee of the Western and Central Pacific Fisheries Commission (an intergovernmental organization that regulates the world's largest tuna fishery in the western and central Pacific Ocean), the value of the tuna fishery in the western Pacific exceeded \$4 billion in 2012, with Parties to the Nauru Agreement (including the FSM) realizing nearly \$250 million in fishing revenue in 2013, a 400 percent increase from only three years earlier (MV, 22 Aug 2013). National fisheries, after being the butt of jokes in the federation for nearly the entirety of the country's existence, have become a lucrative industry, arguably the most successful sector of the FSM economy. On the other hand, the FSM government continued to grapple with IUU fishing in its waters. Foreign fishing vessels regularly snared unwanted maritime life as bycatch in their nets and discarded them rather than bring them to shore. Vessels also routinely fished in FSM waters without prior licensing or beyond prescribed quotas imposed by the FSM government. A recent study estimated that IUU fishing in the western and central Pacific produces economic losses of up to \$1.5

billion a year (Pew 2013). Just as the FSM national economy—long beleaguered and hamstrung by dependency on financial infusions from the United States—was finally enjoying a measure of self-sufficiency, external forces threatened to derail it.

In an effort to highlight its struggles with IUU fishing, on 27 November 2013, the FSM government submitted a written statement to the International Tribunal for the Law of the Sea in Case 21 (ITLOS 2013). The case involves a request for an advisory opinion submitted to the tribunal by the Sub-Regional Fisheries Commission, whose membership comprises a number of West African states. The requested advisory opinion will address the rights and obligations of coastal states and flag states with regard to IUU fishing and the sustainable management of certain fish stocks, particularly small pelagic species and tuna. In its written statement, the FSM government asserted, among other things, that flag states have a due-diligence obligation under international law to ensure that its flagged vessels do not engage in IUU fishing activities in the high seas and in the national waters of third-party coastal states. The statement also places the same obligation on international agencies like the European Commission, which concludes and administers fishing arrangements for its members with the FSM and other Pacific states. Although the advisory opinion, when issued, will not constitute a binding legal judgment, it will hopefully identify and present existing international law principles regarding the steps that states must take to eliminate IUU fishing—particularly when committed by

vessels flagged by those states—and properly manage the world's dwindling fish stocks.

In contrast to its difficulties addressing IUU fishing, the FSM took historic steps in another arena of ocean health: the establishment of a national sanctuary for sharks. Spearheaded by several local environmental nongovernmental organizations—notably the Conservation Society of Pohnpei—and the Pew Charitable Trusts, the sanctuary effort aimed to prohibit the commercial fishing of sharks anywhere in the FSM's 200-nautical-mile Exclusive Economic Zone, a swath stretching across 2.5 million square miles. According to the Pew Foundation, each live shark is worth millions of dollars in revenue for the FSM, primarily through shark tourism. Environmental groups were also concerned about practices by fishing vessels, particularly Asian operators, catching sharks in the western Pacific, removing their fins, and discarding them to their certain deaths.

Before the FSM national government could establish a national shark sanctuary, however, each of the FSM's four states had to adopt legislation establishing similar sanctuaries in their twelve-mile territorial seas (within which the FSM national government has limited constitutional authority with regard to regulating marine life). Kosrae established its shark sanctuary in September 2012, while Pohnpei and Yap established their own sanctuaries in June 2013. On 1 May 2014, Chuuk became the fourth and final FSM state to do so (Pew 2014). The FSM Congress will now consider legislation for a national shark sanctuary, the final leg in a long process.

The coordination between the FSM national government and the four states of the federation in the shark sanctuary project was notable for its novelty. Indeed, in the period covered by this review, relations between the FSM national government and the states were frequently tense. While the FSM national government joined its like-minded allies in solidarity on the international stage to combat climate change, restore ocean health, and conserve and manage the ocean's life and resources, it struggled at times to maintain equally cordial relations with its constituent states. The long-running debate on tax reform and a time-sensitive push to liberalize telecommunications in the federation exemplified that struggle. The Mori administration identified both issues as crucial for the FSM's economic fortunes and lobbied hard to implement them, but the administration ran into pronounced resistance from the states as well as from the FSM Congress—a persistent theme of domestic politics during the year in review.

Beginning in 2005, the Mori administration attempted to implement a national value added tax (VAT) regime in the FSM, citing favorable tax-revenue projections compared to the current national gross receipts tax regime. On 19 April 2011 and 1 May 2012, President Mori signed into law the Unified Revenue Authority Act and the Revenue Administration Act, respectively. The two acts established a Unified Revenue Authority and prescribed the means by which the authority would collect value added taxes in each state under the new regime. At the insistence of several members of the FSM Congress, the



Revenue Administration Act contained a so-called “sunset clause,” which stipulated that the act—and, thus, the entire VAT regime—would become null and void if any of the four states of the federation had not passed complementary VAT legislation at the state level by 19 April 2013. Chuuk and Kosrae signaled their support of the new regime from the beginning, but Pohnpei and Yap withheld their approval. The Yap State Legislature in particular insisted that its state constitution prohibited any entity other than the Yap State Government and local municipal governments from collecting any taxes in Yap, even national taxes. The collection of value added taxes by the Unified Revenue Authority in Yap would thus conflict with Yap’s constitutional imperative (FSMPIO, 8 July 2013).

Because of resistance from Yap and Pohnpei, the FSM Congress amended the Revenue Administration Act three times between April 2013 and March 2014 in order to give both states enough time to reconsider their positions and adopt complementary VAT legislation. A Tax Reform Task Force established by the Mori administration aggressively lobbied Yap and Pohnpei (FSMIS, 29 March 2014). President Mori wrote to the leadership of Yap, beseeching the state to see “if there is any way Yap State can reconsider its position on the tax reform and figure out a way to join in the FSM tax reform efforts” (FSMIS, 23 Oct 2013). As the Yap State Legislature dug in its heels and continued insisting on its interpretation of the Yap State Constitution, tensions flared with the task force, which argued that the legislature’s interpretation of the state

constitution was deeply flawed. At a certain point, the Yap State Legislature proposed that the new tax regime allow the Yap State Government to collect the new taxes on behalf of, and forward the taxes to, the national government, so as to avoid violating the Yap State Constitution. The Mori administration balked, insisting that the United Revenue Authority conduct all tax collection. Whether the Mori administration distrusted Yap with the tax collection was never publicly acknowledged, but that was certainly the impression that was created.

The last extension of the sunset clause was set to end on 31 May 2014. Given the opportunity at the end of its Fourth Regular Session to extend the sunset clause again and allow Yap and Pohnpei more time to reconsider their stances, the FSM Congress chose not to do so (*KP*, 11 June 2014). Congress could have amended the Revenue Administration Act to eliminate the sunset clause altogether, but members of Congress insisted that all the states had to participate in the new tax regime or else it would not proceed. After years of bruising battles between the Mori administration and two states in the federation, the tax-reform effort came to an ignominious end.

While the national government grappled with states in the tax reform debate, tensions also erupted between the Mori administration and the FSM Congress on the issue of telecommunications liberalization. By law, the FSM Telecommunications Corporation (FSMTC) was the sole provider of telecommunications services in the federation, as a public corporation exercising a virtual monopoly. For



years, elements in the FSM, particularly the private sector, clamored for a liberalization of the federation's telecommunications services by way of repealing or amending the enabling legislation for FSMTC, but they ran into resistance from the FSM Congress. However, during the Micronesian Presidential Summit in July 2013, the World Bank entered the fray with an enticing proposal: in return for liberalizing its telecommunications sector, the FSM government would receive a \$40 million grant from the World Bank to implement a submarine fiber-optic-cable system for the federation, including \$27 million to connect Yap via a spur to a planned submarine fiber-optic cable between Palau and Guam. The World Bank placed a strict deadline on its proposal: if the FSM government did not liberalize telecommunications and create an independent regulatory entity for the newly liberalized telecommunications industry by February 2014, the World Bank would withdraw its grant offer (FSMIS, 1 Oct 2013). As Pohnpei is the only state in the federation that has fiber-optic connectivity, interest in the World Bank offer was quite high.

In response to the World Bank proposal, the Mori administration submitted a lengthy bill to Congress in September 2013 that called for removing FSMTC's monopoly over telecommunications in the federation and establishing a new independent entity called the Office of the Telecommunication Regulation Authority (FSMC, CB 18-77). The Mori administration had pursued fiber-optic connectivity for all four states of the federation since its first term, but the effort had faltered because of a lack of fund-

ing. The administration seized on the World Bank offer to realize its long-standing policy goal. The ball was in Congress's court.

While Congress reviewed the voluminous bill, the Yap State leadership met with Yap's senators, Isaac Figir and Joseph Urusemal, on 19 August 2013 and unanimously endorsed the telecommunications liberalization bill pending before Congress. Yap State Legislature Speaker Henry Falan called the World Bank offer a "golden opportunity of a lifetime that may never come again" and joined the rest of the Yap State leadership in endorsing the World Bank offer (YNB, 22 Aug 2013).

Despite the strong push from the Mori administration, the unanimous endorsement from the Yap State leadership, growing public support from the general public (particularly in Yap), and the February 2014 deadline imposed by the World Bank, the FSM Congress took its time reviewing the liberalization bill. Senator Isaac Figir, chairman of the Ways and Means Committee, echoed the sentiments of some members of Congress when he warned in October 2013 that "there's no such thing as a free lunch. Everything comes at a price" (KP, 3 Oct 2013). Pohnpei Senator Peter Christian, chairman of the Transportation and Communications Committee, noted that "we will do it but we'll do it our own way" (KP, 16 Oct 2013). The FSMTC opposed the bill in part because it called for restructuring the FSMTC's governance structure.

After seven months of extensive review, the FSM Congress passed a modified version of the telecommunications liberalization bill submitted by

the Mori administration. The modified version refrained from interfering with the FSMTC's governance structure, a move that secured the FSMTC's support for the bill. President Mori signed the bill into law as the FSM Telecommunications Act of 2014 on 3 April 2014 (FSMC, PL 18-52). The Mori administration called the signing a "big moment" in the country's history (FSMIS, 4 April 2014).

However, the FSM Congress was less-than-enthused about the process. The Committee on Transportation and Communications, although it ultimately recommended passage of the liberalization bill, groused that the Mori administration had been discussing the liberalization process and the attendant grant offer with the World Bank for three years but did not bring the matter to the attention of the FSM Congress until September 2013 (KP, 3 April 2014).

The sour reaction of the FSM Congress soon bloomed into acrimony. During its Fourth Regular Session in May 2014, Congress was informed that the World Bank would no longer provide the \$40 million grant for fiber-optic connectivity but would instead direct the grant funding to renewable energy projects in the federation. The reason for the change was that the FSM government had enacted its telecommunications liberalization law after the World Bank's deadline of February 2014. To add insult to injury, the Mori administration revealed to Congress that the plan to use the grant funding for renewable energy projects had been known to the Mori administration ahead of time as a "Plan B" in case the liberalization bill was not enacted in time. Speaker and Pohnpei

Senator Dohsis Halbert, in a statement on the floor of Congress, essentially accused the Mori administration of hoodwinking Congress by insisting that "it was fiber optic or bust," without mentioning to Congress the renewable energy alternative. Halbert questioned the administration's credibility, wondering whether its line was "a lie, a deliberate deception, or a farcical show of incompetence" (CIS, 17 May 2014).

In what appeared to be a measure of retaliation, the FSM Congress passed legislation on 28 May 2014 that amended the FSM Telecommunications Act in order to delay until 12 May 2015 the implementation of the chapter in the act that establishes the Office of the Telecommunications Regulation Authority (FSMC, CB 18-164). President Mori subsequently vetoed the legislation. In his veto transmittal letter to Congress, President Mori criticized the lack of any public hearings or committee reports on the legislation before its passage by Congress and noted that the legislation, if it became law, would hinder the FSM's ability to seek grant funding from the World Bank for fiber-optic connectivity during the bank's next round of financing (FSMIS, 26 June 2014). In other words, although the FSM missed out on qualifying for the World Bank's original grant offer because the FSM Congress had failed to pass the Telecommunications Act before the bank's February 2014 deadline, the government could still qualify for a new grant offer in the near future, especially after implementing its Telecommunications Act. As of press time, the FSM Congress had not acted on President Mori's veto.

The tussle between the Mori administration and Congress on the telecommunications liberalization issue was emblematic of deeper tensions between the two branches. During the year in review, President Mori vetoed eight bills passed by Congress. A majority of those bills involved appropriations of government funds. In response, Congress overrode five of President Mori's vetoes, including a line-item veto on a bill appropriating nearly \$5 million for "public projects and social programs" in the states of the federation—in other words, pork-barrel projects—that President Mori criticized as having been approved by Congress without transparency, sufficient specificity about implementation, and proper consideration for the federation's fundamental fiscal needs (FSMIS, 14 Jan 2014).

In an attempt to clear the air about the appropriations process, the Mori administration and members of Congress met twice in late January 2014 in closed-door sessions. During the meetings, President Mori asked Congress to consult more often with constituents about public projects before appropriating funds for them; provide enough details about those projects in order for the president, as allottee, to disburse the appropriated funds in a transparent manner; and refrain from getting involved with how the funds should be spent after they are appropriated (which the president argued would be a violation of the constitutional separation of powers between Congress and the executive branch) (KP, 19 Feb 2014). President Mori subsequently submitted a memorandum of understanding to Speaker Halbert containing his requests and asked the

Speaker to encourage Congress to sign and abide by the memorandum. Speaker Halbert tersely responded that he had no authority to compel the other members of Congress to sign the memorandum and that Congress would discuss the memorandum at a later date (KP, 6 Feb 2014).

The bitterness between Congress and the Mori administration over fiscal matters played out against the backdrop of growing domestic concerns about the end of financial assistance under the Compact of Free Association in 2023. Indeed, part of the Mori administration's frustration with Congress was the latter's insistence on appropriating government funds for public projects in lieu of contributing to a Set Aside Fund that President Mori called for establishing in a bill he transmitted to Congress on 14 August 2013 (FMSIS, 19 Aug 2013). The Set Aside Fund, if implemented, would require the appropriation of at least \$5 million annually into a restricted fund that would swell to at least \$50 million by 2023, and that would not be tapped beforehand except for limited projects selected after a very diligent review by the executive branch and approval from Congress. The fund would "finance viable investment projects that will accelerate economic growth" and "prepare for and mitigate the budgetary shortfall expected in 2023 arising from the termination of Compact financial assistance." Congress, at press time, had not passed the president's bill. However, Congress did pass a bill—which subsequently became law on 6 May 2014—that reduced the national government's share of compact funds from 5 percent

to 0 percent and redistributed the entirety of the reduction to the four states in the federation (FSMC, PL 18-57).

Augmenting compact-related stress, the Joint Economic Management Committee (JEMCO) responsible for approving compact sector grants for the Federated States of Micronesia rejected the FSM's requests to use approximately \$8 million of compact grants for various sectoral projects in fiscal year 2013 (except for about \$2.5 million for the College of Micronesia), leaving a nearly \$6 million shortfall in the FSM budget (*KP*, 4 Sept 2013). JEMCO's decision on 22 August 2013 prompted President Mori to tell US Interior Secretary Sally Jewell in a 6 September 2013 meeting that the FSM resented the committee's "micro-management attitude" (FSMIS, 30 Sept 2013).

Realizing the growing difficulty of relying on the United States to be sensitive to the FSM's fiscal needs, the Mori administration pressed ahead with the work of the 2023 Planning Committee, which was established by the administration to consult widely in the federation about strategies for securing the FSM's long-term fiscal stability and economic growth beyond the termination of compact financial assistance in 2023. The committee, led by President Mori and including the governors of the four states, met 7–8 December 2013 and again in May 2014, with several rounds of consultations in the interim with government officials and private sector representatives in all four states of the federation. The committee is expected to produce an action plan by October 2014 recommending strategies for the

post-2023 period (FSMP10, 1 May 2014). Quite tellingly, the committee does not include members of Congress, even though there is no legal prohibition against such inclusion.

Fiscal responsibility and economic planning dominated President Mori's final State of the Nation address, which he delivered before the FSM Congress on 29 May 2014. Noting his administration's economic, fiscal, and policy achievements, President Mori nevertheless warned that "the winds of change are blowing our way" in a world grappling with climate change, threats to the Ocean and its resources, and geopolitical crises. President Mori devoted his "parting words" to a typically business-minded exhortation, as befitting the former banker: that "we renew our efforts and work together to allocate our limited financial resources to the priority needs of this nation" (FSMIS, 28 May 2014).

Possibly lost amid the sections on long-term financial planning in the address was a rather telling proposal: a call for a new constitutional convention that would, among other things, propose a constitutional amendment to allow for the direct elections of the FSM president and vice president, as opposed to the current system whereby the members of the FSM Congress select the federation's president and vice president from among the members holding four-year seats (FSMIS, 29 May 2014). Couched in language expressing concern over how "bloated bureaucracy at all levels of government" had hampered the nation's economic growth and calling for "more constructive engagement between all branches of government," the proposal for direct elections of

the highest offices of the land was, at the very least, a parting shot from President Mori to Congress, a body that had frequently bedeviled his administration. Even as President Mori announced to the international community the nation's commitment to tackling the pressing crises of the day, he signaled his administration's keen awareness of the difficulty of achieving—let alone maintaining—governmental unity domestically. To the very end, it seemed, the leitmotif would hold true: solidarity outside, dissension within.

CLEMENT YOW MULALAP

THE OPINIONS EXPRESSED *in this review are those of the author and do not necessarily reflect the official views of the government of the Federated States of Micronesia.*

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## GUAM

Three out of the seventeen remaining entities (20%) recognized by the United Nations as non-self-governing are unincorporated territories within the US political system (UN 2014).

Two of these are in the Pacific: American Sāmoa and Guåhan (Guam). Even mainstream media recognized Guam's colonial condition in 2014 in a tourist-focused CNN story dubbing the island a “colonial holdout” (Crossan 2014), despite 115 years under the rule of a nation often called “the Greatest Democracy on Earth.”

Guam decolonization efforts can be viewed as occurring in three overlapping sets of activities to decolonize both the mindset and the political status of its peoples. Each had a sizable presence this last year—local empowerment through cultural strengthening and reconnecting the community to traditional practices and worldviews, advocacy, and local government actions.

Numerous efforts across virtually all sectors of Guam's community continued to strengthen indigenous Chamorro culture and local identity, including e-books documenting Chamorro family clan names; the revival of the ancestral procession to the Chamorro “creation point”; the development of a television show called *Nihi!* for Guam's *nenes* (children); the first-ever offering of Chamorro dance classes at the University of Guam (UOG); numerous locally produced films about island issues; and digital interactive applications bringing Guam's traditional oral narratives to life. The horizons of cultural programs were also broadened by strengthen-