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TERITORY OF THE PACIFIC ISLANDS
BUDGET WORKSHEET - SUMMARY
ACCOUNT # 1.530

DATE: 12/31/71
DEPARTMENT: TRUST TERRITORY OF THE PACIFIC ISLANDS
ACTIVITY: For FY 1972-1973

FUNDING NEW U.S. & MICRONESIAN PAY PLANS

	FY 72	FY 73
Funding Prior to Adjustment	1,400,000	1,480,000
FY72 Budget Amendment to Fund Jan. 1971 Civil Service Pay Raise	—	XXXX
FY71 Anticipated Savings applied to Fund U.S. Contract & Micronesian Pay Raises	—	XXXX
FY73 \$2,000,000 Budgeted Reserve for Increased Pay Cost	XXXX	—
ADJUSTED FUNDING	\$ 1,400,000	\$ 1,480,000

NOTE: The markup of Personnel Compensation and Other Object Codes is tentative and based on the following:

1. The U.S. Civil Service pay raise of January 1971 was not reflected in the allocations for FY 1972 and FY 1973 (and onwards). A Budget Amendment of \$241,000 was submitted to the U.S. Appropriations Committees as an add-on to the FY 1972 request of \$59,739,000, increasing the total FY 1972 request to \$59,980,000. The markup is based on the assumption that the Trust Territory will receive the full amount requested in FY 1972 and permits an increase in other object codes which had been reduced to accommodate the higher civil service scales. The FY 1973 markup assumes that the \$2,000,000 for increased pay cost can accommodate the increased cost of civil service that year.
2. The markup assumes that the Position Classification and Salary Plans contained in the EMSI report will be the basis of salaries paid to Micronesians in FY 1972 and FY 1973. The markup is based on the current official classifications as approved by Personnel. Changes in classifications cannot be assumed for budget purposes.
3. The markup assumes the Expatriate Salary Schedule approved by the High Commissioner, March 22, 1971, will be in effect in FY 1972 and FY 1973.
4. FY 1972 and, to a lesser extent, FY 1973 funding of increased pay costs presents a real problem. All FY 1972 positions shown as New or Vacant at the time of submission have been lapsed 15% to accommodate the higher pay scales. It is hoped that FY 1971 savings in Operations will fund all or most of the balance required to absorb. In FY 1973 only New positions are lapsed, also 15%. There again it is hoped that the \$2,000,000 for increased pay cost will fund all or most of the additional costs.
5. The markup is subject to significant changes if other pay scales, (than those above) should prevail, if the \$241,000 for U.S. Civil Service pay raise is not received, if sufficient savings from FY 1971 are not available, and if the lapsing approach taken both years fails to bring budgets into funding balance.

BUDGET WORKSHEET - ADJUSTMENTS

DEPARTMENT: Trans. & Comm.
ACTIVITY: Son. Transportation
ACCOUNT # 1.230

*Hold!
No balance involved
in this Asses.*

MICRONESIAN PAY (11.2 & 12)

15% lapse positions shown vacant or new in Fiscal Year 1972
15% lapse positions shown new in Fiscal Year 1973
Increase Cost New Pay Scale (Gross)

FY 72

FY 73

XXXX

XXXX

Net Change in Micronesian Pay Sub-Total \$

U.S. PAY (11.1 & 12)

15% lapse positions shown vacant or new in Fiscal Year 1972
15% lapse positions shown new in Fiscal Year 1973
Vacant or New Positions from Civil Service Hire to Contract Hire
Conversion from Old Contract Scale to New

XXXX

XXXX

Net Change in U.S. Pay Sub-Total \$

MISCELLANEOUS

1/ Effect of the January FY 71 U.S. Civil Service Pay Raise

Round Off

TOTAL \$

Object Code Summary
O.C. 11-1, 11-2 & 12
All Other O.C.

1/ 72-73 Allocations were based on U.S. Civil Service pay scale in effect prior to January 1971 pay raise. Consequently, it was necessary to reduce funds available for other purposes to budget the higher pay scale. The above allocation is only to restore those reductions.

No

SEA TRANSPORTATION

FY 1972 \$1,400,000 FY 1973 \$1,480,000 Increase \$80,000

Handwritten notes:
1. Make provision for...
2. Show 1973...
3. Alaska...
4. ...

A total of \$1,480,000 is required to support Sea Transportation operations in FY 1973, and increase of \$80,000.

Sea transportation provides an extremely vital component of the development of an evenly balanced economy in the Trust Territory. Only by the use of regularly scheduled ships can each district grow, prosper and maintain properly balanced population centers. The development of a viable economy in the outer islands is necessary to prevent an increase in the present trend of migration to the district centers. This evenly balanced economy can only be developed and maintained if the Trust Territory interisland fleet can establish and maintain a regular service to the outer islands. This fleet delivers needed supplies, medical and educational personnel and government equipment, and picks up exports (fish, agricultural products, copra, etc.) when the outer islands are able to develop these products as a result of the certainty of a regular ships' service. A rapid increase in passengers and cargo aboard the vessels has been noted in recent years and there is every indication that it will continue. In the present plans for Trust Territory growth, this increase can only be met by a Trust Territory interisland fleet of sufficient size and in such good mechanical repair that it can maintain a regular schedule between the district centers and the outer islands.

Sea transportation within the Trust Territory is complemented by transpacific shipping which is operated by a contractor, Micronesia Interocean Line, Inc. that is working under a 10-year contract initiated on September 1, 1968. The contract calls for scheduled direct linkage with the United States West Coast ports as well as direct calls at Japanese and other far Eastern ports. The contract also

2.
requires the development of a Micronesian-owned, operated and staffed Company by the end of the 10-year period.

Interisland shipping is programmed to be accomplished in FY 1973 through a government-owned fleet of 12 ships, a lagoon boat, a tug and some non-powered barges. Five of these ships will be operated regularly within specific districts through charter agents who are guaranteed enough revenue to compensate for differences in operating cost and commercial revenue. \$330,000 is budgeted to cover the subsidy costs for these vessels.

Seven ships will be operated at various locations throughout the Territory for purposes of relieving ships to go to annual overhaul, supplementing District requirements and special missions. These ships will be operated either by regional agents or directly by the Transportation Division. Some of these ships may be operated rather consistently in a single district. The cost for operating these vessels is estimated at \$905,000.

Yearly drydocking and annual overhaul cost for all vessels is estimated at \$400,000. The government pays no hull and machinery premiums on its vessels because past experience has shown that no substantial benefit accrued to the Government for maintaining such insurance. Other insurance and miscellaneous costs total \$67,000 for the fleet.

The increase of \$80,000 in FY 1973, over the FY 1972 budget, includes \$90,000 for the operation and insurance premiums of the new construction vessel scheduled to be acquired during part of FY 1973 as well as \$30,000 for the drydocking of the M/V WANDANK. These costs will be partially offset by decreases in (FY 1972)

net subsidies when two privately-owned vessels, chartered by the government, are taken out of service.

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FISCAL YEAR 1972

NAME OF VESSEL	Oper. Costs of		Drydocking & Annual Overhaul	Subsidy	Insurance Premiums
	Ships Incl. Local Port Agent Commissions				
M/V MIECO QUEEN & M/V RALIK RATAK			\$40000 00	\$ 72000 00	\$4000 00
M/V RAN ANNIM				100000 00	
M/V MILITOBII			30000 00	80000 00	4000 00
M/V KASELEHLIA			35000 00	80000 00	4000 00
M/V TRUK ISLANDER			30000 00	60000 00	4000 00
M/V FEIOCH			15000 00	30000 00	4000 00
M/V PALAU ISLANDER	\$ 130,000 00		40000 00		4000 00
M/V YAP ISLANDER	70,000 00		30000 00		4000 00
M/V Hafa Adai	120,000 00		40000 00		4000 00
M/V JAMES COOK	120,000 00		40000 00		4000 00
M/V PACIFICA	150,000 00		30000 00		4000 00
TUG SEA STAR					4000 00
M/V ROBERT DE BRUM	120,000 00		40000 00		4000 00
FUEL BARGE ANGASALO					
DECK BARGE YONANAI					
TUG WANDANK	120,000 00				4000 00
Totals	\$ 830,000 00		\$ 370,000 00	\$422,000 00	\$ 52,000 00
Agency Fee (Japan, Korea, Taiwan)	25,000 00				
Administrative & Intraisland Vessels:					
Government Operational Costs & Commissions of Local Port Agents					\$ 830,000 00
Drydocking					370,000 00
Subsidies					422,000 00
Insurance Premiums					52,000 00
Agency Fee					25,000 00
TOTAL					1,699,000 00
Estimated Income:					
Barge Rental					1,200 00
Gunnery Knot					60,000 00
T. T. Ships in District					237,800 00
Total Estimated Return					299,000 00
FISCAL YEAR 1972 BUDGET					\$1,400,000 00

030026

FISCAL YEAR 1973

NAME OF VESSEL	Oper. Costs of (12)		Subsidy (13)	Insurance Premiums
	Ships Incl. Local Port Agent Commissions	Drydocking & Annual Overhaul		
M/V RAN ANNIM		\$40000 00	\$80000 00	\$4000 00
M/V MILITOBII		30000 00	80000 00	4000 00
M/V KASELEHLIA		35000 00	80000 00	4000 00
M/V TRUK ISLANDER		30000 00	60000 00	4000 00
M/V FEIOCH		15000 00	30000 00	4000 00
M/V PALAU ISLANDER	\$130,000 00	40000 00		4000 00
M/V YAP ISLANDER	70,000 00	30000 00		4000 00
M/V Hafa Adai	120,000 00	40000 00		4000 00
M/V JAMES M. COOK	120,000 00	40000 00		4000 00
M/V PACIFICA	150,000 00	30000 00		4000 00
TUG SEA STAR				4000 00
M/V ROBERT A. DE BRUM	120,000 00	40000 00		4000 00
FUEL BARGE ANGASALO				
DECK BARGE YONANAI				
TUG WANDANK	120,000 00	30000 00		4000 00
NEW SHIP	75,000 00			15000 00
Totals	\$905,000 00	\$400000 00		\$67000 00
Agency Fee (Japan, Korea, Taiwan)	25,000 00			
Administrative & Intra-Island Vessels:				
Government Operational Costs & Commissions of Local Port Agents				\$905,00000
Drydocking				400,00000
Subsidies				330,00000
Insurance Premiums				67,00000
Agency Fee				25,00000
				\$1,727,00000
Estimated Income:				
Barge Rental		1,200 00		
T. T. Ships in District		205,000 00		
Total Estimated Return		\$247,000 00		247,00000
FISCAL YEAR 1973 BUDGET				\$1,480,00000

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