



Department of State

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PAGE 01 STATE 142243  
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FM SECSTATE WASHDC  
TO HICOMTERPACIS SAIPAN MARIANA ISLANDS PRIORITY  
RESCOM NMI SAIPAN MARIANA ISLANDS PRIORITY

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E.O. 11652:N/A

TAGS:AFIN, TQ

SUBJECT:FY 78 APPROPRIATIONS

DOA NO.302-TT

1. FOR HICOM AND RESCOM NMI. PASS TO TOM CORSSAN, COM,  
NMI LEGISLATURE. THE FOLLOWING ARE ACTIONS BY HOUSE AND  
SENATE ON FY 78 APPROPRIATIONS:

HOUSE ACTION: INCREASE OVER BUDGET ESTIMATE. OPERATING  
GRANTS FOR EDUCATION 523K; AIRPORT CONSTRUCTION, TRUK 913K;  
AIRPORT CONSTRUCTION KOSRAE 12,000K; RONGELAP AND UTIRIK  
COMPENSATION 25K. TOTAL INCREASE OVER BUDGET 13,461K.

SENATE ACTION: REDUCES HOUSE INCREASE AS FOLLOWS. AIRPORT  
CONSTRUCTION KOSRAE MINUS 12,000K; OPERATING GRANTS FOR  
EDUCATION MINUS 92K; IN ADDITION MINUS 400K FOR NMI OPERA-  
TIONS, AND A PLUS 1,800K FOR MARSHALLS HUMAN DEVELOPMENT  
PROJECT.

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PAGE 02 STATE 142243

SENATE REPORT JUST RECEIVED JUNE 17, AND FULL SENATE ACTION

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ON BILL JUNE 17. CONFERENCE ACTION EXPECTED SOON. PROBABLY NEXT WEEK. THE FOLLOWING IS TEXT OF SENATE REPORT:

BUDGET ESTIMATE 78--96,083K; HOUSE ALLOWANCE 109,544K; COMMITTEE RECOMMENDATION 98,852K; THE COMMITTEE RECOMMENDS AN APPROPRIATION OF 98,852K REDUCING THE HOUSE ALLOWANCE BY 10,692K AND INCREASING THE BUDGET REQUEST BY 2,769K.

A BUDGET INCREASE OF 431K AND 20 POSITIONS HAS BEEN PROVIDED FOR EDUCATION UNDER GRANTS. THIS IS A REDUCTION OF 92K BELOW THE HOUSE LEVEL AND WILL ALLOW THE PROGRAM TO CONTINUE AT CURRENT LEVEL. RECOMMENDATIONS ARE DETAILED BELOW: (IN THOUSANDS)

| ACTIVITY.....                  | BUDGET ESTIMATE.. | COMMITTEE REC |
|--------------------------------|-------------------|---------------|
| HI-COM.....                    | 506               | 506           |
| JUDICIARY.....                 | 826               | 826           |
| COMPTROLLER.....               | 446               | 446           |
| GRANTS, TRUST TERRITORY:       |                   |               |
| OPERATIONS.....                | 50,223            | 50,664        |
| CONSTRUCTION.....              | 21,009            | 22,012        |
| GRANTS, NORTHERN MARIANAS:     |                   |               |
| OPERATIONS.....                | 9,582             | 9,182         |
| CONSTRUCTION.....              | 3,933             | 3,933         |
| ENEWETAK REHABILITATION.....   | 8,400             | 8,400         |
| RONGELAP AND UTIRIK COMPENSAT. | 1,058             | 1,083         |
| MARSHALLS HUMAN DEVELOPMENT..  | -----             | 1,800         |

THE COMMITTEE HAS ALSO DEFERRED CONSIDERATION OF FUNDS ADDED BY THE HOUSE TO CONSTRUCT AN AIRPORT AT KOSRAE WHICH WAS REQUESTED BY THE CONGRESS OF MICRONESIA. HOWEVER, 913K ABOVE THE BUDGET REQUEST HAS BEEN PROVIDED FOR CONTINUING WORK ON THE TRUK AIRFIELD, A PROJECT INITIATED IN UNCLASSIFIED UNCLASSIFIED

PAGE 03 STATE 142243.

THE RECENT FISCAL YEAR 1977 SUPPLEMENTAL BILL. THE COMMITTEE BELIEVES RECENT INCREASES WILL PROVIDE AN ADEQUATE CONSTRUCTION PROGRAM IN MICRONESIA.

THE COMMITTEE HAS REVIEWED THE REPORT COMMISSIONED BY THE DEPARTMENT OF THE INTERIOR ON THE NEED FOR A COLLEGE OF MICRONESIA. IN ACCORDANCE WITH THE RECOMMENDATIONS CON-

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04-426260

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TAINED IN THE STUDY THE COMMITTEE REQUESTS A REPORT FROM THE TRUST TERRITORY ON THE STEPS BEING TAKEN TO PROVIDE ELEMENTARY AND SECONDARY EDUCATION PROGRAMS WHICH ARE MORE RELEVANT TO THE ACTUAL SOCIAL AND ECONOMIC CONDITIONS EXISTING IN MICRONESIA AND ON INITIATIVES TAKEN TO PREPARE TEACHERS TO PRESENT THIS TYPE OF CURRICULUM. UNTIL POSITIVE ACTIONS HAVE BEEN TAKEN IN THESE AREAS, THE COMMITTEE FEELS IT WISE TO DEFER FUNDING FOR THE PROPOSED COLLEGE.

FOR THE EMERGING NORTHERN MARIANAS GOVERNMENT, THE COMMITTEE RECOMMENDS A REDUCTION OF 400K IN OPERATING GRANTS, LEAVING AN INCREASE OVER FISCAL YEAR 1977 OF 1,116K.

THE COMMITTEE HAS AGREED WITH THE OTHER ADJUSTMENTS MADE BY THE HOUSE: AN INCREASE OF 25K FOR RONGELAP AND UTIRIK COMPENSATION; AND AN ADJUSTMENT IN THE PAY COST ANNUALIZATION.

AUTHORIZATIONS FOR THE TRUST TERRITORY, INCLUDING THE NORTHERN MARIANAS, CONTAIN A COST-ESCALATION FORMULA ENTITLING THE TERRITORY TO SEEK SUPPLEMENTAL APPROPRIATIONS. THE COMMITTEE WISHES TO EMPHASIZE THAT IT CONSIDERS THIS SUPPLEMENTAL AUTHORIZATION TO BE NO MORE THAN A COST ADJUSTMENT, NOT ADDITIONAL CEILING TO SEEK NEW PROGRAMS OR INCREASES IN APPROPRIATIONS NOT RELATED TO INFLATION. FURTHER, THE COMMITTEE BELIEVES THE FORMULA SHOULD BE BASED ON ACTUAL APPROPRIATIONS, NOT UNFUNDED AUTHORIZATION LEVELS OR ORIGINAL BUDGET ESTIMATES.

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PAGE 04 STATE 142243

THE DEPARTMENT THIS YEAR WAS SLOW TO TRANSMIT PROPOSED REAUTHORIZATION LEGISLATION TO THE CONGRESS. JUSTIFICATIONS FOR THE TERRITORIES' BUDGET ESTIMATE WERE ALSO LATE AND ARRIVED IN BITS AND PIECES WITH NUMEROUS REVISIONS. THE COMMITTEE CONSIDERS THIS LACK OF PERFORMANCE TO BE INEXCUSABLE AND URGES THE SECRETARY TO TAKE WHATEVER STEPS ARE NECESSARY TO CORRECT THIS SERIOUS PROBLEM.  
UNQUOTE.

WE HAVE BEEN ADVISED THAT IT IS POSSIBLE TO HAVE CHANGES OR REVISED PROJECTS SUBSTITUTED FOR ORIGINAL PROJECTS. ADDED, I.E., KOSRAE COULD BE SUBSTITUTED WITH OTHER COM. OICC PROJECTS IF CASE COULD BE MADE TO CONFEREES. CONFER-

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EES ARE MADE UP OF SUB-COMMITTEE MEMBERS OF BOTH HOUSE AND  
SENATE APPROPRIATIONS COMMITTEES. WILL KEEP YOU ADVISED.  
GALLAGHER SENDS. DIRECTOR OF TERRITORIAL AFFAIRS SENDS. VANCE

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