



PETER TALI COLEMAN
Governor

AMERICAN SAMOA GOVERNMENT
OFFICE OF THE GOVERNOR
PAGO PAGO, AMERICAN SAMOA 96799

TUFELE LI'A
L.t. Governor

EXECUTIVE ORDER NO. 2-1983

SHORTFALL RECTIFICATION PROGRAM
GOVERNMENT OPERATIONAL MEASURES, COLLECTION OF
ACCOUNTS RECEIVABLE AND TAXES, AND INCREASES IN ELECTRIC
POWER RATES AND CHARGES

The American Samoa Government faces a critical fiscal situation. It presently appears that approximately \$7.8 million in additional funds must be generated by combination of revenue enhancement and expenditure cutback during the remainder of fiscal year 1983 to meet cash requirements. Without this corrective action, a negative cash balance is expected to occur in June 1983 and the shortfall in total obligations of the Government could potentially reach \$16.6 million by September 30, 1983.

There are two significant contributing factors to this situation. They are: (1) a sharp decline in estimated corporate income tax revenues; and (2) advances to cover shortfalls in the operations of the enterprise funds.

The situation calls for implementation of a comprehensive, coordinated shortfall rectification plan for the executive branch of the Government. This plan is in the final stages of development. It must include austerity measures for operations aimed at achieving total expenditure savings of 20% below the fiscal year 1983 appropriations act by September 30, 1983, and increased efforts to collect accounts receivable and taxes.

Accordingly, by the authority vested in me as Governor of American Samoa by the Revised Constitution and laws of American Samoa, it is hereby ordered as follows:

1. Government work week.

(a) The Government will operate the usual 5-day work week and continue services normally provided to the fullest possible extent. However, except as provided in subsection (b) of this section, the work week of individual employees is 35 hours regular time, scheduled by appropriate supervisory authority, until further notice.

(b) Employees who are required by contract or by the nature of their duties to work a 40-hour work week must continue working 40 hours and be regularly paid accordingly. Employees in this category by the nature of their duties must be individually identified by name and position to the Governor by their respective department, office and other agency heads by April 29, 1983 and thereafter approved by the Governor.

(c) This section is to be implemented as of April 24, 1983.

2. Delay of step increments, reclassifications and promotions.

Step increments, reclassifications and promotions for Government employees during fiscal year 1983 are delayed until such time as the Governor determines that the Government's fiscal position will not be unreasonably jeopardized by these personnel actions.

3. Freeze on hiring.

Hiring to fill vacant or new positions is terminated, except upon the Governor's approval of certification by the Director of Manpower Resources that filling the position is essential. The Director of Manpower Resources is directed to coordinate evaluation of the personnel requirements of each department, office and other agency.

4. Income tax refunds.

Individual income tax refunds are deferred. Payment will be made when the Governor determines that the Government's fiscal position will not be unreasonably jeopardized by payment. Interest will be paid on refunds when made as provided by law.

5. Contract specialists' terminations and rental increases.

(a) The Director of Manpower Resources is directed to coordinate identification of contract specialists who may desire or for other reasons should be permitted early termination of their employment contracts.

(b) The Director of Administrative Services is directed to develop and upon the Governor's approval, implement a schedule of increases in rental charges for Government housing furnished to contract specialists. This subsection is to be implemented as of the pay period beginning April 24, 1983.

6. Other cost containment measures.

Other cost containment measures are as follows:

(1) the Director of Material Management and other department, office or other agency heads maintaining inventories are directed to reduce those inventories as quickly as feasible;

(2) all department, office and other agency heads are directed to identify immediately and sell as quickly as feasible surplus or excess property;

- (3) all travel is terminated, except as the Governor determines essential;
- (4) all department, office and other agency heads are directed to postpone expenditures for contractual services which are unobligated or can otherwise be delayed;
- (5) all department, office and other agency heads are directed to postpone the purchase of nonessential equipment and supplies;
- (6) all capital improvement projects not yet commenced are suspended until further notice;
- (7) the CIP and Procurement Review Committee is directed to review all capital improvement projects and advise the Governor on the projects which can be delayed and the approximate amount of expenditure which can be saved or deferred thereby; and
- (8) all expenditures for special programs are suspended except as authorized by the Governor's prior written approval.

7. Collection of accounts receivable and taxes.

- (a) The Director of Administrative Services and the heads of all other revenue generating agencies are directed to increase efforts, including appropriate legal remedies with the Attorney General's assistance, to collect outstanding accounts receivable for goods and services provided by the Government.
- (b) The Tax Manager is directed to increase efforts through audits and other means, including appropriate legal remedies with the Attorney General's assistance, to collect income and other taxes now and hereafter due.
- (c) Executive Order No. 6-1982 concerning the collection of excise taxes on the importation of petroleum products is suspended until further notice. The Director of Port Administration is directed to collect taxes before these products are permitted storage at onshore facilities.

8. Increase in electric power rates and charges.

Electric power rates are to be increased in all rate categories and the fuel surcharge is to be corrected to accurately reflect the cost of fuel, so that total revenues generated are sufficient to cover operating expenses. Rate schedules are to be restructured to encourage conservation rather than consumption. The Executive Director of the American Samoa Power Authority and the Chairman of the Board of Directors of the Authority are directed to implement this order under the emergency rulemaking procedures authorized by the administrative procedures act. The changes in rate and the fuel surcharge are to be effective May 1, 1983. The changes, and any refinements thereto, are to be readopted as a permanent rule under the administrative procedures act within 120 days after May 1, 1983.

9. Effective date.

This order is effective immediately.

10. Implementation. The Director of Administrative Services and Acting Director of Program Planning and Budget Development are directed to oversee implementation of these orders, continually monitor the fiscal situation of the Government, and report to the Governor weekly on the situation and at such other times as significant changes may occur.

Dated: April 24, 1983



PETER TALI COLEMAN
Governor of American Samoa