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A BILL FOR AN ACT

To authorize the President of the Federated States of Micronesia to lend Pohnpei Utilities Corporation \$500,000, and to appropriate therefor the sum of \$500,000 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 2000, for the purchase by Pohnpei Utilities Corporation of energy for power generation, and for other purposes.

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

1 Section 1. Loan authorization, terms. The President of the
2 Federated States of Micronesia is hereby authorized to lend \$500,000
3 to Pohnpei Utilities Corporation (PUC) for the purchase of energy
4 for power generation in its power plants. The President, or the
5 Secretary of Finance and Administration as his designee, shall enter
6 into a loan agreement which shall include the following terms:

7 (1) The loan term shall be for ten years.

8 (2) A total annual fee of one percent per annum shall be
9 charged on the average outstanding balance drawn down (i.e.,
10 principal) on the loan and on the accrued fee. There shall be no
11 other charges or fees for the loan.

12 (3) There shall be a grace period of two years on the
13 repayment of the principal.

14 (4) The President or his designee may agree to other terms
15 for the loan not inconsistent herewith.

16 Section 2. The sum of \$500,000, or so much thereof as may be
17 necessary, is hereby appropriated from the General Fund of the
18 Federated States of Micronesia for the fiscal year ending September
19 30, 2000, for the purpose of the funding authorized under section 1
20 of this act. Upon entry into an agreement of section 1 of this act,
21 the sum so appropriated shall be deposited into a special loan fund,
22 which shall be separate from the General Fund of the FSM and all
23 other funds. The sum shall be available thereafter for drawdown
24 pursuant and subject to the terms of the agreement.

25 Section 3. Allotment and management of funds and lapse date.

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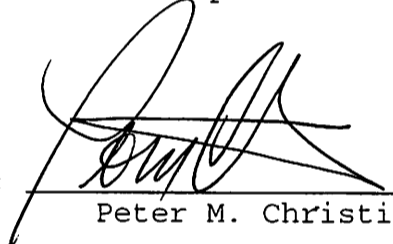
C.B. NO. 11-104

1 (1) All funds appropriated by this act shall be allotted,
2 managed, administered, and accounted for in accordance with
3 applicable law, including, but not limited to, the Financial
4 Management Act of 1979. The allottee of the funds appropriated by
5 this act shall be the President of the Federated States of
6 Micronesia or his designee. The allottee shall be responsible for
7 ensuring that these funds, or so much thereof as may be necessary,
8 are used solely for the purpose specified in this act, and that no
9 obligations are incurred in excess of the sum appropriated.

10 (2) The authority of the allottee to obligate funds
11 appropriated by this act shall lapse as of September 30, 2002.

12 Section 4. This act shall become law upon approval by the
13 President of the Federated States of Micronesia or upon its
14 becoming law without such approval.

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16 Date: 1/24/2000

Introduced by: 
Peter M. Christian

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