

A BILL FOR AN ACT

To amend Public Law No. 6-69, by amending section 17 thereof, to release the financial obligation of the National Fisheries Corporations to pay its debt to the National Government, and for other purposes.

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

1           Section 1. Purpose. Public Law No.6-69 is an Act that  
2 provides funding in a form of a loan from the National Government  
3 to the National Fisheries Corporation. In this Act, an amount of  
4 \$3,100,000 from the National Government treasury is provided for  
5 the initial capitalization of the National Fisheries Corporation  
6 participation in certain Tuna Industrial Joint Venture Projects  
7 and Longline Shorebased Development Joint Ventures, and an amount  
8 of \$4,649,000 from the National Government treasury is provided  
9 for additional capitalization for National Fisheries Corporation  
10 participation in Tuna Industrial Fisheries Joint Ventures and to  
11 authorize the National Government to participate in a borrowing  
12 under the Compact Funds Financing Act for the purpose of promoting  
13 fisheries development in the Federated States of Micronesia.  
14 The terms and conditions of this loan to the National Fisheries  
15 Corporation are set forth in section 17 of this Act. Apparently,  
16 the National Fisheries Corporation is not able to satisfy the loan  
17 with an estimated \$2,701,959.00 balance due and owing to the  
18 National Government. Due to unforeseeable circumstances which is  
19 beyond the power and control of the National Fisheries

---

1 Corporation, the amounts due and owing to the National Government  
2 can not be satisfied as of March 1994. The National Fisheries  
3 Corporation has exhausted its effort to pay its debt. Further,  
4 the unpaid loan has created a bad portfolio for the Corporation in  
5 the banking business arena. Thus relieving the Corporation from  
6 this debt would allow the Corporation to start afresh in its  
7 operation. The purpose of this amendment to Public Law No. 6-69  
8 is for the National Government officials to release the financial  
9 obligation of the Corporation specifically on this loan.

10 Section 2. Section 17 of Public Law No.6-69 is hereby  
11 amended to read as follows:

12 "Section 17. The sum appropriated under section 3 of  
13 this act and the sum authorized to be appropriated under  
14 section 5 of this act shall be loaned from the National  
15 Government to the National Fisheries Corporation. Such  
16 loans shall not be subject to the provisions of the  
17 Financial Management Act of 1979. Such loans shall be  
18 made on reasonable terms to be established by the  
19 President of the Federated States of Micronesia in  
20 consultation with the President of the Development Bank  
21 of the Federated States of Micronesia; PROVIDED, each  
22 loan agreement shall provide that repayment shall begin  
23 3 years after the date of execution of each loan  
24 agreement; and PROVIDED FURTHER, each loan agreement  
25 shall provide that only the principal of the loans shall

