

RD

A BILL FOR AN ACT

To provide for the establishment of the Federated States of Micronesia as an open registry nation for ocean-going merchant vessels and to provide the laws and administrative procedures under which such vessels shall be registered; to repeal title 19 of the Code of the Federated States of Micronesia in its entirety; and for other purposes.

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

1 Section 1. Short title. This act shall be known and may be cited as
2 the "National Maritime Act."

3 Section 2. Definitions. The definitions in this section shall apply
4 throughout this act, unless otherwise specified or a different meaning is
5 plainly required.

6 (1) "Admeasurement" means the measuring of the dimensions of a
7 ship.

8 (2) "Barratry" means, in maritime law, cheating or fraud
9 committed by a vessel's officers or crew, by which owners or insurers are
10 injured, as by the sinking or deserting of a ship or the embezzlement of
11 cargo.

12 (3) "Bill of Lading" means a contract issued to a shipper by a
13 carrier, listing the goods shipped, acknowledging their receipt, and
14 promising delivery to the person named.

15 (4) "Burden" means the quantity or number of tons a vessel will
16 carry.

17 (5) "Carrier" refers to the owner or the charterer of a vessel
18 who enters into a contract for the carriage of goods with a shipper.

19 (6) "Certificate of Measurement" means a document in the
20 prescribed form, certified by a person or surveyor approved or appointed by
21 the Commissioner for admeasurement of a vessel or vessels, and containing
22 particulars usually descriptive of the identity of a vessel.

23 (7) "Certificate of Registry" is the formal title of the
24 vessel's document, which validates that it has been properly registered as
25 a vessel of the Federated States of Micronesia.

RD

C. B. No. 4-259

1 (8) "Charter party" is an agreement by which an owner agrees to
2 place an entire vessel, or part of it, at the disposal of a merchant or
3 other person for the carriage of goods at sea.

4 (9) "Classed" and "classification" refer to the assignment of a
5 vessel to a class or vessel category, for which design and construction
6 criteria have been established, after review of design and survey during
7 and after construction to verify compliance with such design and
8 construction criteria, and any subsequent verification by a classification
9 society as to a vessel's structural and mechanical fitness for continued
10 use or service, in accordance with the rules and standards for that class
11 of vessel as set forth in international conventions to which the Federated
12 States of Micronesia is a party or in regulations promulgated pursuant to
13 this act.

14 (10) "Classification society" means an administrative and
15 technical organization duly licensed to survey vessels and verify their
16 categorical classification as prescribed by established criteria for design
17 and construction, and structural and mechanical fitness.

18 (11) "Consular official" means a person appointed to perform
19 consular functions for the Federated States of Micronesia in a foreign
20 country.

21 (12) "Crew" means all of a vessel's personnel except the Master
22 and officers.

23 (13) "Documentation" or "documented" means registered in the case
24 of a vessel; enrolled, and licensed or certificated, in the case of
25 mariners.

RD

C. B. No. 4-259

1 (14) "Freight" means the price paid for the transportation of
2 goods by sea.

3 (15) "General average" refers to an arrangement where, in case of
4 a maritime casualty and loss, the interested parties, for the good of all
5 concerned, contribute in direct proportion to their several interests to
6 the restoration of the casualty.

7 (16) "Goods" means merchandise and wares, including liquids and
8 articles of every kind, except live animals.

9 (17) "Gross tons/tonnage" refers to the total internal carrying
10 capacity of a vessel, in cubic measurement of tons, each equal to 100 cubic
11 feet.

12 (18) "Hypothecation" means the act of mortgaging a vessel or
13 pledging it to a creditor in security.

14 (19) "International Agreement" or "International Convention"
15 refers to international standards which must be adhered to by subscribing
16 governments and their registered vessels, addressing in general: personnel,
17 safety, navigation and collision prevention, pollution, tonnage
18 measurements, load lines, mariners' rights and cargo handling, inter alia.

19 (20) "Managing owner" refers to the one owner of joint or several
20 owners who manages and operates a vessel, for and in the interest of, all
21 owners.

22 (21) "Mariner" refers to any person serving aboard a vessel for
23 wages or other compensation, including the Master, officers and unlicensed
24 personnel.

25 (22) "Master" means any person having command of a vessel.

RD

C. B. No. 4-259

1 (23) "Mutiny" means action by an officer or crew member to
2 forcibly and unlawfully, or by fraud or intimidation, resist or usurp the
3 command of a vessel from the Master or other officer lawfully in command
4 thereof.

5 (24) "Net tons/tonnage" refers to the revenue generating internal
6 cargo carrying capacity of a vessel, in cubic measurement of tons, each
7 equal to 100 cubic feet, and excludes spaces necessary for the vessel's
8 use, stores, and the like.

9 (25) "Officer" means any of the licensed mates or engineers
10 serving aboard a vessel.

11 (26) "Owner" refers to all the several persons, if more than one,
12 to whom a vessel belongs.

13 (27) "Person" includes individuals, partnerships, corporations,
14 and associations existing under or authorized by the laws of the Federated
15 States of Micronesia or of any foreign country.

16 (28) "Personal claims" means claims resulting from loss of life
17 and personal injury.

18 (29) "Proceeding in admiralty" refers to any proceeding under
19 maritime law.

20 (30) "Property claims" means all claims other than personal
21 claims arising out of occurrences which cause loss of, or damage to,
22 property aboard a vessel.

23 (31) "Repatriation" means to return a mariner to a proper port
24 when he has been put ashore at a port other than the one where he signed
25 Shipping Articles. A proper port is the one where he was engaged, where

1 the voyage commenced, a port in his own country, or another port as agreed
2 between the mariner and Master or owner.

3 (32) "Seaman" means all of a vessel's personnel except the Master
4 and any pilot that might be aboard.

5 (33) "Seaworthy" or "seaworthiness" refers to the condition of a
6 vessel that conforms to class and service requirements; one that is tight,
7 staunch and strong and so equipped and with cargo so stored as to resist
8 all ordinary action of the sea and imparts an ability to meet such
9 conditions of wind and sea as are not unusual at the season of the year
10 during which a voyage is made.

11 (34) "Vessel" means all water craft and other artificial
12 structures of whatever description and at whatever stage of construction,
13 whether on the blocks or launched, which are being used or are capable of
14 being used or are intended to be used as a means of transportation on water.

15 (35) "Voyage" means each separate journey which a vessel makes
16 from one port to another.

17 (36) "Wages" means money or other compensation paid by an
18 employer for services performed or work done for him by others. For
19 purposes of this act, expenditures and payments made for maintenance and
20 cure are not wages.

21 (37) "Without sufficient cause" refers to conduct that is
22 unwarranted, arbitrary, or unjust.

23 (38) "Wrecked" means a vessel which is disabled and rendered
24 unfit for navigation, whether such condition of the vessel has been caused
25 by winds or waves, by stranding, by fire, by explosion of boilers, or by

1 any other casualty.

2 Section 3. Statement of policy. The Federated States of Micronesia
3 encourages and fosters the development and growth of the maritime industry
4 of the Nation.

5 Section 4. Federated States of Micronesia law to govern matters
6 pertaining to Federated States of Micronesia vessels. All matters
7 pertaining to Federated States of Micronesia vessels, including labor
8 relations, shall be governed by the laws of the Federated States of
9 Micronesia.

10 Section 5. International conventions and agreements. It shall be the
11 policy of the Federated States of Micronesia to ratify and implement
12 applicable and generally accepted international conventions and agreements,
13 establishing rules and standards, in particular, for the safety of vessels
14 and persons on board and for the prevention of pollution of the marine
15 environment.

16 Section 6. Office of Maritime Affairs. There is hereby created
17 within the executive branch of the National Government of the Federated
18 States of Micronesia the Office of Maritime Affairs to be responsible for
19 the administration of this act and all matters regarding the water-borne
20 commerce of the Federated States of Micronesia.

21 Section 7. Commissioner of Maritime Affairs. There shall be in
22 charge of the Office of Maritime Affairs a Commissioner, hereinafter in
23 this act called "Commissioner," appointed by the President with the advice
24 and consent of Congress.

25 Section 8. Authority of the President to contract for maritime

1 services; Executive deputy and Assistant Commissioners. The President may
2 contract with a professional service organization for the operations and
3 management in carrying out and implementing this act. The President is
4 hereby authorized to enter into a contract the general terms of which shall
5 be consistent with the document entitled "Statement of Principles for
6 Establishment of a Micronesian Open Registry between the Government of the
7 Federated States of Micronesia and the Seaborne Group" dated August 17,
8 1985. In the event such a contract is entered into, the Commissioner shall
9 appoint nominees provided by the professional organization to serve as
10 Executive Deputy Commissioner(s) and Assistant Commissioners of the Office
11 of Maritime Affairs. The Executive Deputy Commissioner(s) shall have all
12 of the powers and duties of the Commissioner as set forth in this act and
13 regulations; PROVIDED that the Executive Deputy Commissioner(s) shall be
14 responsible to, and under the supervision of, the Commissioner. The
15 Executive Deputy Commissioner(s) shall appoint such agents and employees as
16 may be necessary to carry out the purposes of this act.

17 Section 9. Authority to set fees. The Commissioner by regulation is
18 authorized to establish and alter or amend a schedule of fees for carrying
19 out the purposes of this act.

20 Section 10. General provisions. No vessel of any type or class of 20
21 net tons or more engaged in domestic or foreign trade shall fly the flag of
22 the Federated States of Micronesia or be accorded the rights and privileges
23 of a Federated States of Micronesia vessel unless it is registered in
24 accordance with the provisions of this act.

25 Section 11. Eligibility for documentation.

RD

(1) Any ocean-going vessel of more than 1600 net tons engaged in foreign trade, wherever built, owned by a citizen or national of the Federated States of Micronesia or owned by a citizen or national of any foreign country shall be eligible to be documented or redocumented under the laws of the Federated States of Micronesia. The term "citizen" or "national" as used in this section shall include corporations, partnerships, and associations of individuals.

(2) No vessel will be eligible for initial documentation or redocumentation if, on January 1 of the year in which the initial documentation or redocumentation is sought, such vessel is over 20 years of age, computed from completion of first construction.

(3) Anything in this section to the contrary notwithstanding, the 1600 net tons minimum requirement referred to in subsection (1) above and the age requirement referred to in subsection (2) above may be waived by the Commissioner; and a vessel of lesser net tonnage or greater age may be registered in exceptional cases where it has been demonstrated to the satisfaction of the Commissioner that :

(a) The vessel meets all other requirements for registration; and

(b) The vessel is needed to implement the operations of a Federated States of Micronesia shipowner, or its registration is otherwise desirable to carry out the objectives of the Federated States of Micronesia.

(4) All vessels initially documented by the Federated States of Micronesia shall be classed by an approved classification society and carry the highest classification from that society. This provision may be waived

RD

C. B. No. 4-259

1 by the Commissioner when it can be demonstrated that the vessel will be so
2 classed within 180 days of registration.

3 Section 12. Documentation exemptions. The following classes of
4 vessels shall not be required to be documented:

5 (1) Outrigger vessels of all kinds;

6 (2) Vessels propelled by outboard motors;

7 (3) Vessels measuring less than 25 feet at the water line when
8 empty of cargo and passengers, and which are not used to carry either cargo
9 or passengers for hire or for interstate travel; and

10 (4) Vessels of less than 75 net tons engaged solely in domestic
11 commerce.

12 Section 13. Registration fees.

13 (1) With respect to registration of vessels under the provisions
14 of this act, there shall be paid prior to the initial registration, or
15 prior to the re-registration of a vessel transferred from foreign registry,
16 a fee established by the Commissioner in a published schedule promulgated
17 by regulations pursuant to this act.

18 (2) Vessels engaged in foreign trade of less than 2,200 net tons
19 shall pay registration fees computed for 2,200 net tons.

20 (3) Where dual gross and net tonnages are assigned in a vessel's
21 Certificate of Measurement, registration fees shall be computed on the
22 greater of the two net tonnages.

23 (4) The net tonnage of unique design and special purpose vessels
24 shall be stipulated prior to registration.

25 (5) With respect to any vessel which has been admitted to

1 Federated States of Micronesia registry and thereafter undergoes structural
2 alteration or re-admeasurement resulting in a change in net tonnage, there
3 shall be paid, prior to reentry into service, a corresponding adjustment of
4 the registration fees computed on any increase in tonnage.

5 (6) The Commissioner may, by regulation, provide for full or
6 partial exemptions from the payment of registration fees for vessels in
7 laid-up status when they are documented. Such exemptions shall terminate
8 when and if such vessels actually enter active commercial service, at which
9 time such fees shall be due and payable as prescribed by regulations.

10 Section 14. Annual tonnage tax.

11 (1) Each vessel registered under the provisions of this act
12 shall pay an annual tax for each net ton of the vessel's registered
13 tonnage. This annual tax shall be established by the Commissioner in a
14 published schedule promulgated by regulations pursuant to this act.

15 (2) Stipulated tonnages for tonnage taxes are as follows:

16 (a) Vessels engaged in foreign trade of less than 2,200 net
17 tons, shall pay an annual tonnage tax computed for 2,200 net tons;

18 (b) Where dual gross and net tonnages are assigned in a
19 vessel's Certificate of Measurement, the annual tonnage tax shall be
20 computed on the greater of the two net tonnages;

21 (c) The net tonnage of unique design and special purpose
22 vessels shall be stipulated for purposes of this section; and

23 (d) With respect to any vessel which has been admitted to
24 the Federated States of Micronesia registry and thereafter undergoes a
25 structural alteration or readmeasurement resulting in a change in net

tonnage, there shall, in respect of any increase, be paid prior to reentry into service, a prorated reassessment of the annual tonnage tax.

(3) Notwithstanding subsections (1) and (2) of this section, annual tonnage taxes shall be administered as follows:

(a) The annual tonnage tax for the first calendar year following the year in which a vessel is registered shall be computed pro-rata for the period from the first anniversary date of registration until the close of the calendar year; and

(b) After December 31, 1986, and subject to conditions specified by regulation, a vessel, other than a vessel subject to exemptions from registration fees pursuant to subsection (6) of section 13, which is withdrawn from service and laid up from January 1 through December 31 of any calendar year may be granted a full or partial exemption from the annual tonnage tax otherwise due for each succeeding year thereafter until the vessel reenters service, upon which date the tonnage tax then due and payable shall be computed pro rata for the remainder of the calendar year.

Section 15. Collection of fees and taxes; Penalties and liens.

(1) Except as otherwise provided herein, the tonnage taxes imposed pursuant to this act, while payable in advance and due on the first day of January in each year, may be paid without penalty in installments as follows:

(a) Fifty percent by January 1; and

(b) Fifty percent by July 1 of the year in respect of which such taxes are due.

(2) Any and all other annual fees payable under duly issued

1 regulations shall be paid in advance by January 1 of the year in respect of
2 which such fees are due.

3 (3) A penalty at a rate established by the Commissioner by
4 regulation shall be imposed for late payment of such fees and taxes.

5 (4) If payment is delayed beyond October 30 of the year in
6 respect of which such fees and taxes are due, the Certificate of Registry
7 of the vessel in question may be suspended until all outstanding fees,
8 taxes and penalties are paid.

9 (5) The Commissioner is authorized to issue official receipts
10 for annual tonnage taxes, annual fees, and any penalties relating thereto.

11 (6) All unpaid tonnage taxes, fees, penalties and other charges
12 arising under this act or regulations made thereunder shall constitute a
13 maritime lien on the vessel in respect of which such amounts are due, and
14 such lien shall have priority over all others, save those for wages and
15 salvage.

16 (7) No Certificate of Registry shall be returned to the Master
17 of a vessel by an officer of the Federated States of Micronesia with whom
18 it may have been deposited until proof is furnished that the annual tonnage
19 tax and annual fees for the then current year have been paid.

20 Section 16. Certificates of Registry. Provisional and permanent
21 Certificates of Registry shall be issued in accordance with regulations
22 promulgated pursuant to this act.

23 Section 17. Perjury.

24 (1) If any owner, agent, or attorney commits perjury in an oath
25 taken to obtain documentation of a vessel, such vessel, her tackle, apparel

1 and furniture shall be forfeited, or the value thereof recovered from such
2 person.

3 (2) A Master who commits perjury in the taking of such oath
4 shall be liable for a monetary penalty in an amount established by
5 regulation, and possible revocation of license, but the vessel shall not
6 thereby be forfeited.

7 Section 18. Standards of seaworthiness. The Commissioner shall, by
8 regulation, establish and maintain current standards of seaworthiness
9 required for the registration and operation of vessels under the flag of
10 the Federated States of Micronesia, and may appoint classification
11 societies or technical agencies or agents to assist in evaluating and
12 determining the seaworthiness of vessels involved.

13 Section 19. Vessel commitments. The Commissioner shall be authorized
14 to make, enter into or execute commitments, agreements or arrangements with
15 owners of vessels which provide that such vessels shall be made available
16 in time of war or other state of emergency for the use, charter or
17 requisition by countries whose interests are not inimical to those of the
18 Federated States of Micronesia.

19 Section 20. Mortgages and liens--Recording and contents.

20 (1) A sale, conveyance, hypothecation, mortgage or assignment of
21 mortgage of any vessel shall not be valid in respect of such vessel,
22 against any person other than the grantor or mortgagor, his heirs or
23 devisees and persons having actual notice thereof, until the instrument
24 evidencing such transaction is recorded in the Office of the Commissioner
25 or in the office of his duly authorized agent specifically appointed to

1 record such documents.

2 (2) The Commissioner or such duly authorized agent shall record
3 such instruments in the order of their reception in books to be kept for
4 that purpose and indexed to show:

5 (a) The name of the vessel;

6 (b) The names of the parties;

7 (c) The time and date of reception of the instrument;

8 (d) The interest in the vessel transferred or affected; and

9 (e) The amount and date of maturity of any mortgage.

10 Section 21. Termination of mortgagee's interest. The interest of a
11 mortgagee in a vessel registered under this act shall not be terminated by
12 a forfeiture of the vessel for a violation of any law of the Federated
13 States of Micronesia, unless the mortgagee authorized, consented, or
14 conspired to effect the illegal act, failure, or omission which constituted
15 such violation.

16 Section 22. Lien of mortgage. A mortgage shall constitute a maritime
17 lien upon the mortgaged vessel in the amount of the outstanding mortgage
18 indebtedness secured by such vessel. The lien of mortgage shall not be in
19 any way impaired or affected because the vessel's document has expired, or
20 has been suspended, revoked or cancelled.

21 Section 23. Interest on mortgage. Any other provision of law or
22 regulation to the contrary notwithstanding, a mortgage may secure such
23 interest of an obligation secured by the mortgage as the parties may agree,
24 which interest may be at fixed rates, variable rates, rates based upon
25 formulas, or by adding margins to the mortgagee's cost from time to time of

1 funding an obligation secured by the mortgage, or by any other method to
2 which the parties may agree.

3 Section 24. Disclosure of liens; Penalty.

4 (1) The mortgagor, before executing a mortgage, shall disclose
5 to the mortgagee, in writing, the existence of any maritime lien, prior
6 mortgage, or other obligation or liability upon the vessel to be mortgaged
7 which is known to the mortgagor.

8 (2) After the execution of such mortgage and before the
9 mortgagee has had a reasonable time in which to record it and have proper
10 endorsements made upon the document of the vessel, the mortgagor, without
11 the consent of the mortgagee, shall not incur any contractual obligation
12 creating a lien upon the vessel, other than liens for wages of stevedores
13 when employed directly by the owner, operator, Master, ship's husband, or
14 agent of the vessel, for wages of the crew of the vessel, for general
15 average or for salvage, including contract salvage, tonnage taxes and all
16 other charges of the Commissioner in respect to the vessel.

17 (3) Whoever, being a mortgagor or the president or principal
18 officer of a corporate mortgagor, with intent to defraud, violates this
19 section, shall be guilty of an offense, and upon conviction thereof, shall
20 be fined not more than \$2,000, or imprisoned for not more than 2 years, or
21 both. The mortgage indebtedness shall thereupon become immediately due and
22 payable at the election of the mortgagee.

23 Section 25. Certified copies; Exhibition.

24 (1) Upon recording a mortgage, two certified copies thereof
25 shall be delivered to the mortgagor who shall place and use due diligence

1 to retain one copy on board the mortgaged vessel, and cause such copy and
2 the document of the vessel to be exhibited by the master to any person
3 having business which may give rise to a maritime lien or to the sale,
4 conveyance or mortgage of the vessel.

5 (2) The license of a Master who willfully fails to exhibit such
6 documents and copy of mortgage may be suspended or revoked.

7 Section 26. Foreclosure and default; Jurisdiction and procedure.

8 (1) The lien of a mortgage may be enforced by a suit in rem in
9 the Supreme Court of the Federated States of Micronesia sitting in
10 Admiralty upon default of any term or condition. In addition to any notice
11 by publication, actual notice of the commencement of suit shall be given by
12 the libellant, in such manner as prescribed by law or rule of Court, to the
13 Master, other ranking officer, or caretaker of the vessel, and to any
14 person who has recorded a notice of claim of an undischarged lien upon the
15 vessel, unless after search by the libellant satisfactory to the Court such
16 person is not found within the Federated States of Micronesia. Failure to
17 give such notice shall not constitute a jurisdictional defect, but the
18 libellant shall be liable to such person for damages in the amount of his
19 interest in the vessel terminated by the suit.

20 (2) The lien of mortgage may also be enforced by a suit in rem
21 in Admiralty or otherwise in any foreign country in which the vessel shall
22 be found, pursuant to the procedure of said country for the enforcement of
23 ship mortgages constituting maritime liens on vessels documented under the
24 laws of said country.

25 (3) Notwithstanding anything in this act, the mortgagee may, in

addition to all other remedies granted by this act, bring suit in personam against the mortgagor in any court of competent jurisdiction for the amount of the outstanding mortgage indebtedness for any deficiency in the full payment thereof.

(4) This act does not authorize the enforcement by suit in rem in Admiralty of the rights of the mortgagee in respect to realty or personalty other than vessels covered by a mortgage.

Section 27. Foreclosures; Priority of mortgage lien: Exemption. Upon the sale of any vessel in a suit in rem in Admiralty for the enforcement of a mortgage lien, all preexisting claims in the vessel, including any possessory common law lien, shall terminate and shall thereafter attach in like amounts and in accordance with their respective priorities to the proceeds of sale; PROVIDED, however, that the mortgage lien shall have priority over all claims against the vessel, except such liens and claims as may be provided by regulations promulgated pursuant to this act.

Section 28. Goods and services: Lien; Enforcement.

(1) Whoever furnishes repairs, supplies, towage, use of dry dock or marine railway or other necessary goods and services to any foreign or domestic vessel upon the order of the owner or person authorized by the owner, shall have a maritime lien on the vessel.

(2) The managing owner, ship's husband, Master, or any person to whom the management of the vessel at the port of supply is entrusted, including any such person appointed by a charterer, owner pro hac vice or agreed purchaser in possession, shall be presumed to have authority from the owner to procure such necessary goods and services. A person

1 tortiously or unlawfully in possession or charge of the vessel shall not
2 have authority to bind it.

3 (3) This section shall not confer a lien when the furnisher of
4 services knew, or by exercise of reasonable diligence could have
5 ascertained, that the person ordering services was without authority to
6 bind the vessel.

7 Section 29. Goods and services; Waiver of lien. This act shall not
8 prevent the furnisher of repairs, supplies, towage, use of dry dock or
9 marine railway or other necessary goods and services, or the mortgagee,
10 from waiving his right to a lien, at any time by agreement or otherwise.

11 Section 30. Effect of amendment of act. No amendment of this act or
12 regulation promulgated pursuant to this act, shall be so construed as to
13 impair or in any respect invalidate any instrument or other document
14 recorded, or any act performed, pursuant to this act by the Commissioner or
15 his authorized agent prior to the effective date of such amendment.

16 Section 31. Carriage of goods by sea-risks. Subject to the
17 provisions of this act, under every contract of carriage of goods by sea,
18 the carrier in relation to the loading, handling, stowage, in carriage,
19 custody, care and discharge of such goods shall be subject to the
20 responsibilities and liabilities and entitled to the rights and immunities
21 hereinafter set forth, and as may be provided by regulations promulgated
22 pursuant to this act.

23 Section 32. Defenses.

24 (1) The defenses and limits of liability provided for in this
25 act and pursuant to regulation shall apply in any action against the

1 carrier in respect of loss or damage to goods covered by a contract or
2 carriage whether the action be founded in contract or in tort.

3 (2) If such an action is brought against a servant or agent of
4 the carrier, such servant or agent not being an independent contractor,
5 such servant or agent shall be entitled to avail himself of the defenses
6 and limits of liability which the carrier is entitled to invoke.

7 (3) The aggregate of the amounts recoverable from the carrier,
8 and such servants and agents, shall in no case exceed the limits provided
9 for by regulation.

10 (4) Subsections (1) through (3) of this section notwithstanding,
11 a servant or agent of a carrier shall not be entitled to avail himself of
12 the defenses and limits of liability provided pursuant to this section, if
13 it is proved that the damage resulted from an act or omission of the
14 servant or agent done with intent to cause damage or reckless disregard of
15 the consequences.

16 Section 33. Effect of certain sections.

17 (1) The provisions of sections 31 and 32 and regulations
18 promulgated relating thereto shall not affect the rights and obligations of
19 the carrier under the provisions of this act, or under the provisions of
20 any statute for the time being in force, relating to the limitation of the
21 liability of the owners of ocean-going vessels.

22 (2) The provisions of sections 31 and 32 of this act and
23 regulations promulgated relating thereto shall not affect the provisions of
24 any international convention to which the Federated States of Micronesia is
25 a party or national law governing liability for nuclear damage.

1 Section 34. Owners' liability; General.

2 (1) The owner of a vessel may limit his liability in accordance
3 with section 35 of this act in respect to claims arising from any of the
4 following occurrences, unless the occurrence giving rise to the claim
5 resulted from the actual fault or privity of the owner:

6 (a) Loss of life, or personal injury to, any person being
7 carried in the vessel, and loss of, or damage to, any property on board the
8 vessel;

9 (b) Loss of life of, or personal injury to, any other
10 person, whether on land or on water, loss of or damage to any other
11 property or infringement of any rights caused by the act, neglect or
12 default of any person on board the vessel for whose act, neglect or default
13 the owner is responsible; PROVIDED, however, that in regard to the act,
14 neglect or default of this last class of persons, the owner shall only be
15 entitled to limit his liability when the act, neglect or default is one
16 which occurs in the navigation or the management of the vessel or in
17 loading, carriage or discharge of its cargo or in the embarkation, carriage
18 or disembarkation of its passengers; and

19 (c) Any obligation or liability imposed by any law relating
20 to the removal of a wreck and arising from or in connection with the
21 raising, removal or destruction of any vessel which is sunk, stranded or
22 abandoned, including anything which may be on board such vessel, and any
23 obligations or liability arising out of damage caused to harbor works,
24 basins and navigable waterways.

25 (2) An owner shall be entitled to limit his liability in the

cases set out in subsection (1) of this section even, in cases where his liability arises, without proof of negligence on the part of the owner or of persons for whose conduct he is responsible, by reason of his ownership, possession, custody or control of the vessel.

(3) Nothing in this section shall apply:

(a) To claims for salvage or to claims for contribution in general average;

(b) To claims by the Master, by members of the crew, by any servants of the owner on board the vessel or by servants of the owner whose duties are connected with the vessel, including the claims of their heirs, personal representatives or dependents, if under the law governing the contract of service between the owner and such servants the owner is not entitled to limit his liability in respect to such claims or if he is by such law only permitted to limit his liability to an amount greater than that provided for in section 35 of this act.

(4) If the owner of a vessel is entitled to make a claim against a claimant arising out of the same occurrence, their respective claims shall be set off against each other and the provisions of sections 31 through 36 of this act and regulations promulgated thereunder shall only apply to the balance, if any.

(5) The act of invoking limitation of liability shall not constitute an admission of liability.

Section 35. Claims.

(1) The limit of liability prescribed by section 34 of this act shall apply to the aggregate of personal claims and property claims which

1 arise on any distinct occasion without regard to any claims which have
2 arisen or may arise on any other distinct occasion.

3 (2) Where the aggregate of the claims which arise on any
4 distinct occasion exceeds the limits of liability provided for by section
5 36 of this act, the total sum representing such limits of liability may be
6 constituted as one distinct limitation fund.

7 (3) The fund thus constituted shall be available only for the
8 payment of claims in respect to which limitation of liability can be
9 invoked.

10 (4) After the fund has been constituted, no claimant against the
11 fund shall be entitled to exercise any right against any other assets of
12 the shipowner in respect to his claim against the fund if the limitation
13 fund is actually available for the benefit of the claimant.

14 Section 36. Limitation fund.

15 (1) The amounts to which the owner of a vessel may limit his
16 liability under section 34 of this act shall be:

17 (a) Where the occurrence has only given rise to property
18 claims, an aggregate amount of \$67 for each ton of the vessel's tonnage;

19 (b) Where the occurrence has only given rise to personal
20 claims, an aggregate amount of \$207.70 for each ton of the vessel's
21 tonnage; and

22 (c) Where the occurrence has given rise both to personal
23 claims and property claims, an aggregate amount of \$207.70 for each ton of
24 the vessel's net tonnage, of which a first portion amounting to \$140.70 for
25 each ton of the vessel's net tonnage shall be exclusively appropriated to

1 the payment of personal claims and of which a second portion amounting to
2 \$67 for each of the vessel's tonnage shall be appropriated to the payment
3 of property claims; PROVIDED, however, that in cases where the first
4 portion is insufficient to pay the personal claims in full, the unpaid
5 balance of such claims shall rank ratably with the property claims for
6 payment against the second portion of the fund.

7 (2) In each portion of the limitation fund the distribution
8 among the claimants shall be made in proportion to the amounts of their
9 established claims.

10 (3) If before the fund is distributed the owner has paid in
11 whole or in part any of the claims set forth in section 34 of this act he
12 shall pro tanto be placed in the same position in relation to the fund as
13 the claimant whose claim he has paid, but only to the extent that the
14 claimant whose claim he has paid would have a right of recovery against him
15 under the laws of the Federated States of Micronesia.

16 (4) Where the owner establishes that he may at a later date be
17 compelled to pay in whole or in part any of the claims set out in section
18 34 of this act, the Court may order that a sufficient sum shall be
19 provisionally set aside to enable the shipowner at such later date to
20 enforce his claim against the fund in the manner set out in subsection (3)
21 of this section.

22 (5) For the purpose of ascertaining the limit of an owner's
23 liability in accordance with the provisions of this section, the net
24 tonnage of a vessel of less than 300 tons shall be deemed to be 300 tons.

25 (6) For the purpose of this section, tonnage shall be calculated

as follows:

(a) In the case of steamships or other mechanically propelled vessels there shall be taken the net tonnage with the addition of the amount deducted from the gross tonnage on account of engine room space for the purpose of ascertaining the net tonnage; and

(b) In the case of all other vessels there shall be taken the net tonnage.

(7) The applicability of the owners limitation of liability to the vessel herself and to the charterer, manager and operator of the vessel, and to the Master, members of the crew and other servants of the owner, charterer, manager or operator acting in the course of their employment shall be provided for regulations promulgated pursuant to this act.

Section 37. Regulations for preventing collisions. It is the policy of the Federated States of Micronesia to adopt internationally accepted standards for the prevention of collisions at sea. Accordingly, regulations promulgated pursuant to this act shall be adopted setting forth standards drawn from the Regulations for Preventing Collisions at Sea, 1948, as approved by the International Conference on Safety of Life at Sea, 1948, held at London, England from April 23 to June 10, 1948, amendments subsequently made thereto and international conventions to which the Federated States of Micronesia may become a party.

Section 38. Penalty for violation of regulations. Every pilot, Master, mate or engineer or other person in charge of any vessel, boat or craft who neglects or refuses to observe the provisions of section 37 of

1 this act and regulations promulgated thereunder shall be guilty of an
2 offense subject to a fine established by regulation, and shall be liable
3 for all damages sustained by any passenger and his person or baggage
4 resulting from such neglect or refusal; PROVIDED that nothing herein shall
5 relieve any vessel, owner, corporation, or other person from any liability
6 incurred by reason of such neglect or refusal.

7 Section 39. Penalty for violation by vessel. Every vessel that shall
8 be navigated without complying with the provisions of section 37 of this
9 act and regulations promulgated thereunder shall be guilty of an offense
10 subject to a fine established by regulation, for which sum the vessel so
11 navigated shall be liable and may be seized and proceeded against before
12 any court of competent jurisdiction in the Federated States of Micronesia.

13 Section 40. Assistance in case of collision.

14 (1) In every case of collision between two vessels it shall be
15 the duty of the Master or person in charge of each vessel, if and insofar
16 as he can do so without serious danger to his own vessel, crew, and
17 passengers to:

18 (a) Stand by the other vessel until he has ascertained that
19 it needs no further assistance;

20 (b) Render to the other vessel, and to its Master, crew, or
21 passengers, such assistance as may be practicable and necessary to save
22 them from any danger caused by the collision; and

23 (c) Report to the Master or person in charge of the other
24 vessel the name of his own vessel, its port of registry or the port to
25 which it belongs, and the names of the ports from which it came and to

1 which it is bound.

2 (2) If the Master or person in charge of the vessel fails to do
3 so without reasonable cause for such failure, the collision shall, in the
4 absence of proof to the contrary, be deemed to have been caused by his
5 wrongful act, neglect, or default.

6 Section 41. International agreements as to derelicts. It is the
7 policy of the Federated States of Micronesia to make international
8 agreements with governments interested for the reporting, marking and
9 removing of dangerous wrecks, derelicts and other menaces to navigation in
10 the Pacific Ocean within or outside the territorial waters of the Federated
11 States of Micronesia.

12 Section 42. Vessels stranded on foreign coasts. Consular officials
13 in countries on whose shores vessels of the Federated States of Micronesia
14 are stranded shall take proper measures for saving the vessels, their
15 cargoes and appurtenances, storing and securing the effects and merchandise
16 saved, and taking inventories thereof; and such merchandise and effects
17 with inventories thereof shall, after payment of the expenses, be delivered
18 to the owners. A consular official shall not take possession of any such
19 merchandise, or other property, when the Master, owner or consignee thereof
20 is present or capable of taking possession of the same. The President,
21 subject to ratification by the Congress, is authorized to conclude
22 agreements with countries in which the Federated States of Micronesia is
23 neither represented by consular officials or other accredited government
24 agents, for the purpose of securing the services herein imposed upon the
25 consular officials of the Federated States of Micronesia in countries to

RD

C. B. No. 4-259

1 which they are assigned.

2 Section 43. Right to salvage not affected by ownership of vessel.

3 The right to remuneration for assistance or salvage services shall not be
4 affected by common ownership of the vessels rendering and receiving such
5 assistance or salvage services.

6 Section 44. Time limit for salvage suits. A cause of action for
7 remuneration for rendering assistance or salvage services shall be
8 commenced within 2 years from the date the cause accrued. If the person or
9 vessel against whom the cause is brought is absent from the Federated
10 States of Micronesia during all or substantially all of the 2 year period,
11 the cause of action shall be commenced within 90 days of the date when the
12 person or vessel returns to the Federated States of Micronesia.

13 Section 45. Mariners applicability. The provisions of sections 46
14 through 59 of this act and regulations promulgated thereunder, apply to
15 every person, except pilots, employed aboard a registered Federated States
16 of Micronesia vessel and to the employer of such persons.

17 Section 46. Manning of vessels. A vessel registered under the flag
18 of the Federated States of Micronesia shall not be navigated unless it has
19 in its service, and on board, such complement of officers and crew as is
20 necessary for safe navigation.

21 Section 47. Officer licenses. The Commissioner shall establish a
22 system that will test the qualifications of officers to serve aboard the
23 registered vessels of the Federated States of Micronesia. All persons
24 sailing as officers aboard these vessels must be licensed by the Federated
25 States of Micronesia in accordance with the standards established by

1 regulation.

2 Section 48. Offenses against the internal order of the vessel. Any
3 mariner on a vessel registered in the Federated States of Micronesia who
4 commits any offense covered by law or regulation may, in addition to any
5 criminal penalties provided for herein, be punished by the Master in
6 accordance with regulations promulgated pursuant to this act.

7 Section 49. Grounds for discharge. The Master may discharge a
8 mariner for cause which includes any of the following grounds:

9 (1) Unjustified failure to report on board at such times and
10 dates as may be specified by the Master;

11 (2) Incompetence in performance of duties for which the mariner
12 has represented himself as qualified;

13 (3) Theft, embezzlement, or destruction of any part of the
14 vessel, its cargo or stores;

15 (4) Serious insubordination or willful disobedience or willful
16 refusal to perform assigned duties;

17 (5) Mutiny or desertion;

18 (6) Habitual intoxication, quarreling or fighting;

19 (7) Possession of dangerous weapons, narcotics or contraband
20 articles;

21 (8) Intentional concealment from the Master or shipowner at or
22 prior to engagement under the Shipping Articles of a condition which
23 resulted in sickness or injury;

24 (9) Assistance to stowaways; or

25 (10) Willful violation of the civil or criminal laws of the

RS

C. B. No. 4-259

1 Federated States of Micronesia or other applicable criminal laws.

2 Section 50. Prohibition of corporal punishment. Flogging and all
3 other forms of corporal punishment are hereby prohibited on board a vessel.

4 Section 51. Barratry, drunkenness, neglect of duty. Whoever, being a
5 Master, mariner, or other person on any vessel, by willful breach of duty
6 or by reason of drunkenness, does any act causing immediate loss,
7 destruction, or serious damage to such vessel or her cargo, or causing
8 immediate risk of bodily harm to any person belonging to or on board such
9 vessel, or by willful breach of duty or by neglect of duty or by reason of
10 drunkenness refuses or omits to do any lawful act required of him for
11 preserving such vessel and her cargo from immediate loss, destruction or
12 serious damage, or for preventing bodily harm to any person on such vessel,
13 shall be guilty of an offense, and upon conviction thereof, shall be punished
14 by imprisonment for not more than 5 years, or by a fine of not more than
15 \$10,000, or both.

16 Section 52. Desertion.

17 (1) Any mariner who leaves his vessel with the intention of not
18 returning to duty and who remains unlawfully away from his vessel shall be
19 guilty of desertion and shall be liable for any damages or losses suffered
20 by the shipowner as a consequence of such desertion.

21 (2) The Master shall make an entry of such desertion in the
22 logbook and file a report with the Commissioner and consular official, if
23 there is one at the local port.

24 Section 53. Revolt and mutiny. Whoever, being aboard a registered
25 Federated States of Micronesia vessel, unlawfully and with force, threat of

1 force or deception, usurps the command of such vessel from the Master or
2 other lawful officer in command thereof, or deprives him of authority and
3 command on board, or resists or prevents him in the free and lawful
4 exercise thereof, or transfers such authority and command to another not
5 lawfully entitled thereto, is guilty of the offense of revolt and mutiny
6 and upon conviction thereof shall be punished by imprisonment for not more
7 than 10 years, or by a fine of not more than \$20,000, or both.

8 Section 54. Entry of offenses in logbook. Upon the commission of any
9 offense, an entry thereof shall be made in the official logbook of the
10 vessel on the day on which the offense was committed together with any
11 penalty or fine imposed. The entry shall be signed by the Master and by
12 the mate or one of the crew, and by the offender, if still on board the
13 vessel. The offender, before the vessel's next arrival at any port or, if
14 she is at the time in port, before her departure therefrom, shall be
15 furnished with a copy of such entry and have the same read over distinctly
16 and audibly to him, and he may thereupon make such reply thereto as he
17 thinks fit. A statement that a copy of the entry has been so furnished or
18 the same has been so read over, together with the offender's reply, if any,
19 shall likewise be entered and signed in the same manner.

20 Section 55. Contracts for seafaring labor.

21 (1) The following clause shall appear or be by force of law
22 included in all contracts for seafaring labor on board vessels registered
23 under the Federated States of Micronesia: "The parties to this contract
24 hereby stipulate that the terms and conditions laid down herein shall be
25 subject to the applicable provisions of the maritime law and regulations of

1 the Federated States of Micronesia. Any dispute as to the terms and
2 conditions of this contract shall be resolved in accordance with the
3 maritime law and regulations of the Federated States of Micronesia."

4 (2) All contracts relating to service aboard a vessel registered
5 under this act shall be governed in interpretation and application by the
6 laws of the Federated States of Micronesia.

7 Section 56. Bargaining and execution of labor contract.

8 (1) It shall be lawful for any employer or employer organization
9 and any labor organization representing mariners to bargain and enter into
10 labor contracts concerning wages and other terms and conditions of
11 employment; PROVIDED that no labor contract provisions may be contrary to
12 the laws of the Federated States of Micronesia or deprive the Federated
13 States of Micronesia of any jurisdiction over labor relations.

14 (2) A copy of any labor contract between the employer and an
15 organization representing mariners employed on a vessel shall be placed on
16 board the vessel and shall be made available to maritime or judicial
17 authorities upon request.

18 Section 57. Provisions prohibited in labor contracts. Any provision
19 in any labor contract applicable to any mariner on a vessel registered in
20 the Federated States of Micronesia which is inconsistent with this act or
21 any provision of the Constitution or laws of the Federated States of
22 Micronesia is void to the extent of the inconsistency. Any provision in
23 such contract which discriminates as to terms and conditions of employment
24 on the basis of race, color or creed is void.

25 Section 58. Protection of labor contract. Whenever an employer or

RD

C. B. No.

4-259

1 employer organization has entered into a labor contract providing that a
2 labor organization shall be the sole bargaining representative of mariners
3 pursuant to section 56 above, it shall be unlawful:

4 (1) For the employer or employer organization to bargain with or
5 enter into labor contracts pertaining to such mariners with any other labor
6 organization; or

7 (2) For any other labor organization to attempt to bargain with
8 or enter into labor contracts pertaining to such mariners with the employer
9 or employer organization prior to 30 days before the termination of such
10 agreement or before the expiration of 3 years from the effective date of
11 such agreement, whichever event shall first occur.

12 Section 59. Freedom of association. Nothing in this act shall be
13 construed to restrict the right of mariners and their employers to become
14 members of organizations of their choosing.

15 Section 60. Adoption of general American maritime law. Insofar as it
16 does not conflict with any other provisions of this act or other laws or
17 the Constitution of the Federated States of Micronesia, the non-statutory
18 general maritime law of the United States of America is hereby declared to
19 be and is hereby adopted as the general maritime law of the Federated
20 States of Micronesia.

21 Section 61. Severability.

22 (1) If any provision of this act or amendments or additions
23 thereto, or regulations promulgated thereunder, or the application thereof
24 to any person, thing, or circumstances is held invalid, the invalidity does
25 not affect the provisions or application of this act or the amendments or

additions or regulations that can be given effect without the invalid provisions or application, and to this end the provisions of this act and the amendments or additions thereto are severable.

(2) To the extent provisions of this act may be construed to intrude upon State powers pursuant to article IX, section 2(h), of the Constitution of the Federated States of Micronesia respecting the regulation of navigation and shipping within lakes, lagoons and rivers of the Federated States of Micronesia, this act shall be construed to give maximum effect to its provisions consistent with the Constitution.

Section 62. General penalty for violation. Except as otherwise provided in this act, any person who is convicted by a court of competent jurisdiction of violation of any of the provisions of this act, or of any lawful regulations promulgated pursuant to this act shall, upon conviction thereof, be subject to a fine of not more than \$10,000, or imprisonment for not more than 10 years, or both.

Section 63. Jurisdiction.

(1) The Supreme Court of the Federated States of Micronesia shall have jurisdiction over all causes of action arising out of or under this act.

(2) The provisions of this section shall not be deemed to deprive other courts of the Federated States of Micronesia or elsewhere possessing jurisdiction of jurisdiction over causes of action arising out of or under this act.

Section 64. Appeal of Executive Deputy Commissioner's decisions.

Appeal of any decision of an Executive Deputy Commissioner pursuant to any

1 section of this act or regulations thereunder, may be taken to the
2 Commissioner and shall be governed by the provisions of chapter 1 of title
3 17 of the Code of the Federated States of Micronesia. Upon exhaustion of
4 administrative remedies, appeal may be taken in accordance with the
5 provisions of chapter 1 of the title 17 of the Code of the Federated States
6 of Micronesia to the Supreme Court of the Federated States of Micronesia,
7 sitting in Admiralty.

8 Section 65. Limitation of actions.

9 (1) The following causes of action relating to matters regulated
10 pursuant to this act shall be commenced within 1 year:

11 (a) The right of action for death of a mariner caused by
12 wrongful act, neglect or default on board a vessel registered pursuant to
13 this act;

14 (b) Claims of a shipowner against the Master for acts
15 committed during the performance of his duties;

16 (c) Claims arising out of Shipping Articles; and

17 (d) All other tort claims.

18 (2) Except as otherwise specifically provided in this act, all
19 other causes of action relating to matters regulated pursuant to this act
20 shall be commenced within 3 years.

21 (3) All limitation periods run from the time the cause of action
22 accrues.

23 Section 66. Method of registration of foreign maritime trusts.

24 (1) A foreign trust or corporation whose indenture or instrument
25 of trust or charter or articles of incorporation comprehends the power to

RD

C. B. No.

4-259

1 own or operate vessels may apply to the Registrar of Corporations of the
2 Federated States of Micronesia to be registered as a foreign maritime trust
3 or corporation. The application shall be in the form of a resolution by
4 the trustee or board of directors and shall bear their signatures and the
5 seal, if any, of the trust or corporation. The application shall state the
6 following:

7 (a) The name of the trust or corporation;

8 (b) The jurisdiction and date of its creation or
9 incorporation;

10 (c) The address of the principal place of business of the
11 trust or corporation and, if such place is not in the jurisdiction of the
12 creation of the trust or of incorporation, the address of its place of
13 business or name and address of its resident agent in jurisdiction of the
14 creation of the trust or of incorporation;

15 (d) The full names and addresses of all current trustees or
16 directors and officers; and

17 (e) The name and address within the Federated States of
18 Micronesia of the registered agent designated in accordance with the
19 requirements of the Federated States of Micronesia, and the statement that
20 the registered agent is to be its agent upon whom process against it may be
21 served.

22 (2) To each application shall be attached a full copy of the
23 indenture or instrument of trust or charter or articles of incorporation,
24 and, if such copy is in other than the English language, a translation
25 thereof in English and authentication under oath of the translator. Each

1 such copy shall be certified by an authorized officer of the jurisdiction
2 of creation of the trust or of incorporation that the trust or corporation,
3 is in existence. If such certificate is in other than the English
4 language, a translation thereof in English under oath of the translator
5 shall be attached thereto. Each application, with attachments, shall be
6 filed with the Registrar of Corporations in accordance with the provisions
7 of Federated States of Micronesia law, and the applicant is thereupon
8 registered as a foreign maritime trust or corporation as of the filing date
9 stated thereon.

10 Section 67. Powers granted on registration. A registered foreign
11 maritime trust or corporation shall have the following powers:

12 (1) To own and operate vessels registered under the laws of the
13 Federated States of Micronesia, provided all requirements of maritime law
14 are met; and

15 (2) To do all things necessary to the conduct of the business of
16 ownership and operation of vessels registered by the Federated States of
17 Micronesia and, for that purpose, to have one or more offices in the
18 Federated States of Micronesia and to hold, purchase, lease, mortgage and
19 convey real and personal property, subject to the laws of the Federated
20 States of Micronesia.

21 Section 68. Revocation of registration. The registration of a
22 foreign maritime trust or foreign maritime corporation may be revoked by
23 the Registrar of Corporations on the same grounds and in the same manner
24 provided in Federated States of Micronesia law with respect to dissolution
25 of a corporation for failure to pay the annual registration fee or to

1 maintain a registered agent.

2 Section 69. Fees. The following fees shall be paid to the Secretary
3 of Finance by a foreign maritime trust or foreign maritime corporation:

4 (1) Upon application of registration, \$500; and

5 (2) An annual registration fee of \$200.

6 Section 70. Application of other provisions to foreign maritime
7 trusts and foreign maritime corporations. All provisions of the
8 corporations law of the Federated States of Micronesia not in conflict with
9 the provisions of this act shall apply to foreign maritime trusts and
10 foreign maritime corporations.

11 Section 71. Inapplicability of certain laws of the Federated States
12 of Micronesia. Except as otherwise provided for in this act, mere
13 registration of a vessel pursuant to this act, the incorporation as a
14 foreign maritime trust pursuant to this act, the payment of fees pursuant
15 to this act, and the periodic call by a vessel at a port within the
16 Federated States of Micronesia shall not by themselves subject any person
17 to the application of the tax laws of the Federated States of Micronesia or
18 any of its States, the foreign investment laws of the Federated States of
19 Micronesia or any of its States, or the labor laws of the Federated States
20 of Micronesia or any of its States.

21 Section 72. Regulations.

22 (1) The Commissioner is directed and authorized, with the
23 approval of the President, to make all necessary regulations for carrying
24 out the provisions of this act. These maritime regulations shall include,
25 but not be limited to, substantive rules and procedures for the following:

1 (a) Ensuring the seaworthiness and safety of Federated
2 States of Micronesia vessels, including the establishment of a vessel
3 inspection system;

4 (b) Establishing the administrative processes as set forth
5 in this act;

6 (c) Establishing the documentation of vessels as set forth
7 in this act;

8 (d) Establishing the licensing, certification, order and
9 discipline and organizational management of mariners as set forth in this
10 act;

11 (e) Mortgages, liens and security interests in vessels;

12 (f) Investigation and adjudication of matters involving
13 marine casualties, vessel safety, loss of life or serious injury to
14 personnel, and pollution of the marine environment;

15 (g) Carriage of goods by sea;

16 (h) Liability of vessel owners and other persons,
17 establishing limits of liability and providing for the handling of claims;

18 (i) Navigation and collisions at sea;

19 (j) Handling wrecks and salvage;

20 (k) Labor relations and working conditions of mariners;

21 (l) Implementing the contract provided for in section 8 of
22 this act;

23 (m) Establishing enforcement mechanisms for this act
24 including specific penalties, jurisdiction and methods of dispute
25 settlement or adjudication, for the violations of the provisions of this

RD

C. B. No. 4-259

1 act; and

2 (n) All other matters covered by this act.

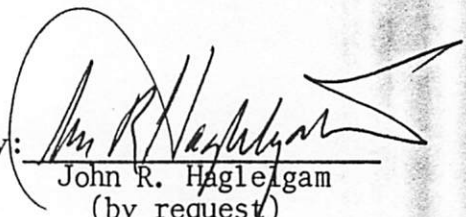
3 (2) Regulations promulgated hereunder, and amendments thereto,
4 shall have the full force and effect of law, upon completion of the
5 applicable procedures prescribed in title 17 of the Code of the Federated
6 States of Micronesia.

7 (3) The regulatory authority granted herein shall be construed
8 broadly.

9 Section 73. Repealer. Title 19 of the Code of the Federated States
10 of Micronesia is hereby repealed in its entirety.

11 Section 74. Effective date. This act shall become law upon approval
12 by the President of the Federated States of Micronesia or upon its becoming
13 law without such approval.

14
15 Date: 6/12/86

Introduced by: 

John R. Haglegam
(by request)