

A BILL FOR AN ACT

To appropriate the sum of \$8,554,160 and such other amount as is required from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1990, for the purpose of providing an operating subsidy to the National Fisheries Corporation, providing for the initial capitalization of the National Fisheries Corporation, and providing funds for the National Fisheries Corporation to participate in a particular joint venture under certain conditions, and for other purposes.

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

1 Section 1. The sum of \$8,554,160 and such other amount as is  
2 required is hereby appropriated from the General Fund of the  
3 Federated States of Micronesia for the fiscal year ending September  
4 30, 1990, for the purpose of providing an operating subsidy to the  
5 National Fisheries Corporation, providing for the initial  
6 capitalization of the National Fisheries Corporation, and providing  
7 funds for the National Fisheries Corporation to participate in a  
8 particular joint venture under certain conditions.

9 Section 2. The sum appropriated under section 1 of this act  
10 shall be apportioned as follows:

11 (1) The sum of \$54,160 is appropriated for the purpose of  
12 providing an operating subsidy to the National Fisheries Corporation  
13 during the fiscal year ending September 30, 1990.

14 (2) The sum of \$3,500,000 is appropriated for the purpose  
15 of providing initial capitalization for, or an operating subsidy to,  
16 the National Fisheries Corporation, PROVIDED that no such funds shall  
17 be made available to the National Fisheries Corporation except to  
18 support its purchases, projects or joint venture participation,  
19 pursuant to a valid agreement or contract, or to provide an operating  
20 subsidy of \$250,000 or less in any fiscal year beginning with the  
21 fiscal year ending September 30, 1991.

22 (3) The sum of \$5,000,000 is appropriated for the purpose  
23 of providing funds for the National Fisheries Corporation to  
24 participate in a joint venture in which the other joint venturers are  
25 a State of the Federated States of Micronesia and a private entity

1 incorporated in Australia, PROVIDED that no such funds shall be made  
2 available to the National Fisheries Corporation or joint venture  
3 unless the allottee certifies that:

4 (a) A reliable appraisal or appraisals demonstrate a  
5 fair market value of any vessels to be purchased of at least the  
6 amount of the purchase price;

7 (b) The private joint venturer has demonstrated  
8 creditworthiness or has otherwise provided loan guarantees or other  
9 security for its share of the liability on any loan made to the joint  
10 venture by the National Fisheries Corporation from said \$5,000,000,  
11 having reference to generally acceptable commercial banking standards;

12 (c) No loan of any portion of said \$5,000,000 will be  
13 made by the National Fisheries Corporation to the joint venture on  
14 other than generally acceptable commercial banking terms, unless  
15 necessary and only to the extent necessary to induce the private  
16 joint venturer to enter into the joint venture, or to create a  
17 commercially viable joint venture;

18 (d) The terms of the joint venture agreement and all  
19 related agreements are fair and evenly balanced, having reference to  
20 generally accepted commercial joint venture standards; and

21 (e) The joint venture agreement contains reasonable  
22 provisions designed to ensure that the joint venture undertake  
23 commercially viable shore-based value-adding activities in a State of  
24 the Federated States of Micronesia as soon as commercially feasible.

25 (4) Such amount as is equal to the amount of funds for

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1 which the authority of the National Fisheries Corporation to obligate  
2 lapses pursuant to section 3 of this act is appropriated for the  
3 purpose of providing an additional operating subsidy to the National  
4 Fisheries Corporation during the fiscal year ending September 30,  
5 1990, PROVIDED that such operating subsidy shall not be made  
6 available to the National Fisheries Corporation prior to January 1,  
7 1990.

8 Section 3. The authority of the National Fisheries Corporation  
9 to obligate funds appropriated by Public Law No. 6-10 shall lapse as  
10 of December 31, 1989.

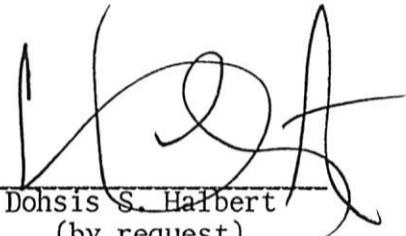
11 Section 4. All funds appropriated by this act shall be  
12 allotted, managed, administered, and accounted for in accordance with  
13 applicable law, including, but not limited to, the Financial  
14 Management Act of 1979. The President or his designee shall be the  
15 allottee and shall be responsible for ensuring that these funds, or  
16 so much thereof as may be necessary, are used solely for the purposes  
17 specified in this act, and that no obligations are incurred in excess  
18 of the sum appropriated. The authority of the allottee to obligate  
19 or disburse funds appropriated by this act shall lapse as of  
20 September 30, 1990, except that the authority to obligate or disburse  
21 funds pursuant to subsection (2) or (3) of section 2 of this act  
22 shall not lapse. Notwithstanding any other provision of this act or  
23 any other law of the Federated States of Micronesia, with respect to  
24 the funds appropriated by this act, the National Fisheries  
25 Corporation shall be deemed to be a subsidy recipient and neither an

1 allottee nor suballottee of such funds nor a National Government  
 2 agency for any purposes, including for purposes of the Public  
 3 Contracts Act, chapter 4 of title 55 of the Code of the Federated  
 4 States of Micronesia. With respect to funds obligated prior to  
 5 January 1, 1990, the National Fisheries Corporation shall continue to  
 6 be deemed to be a National Government agency.

7 Section 5. This act shall become law upon approval by the  
 8 President of the Federated States of Micronesia or upon its becoming  
 9 law without such approval.

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Date: 11-29-89

Introduced by:   
 Dohsis S. Halbert  
 (by request)