

A BILL FOR AN ACT

To amend title 20 of the Code of the Federated States of Micronesia, as amended by Public Law No. 5-25 and 8-108, for the purpose of establishing the Federated States of Micronesia Civil Aeronautics Code, by repealing chapter 1, by adding new chapters 1 through 11, and by renumbering chapters 2, 3, and 4 as chapters 12, 13, and 14 respectively, and for other purposes.

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

1           Section 1. This act shall be known and may be cited as the  
2   "Federated States of Micronesia Civil Aeronautics Code".

3           Section 2. Title 20 of the Code of the Federated States of  
4   Micronesia is hereby amended by repealing chapter 1 in its entirety.

5           Section 3. Title 20 of the Code of the Federated States of  
6   Micronesia is hereby amended by enacting a new chapter 1 entitled  
7   "General Provisions".

8           Section 4. Title 20 of the Code of the Federated States of  
9   Micronesia is hereby amended by enacting a new section 101 of the new  
10   chapter 1 to read as follows:

11           "Section 101. Definitions. As used in this title, unless  
12           the context otherwise requires:

13                   (1) 'Aeronautics' means the science and art of  
14                   flight.

15                   (2) 'Air carrier' means any citizen of the  
16                   Federated States of Micronesia who undertakes, whether  
17                   directly or indirectly or by a lease or any other  
18                   arrangement, to engage in air transportation: PROVIDED,  
19                   that the Secretary may by order relieve air carriers who  
20                   are not directly engaged in the operation of aircraft in  
21                   air transportation from the provisions of this title to  
22                   the extent and for such periods as may be in  
23                   the public interest.

24                   (3) 'Air commerce' means domestic or international  
25                   air commerce or the transportation of mail by aircraft or

1        any operation or navigation of aircraft within the limits  
2        of any National airway or any operation or navigation of  
3        aircraft that directly affects, or that may endanger  
4        safety in, domestic or international air commerce.

5                (4) 'Air navigation facility' means any facility  
6        used in, available for use in, or designed for use in, aid  
7        of air navigation, including landing areas, lights, any  
8        apparatus or equipment for disseminating weather  
9        information, for signaling, for radio-directional finding,  
10       or for radio or other electrical communication, and any  
11       other structure or mechanism having a similar purpose for  
12       guiding or controlling flight in the air or the landing  
13       and take-off of aircraft.

14               (5) 'Air transportation' means domestic or  
15       international air transportation or the transportation of  
16       mail by aircraft.

17               (6) 'Aircraft engine' means an engine used, or  
18       intended to be used, for propulsion of aircraft and  
19       includes all parts and accessories thereof other than  
20       propellers.

21               (7) 'Aircraft' means any contrivance now known or  
22       hereafter invented, used, or designed for navigation of or  
23       flight in the air.

24               (8) 'Airman' means any individual who engages, as  
25       the person in command or as pilot, mechanic, or member of

1 carriage of mail by aircraft, or the operation or  
2 navigation of aircraft in the conduct or furtherance of a  
3 business or vocation, in commerce between, respectively:

4 (a) a place in the Federated States of  
5 Micronesia and any other place in the Federated States of  
6 Micronesia; and

7 (b) a place in the Federated States of  
8 Micronesia and any place outside thereof.

9 (23) 'Domestic air transportation', and  
10 'international air transportation', respectively, mean the  
11 carriage by aircraft of persons or property as a common  
12 carrier for compensation or hire or the carriage of mail  
13 by aircraft, in commerce between, respectively:

14 (a) a place in the Federated States of  
15 Micronesia and any other place in the Federated States of  
16 Micronesia; and

17 (b) a place in the Federated States of  
18 Micronesia and any place outside thereof.

19 (24) 'The Federated States of Micronesia' means the  
20 states of the Federated States of Micronesia, including  
21 the territorial waters and the overlying airspace thereof.

22 (25) 'Foreign air carrier' means any person, not a  
23 citizen of the Federated States of Micronesia, who  
24 undertakes, whether directly or indirectly or by lease or  
25 any other arrangement, to engage in international air

1           transportation.

2                   (26) 'Landing area' means any location, either on  
3                   land or water, including airports and intermediate landing  
4                   fields, that is used, or intended to be used, for the  
5                   landing and take-off of aircraft, whether or not  
6                   facilities are provided for the shelter, servicing, or  
7                   repair of aircraft, or for receiving or discharging  
8                   passengers or cargo.

9                   (27) 'Mail' means FSM mail and foreign-transit mail.

10                   (28) 'National airway' means a portion of the  
11                   navigable airspace of the Federated States of Micronesia  
12                   designated by the Secretary as a National airway.

13                   (29) 'Navigable airspace' means airspace above the  
14                   minimum altitudes of flight prescribed by regulations  
15                   issued under this Title, and shall include airspace needed  
16                   to insure safety in take-off and landing of aircraft.

17                   (30) 'Navigation of aircraft' or 'navigate  
18                   aircraft' includes the piloting of aircraft.

19                   (31) 'Operation of aircraft' or 'operate aircraft'  
20                   means the use of aircraft, for the purpose of air  
21                   navigation and includes the navigation of aircraft. Any  
22                   person who causes or authorizes the operation of aircraft,  
23                   whether with or without the right of legal control (in the  
24                   capacity of owner, lessee, or otherwise) of the aircraft,  
25                   shall be deemed to be engaged in the operation of aircraft



1 within the meaning of this title.

2 (32) 'Person' means any individual, firm,  
3 partnership, corporation, company, association,  
4 joint-stock association, or body politic; and includes any  
5 trustee, receiver, assignee, or other similar  
6 representative thereof.

7 (33) 'Propeller' includes all parts and accessories  
8 thereof.

9 (34) 'Public aircraft' means any aircraft used  
10 exclusively in the service of any government or of any  
11 political subdivision thereof, including the government of  
12 any province, territory, or possession of the Federated  
13 States of Micronesia, but not including any  
14 government-owned aircraft engaged in carrying persons or  
15 property for commercial purposes.

16 (35) 'Secretary' means the Secretary of Department  
17 of Transportation and Communications.

18 (36) 'Spare parts' means parts and accessories of  
19 aircraft (other than aircraft engines and propellers), of  
20 aircraft engines (other than propellers), of propellers  
21 and of appliances, maintained for installation or use in  
22 an aircraft, aircraft engine, propeller, or appliance, but  
23 that at the time are not installed therein or attached  
24 thereto.

25 (37) 'Special aircraft jurisdiction of the

1           Federated States of Micronesia' includes:  
2                           (a) civil aircraft of the Federated  
3           States of Micronesia;  
4                           (b) any other aircraft within the  
5           Federated States of Micronesia;  
6                           (c) any other aircraft outside the  
7           Federated States of Micronesia:  
8                                   (i) that has its next scheduled  
9           destination or last point of departure in the Federated  
10          States of Micronesia, if that aircraft next actually lands  
11          in the Federated States of Micronesia;  
12                                   (ii) having 'an offense', as  
13          defined in the Convention for the Suppression of Unlawful  
14          Seizure of Aircraft, committed aboard, if that aircraft  
15          lands in the Federated States of Micronesia with the  
16          alleged offender still aboard; or  
17                                   (iii) regarding which an offense as  
18          defined in subsection (d) or (e) of article I, section I  
19          of the Convention for the Suppression of Unlawful Acts  
20          against the Safety of Civil Aviation (Montreal, September  
21          23, 1971) is committed if the aircraft lands in the  
22          Federated States of Micronesia with an alleged offender  
23          still on board; and  
24                           (d) other aircraft leased without crew  
25          to a lessee who has his principal place of business in the

1 Federated States of Micronesia, or if none, who has his  
2 permanent residence in the Federated States of Micronesia;  
3 while that aircraft is in flight, which is from the moment  
4 when all external doors are closed following embarkation  
5 until the moment when one such door is opened for  
6 disembarkation or in the case of a forced landing, until  
7 the competent authorities take over the responsibility for  
8 the aircraft and for the persons and property aboard.

9 (38) 'Supreme Court' means the Supreme Court of the  
10 Federated States of Micronesia.

11 (39) 'Ticket agent' means any person, not an air  
12 carrier or a foreign air carrier and not a bona fide  
13 employee of an air carrier or foreign air carrier, who, as  
14 principal or agent, sells or offers for sale any air  
15 transportation, or negotiates for, or holds himself out by  
16 solicitation, advertisement, or otherwise as one who  
17 sells, provides, furnishes, contracts or arranges for,  
18 such transportation."

19 Section 5. Title 20 of the Code of the Federated States of  
20 Micronesia is hereby amended by enacting a new chapter 2 entitled  
21 "General Powers of the Secretary; National Preemption".

22 Section 6. Title 20 of the Code of the Federated States of  
23 Micronesia is hereby amended by enacting a new section 201 of the new  
24 chapter 2 to read as follows:

25 "Section 201. General powers and duties of the secretary.

1                   (1) General powers.   The Secretary is empowered to  
2                   perform such acts, to conduct such investigations, to  
3                   issue and amend such orders, and to make and amend such  
4                   general or special rules, regulations, and procedures,  
5                   necessary to carry out the provisions of this title.

6                   (2) Cooperation with other government agencies and  
7                   departments.   The Secretary is empowered to confer with or  
8                   to hold joint hearings with any other national or state  
9                   government agencies or departments, in connection with any  
10                  matter arising under this title within its jurisdiction,  
11                  and to avail itself of the cooperation, services, records,  
12                  and facilities of such agencies or departments as fully as  
13                  may be practicable in the administration and enforcement  
14                  of this title.

15                  (3) Exchange of information.   The Secretary, is  
16                  empowered to exchange with other governments, through  
17                  appropriate agencies of the Federated States of  
18                  Micronesia, information pertaining to aeronautics.

19                  (4) Foreign aid.

20                       (a) Under such terms and conditions as are  
21                       prescribed by the laws of the Federated States of  
22                       Micronesia, the Secretary, after consultation and in  
23                       cooperation with the Department of External Affairs, may  
24                       accept, receive, disburse, and expend moneys from foreign  
25                       governments or other international organizations, and

1 other moneys, public or private, made available by grant  
2 or loan to accomplish, in whole or in part, any of the  
3 purposes of this title.

4 (b) No moneys from any foreign government or  
5 international organization shall be accepted under and  
6 pursuant to this title unless:

7 (i) the funds are made available upon  
8 such terms and conditions as are prescribed by, or are  
9 consistent with or allowed under, the laws of the  
10 Federated States of Micronesia; and

11 (ii) the Secretary has consulted with  
12 the Department of External Affairs and obtained clearance  
13 from the Attorney General to enter into any contracts  
14 which may be required in connection therewith.

15 (c) Foreign aid received by the Secretary  
16 under the provisions of this section shall be paid to a  
17 special airport trust account to be expended only for the  
18 purpose specified by the grantor and in compliance with  
19 the provisions of subsection (b) of this section, or if  
20 the grantor has not restricted such purpose, to be used at  
21 the discretion of the Secretary for:

22 (i) matching funds for airport  
23 development projects in the states, including, but not  
24 limited to, maintenance of runways and navigational aids;  
25 improvements, expansion, and maintenance of the terminal

1            buildings; and other matters related to airport  
2            operations; and  
3                            (ii) other purposes which directly  
4            foster and advance the development of civil aeronautics  
5            and air commerce in the Federated States of Micronesia."

6            Section 7. Title 20 of the Code of the Federated States of  
7            Micronesia is hereby amended by enacting a new section 202 of the new  
8            chapter 2 to read as follows:

9            "Section 202. National preemption.

10                            (1) No state or political subdivision thereof shall  
11            enact or enforce any law, rule, regulation, standard, or  
12            other provision having the force and effect of law  
13            relating to rates charged by, routes established or served  
14            by, or services provided by any air carrier having  
15            authority to provide air transportation in the Federated  
16            States of Micronesia.

17                            (2) The provisions of subsection (1) of this  
18            section shall not apply to fees or rates charged by  
19            airport operators to air carriers having the authority to  
20            provide air transportation in the Federated States of  
21            Micronesia; however, such fees, rates and other charges  
22            levied by airport operators upon air carriers shall remain  
23            subject to the Secretary's ultimate review and approval  
24            under the provisions of sections 305(3), 703(4), 1002, and  
25            any other applicable provisions of this title."

1       Section 8. Title 20 of the Code of the Federated States of  
2       Micronesia is hereby amended by enacting a new chapter 3 entitled  
3       "Organization of Civil Aviation Authority and Powers and Duties of the  
4       Secretary".

5       Section 9. Title 20 of the Code of the Federated States of  
6       Micronesia is hereby amended by enacting a new section 301 of the new  
7       chapter 3 to read as follows:

8               "Section 301. Organization of Civil Aviation Authority.  
9               The Secretary may organize the Civil Aviation Authority of  
10              the Federated States of Micronesia as he sees fit,  
11              consistently with other national legislation, in such  
12              manner as to promote efficiently and effectively the  
13              safety and economic development of civil aviation."

14       Section 10. Title 20 of the Code of the Federated States of  
15       Micronesia is hereby amended by enacting a new section 302 of the new  
16       chapter 3 to read as follows:

17              "Section 302. Fostering of air commerce. The Secretary  
18              is empowered and directed to encourage and foster the  
19              development of civil aeronautics and air commerce in the  
20              Federated States of Micronesia and abroad."

21       Section 11. Title 20 of the Code of the Federated States of  
22       Micronesia is hereby amended by enacting a new section 303 of the new  
23       chapter 3 to read as follows:

24              "Section 303. National defense and civil needs. In  
25              exercising the authority granted in, and discharging the



1           such air-navigation facilities; (c) to arrange for  
2           publication of aeronautical maps and charts necessary for  
3           the safe and efficient movement of aircraft in air  
4           navigation; and (d) to provide necessary facilities and  
5           personnel for the regulation and protection of air  
6           traffic. The Secretary may from time to time arrange for  
7           the performance by another government agency or  
8           department, with the consent of that agency or department,  
9           of any function under this subsection.

10                 (3) Air traffic rules. The Secretary is further  
11           authorized and directed to prescribe air traffic rules and  
12           regulations governing the flight of aircraft, for the  
13           navigation, protection, and identification of aircraft,  
14           for the protection of persons and property on the ground,  
15           and for the efficient utilization of the navigable  
16           airspace, including rules as to safe altitudes of flight  
17           and rules for the prevention of collision between  
18           aircraft, between aircraft and land or water vehicles, and  
19           between aircraft and airborne objects."

20           Section 13. Title 20 of the Code of the Federated States of  
21   Micronesia is hereby amended by enacting a new section 305 of the new  
22   chapter 3 to read as follows:

23                 "Section 305. Other powers and duties of the Secretary.

24                 (1) General. The Secretary is empowered to perform  
25           such acts, to conduct such investigations, to issue and



1            aeronautics industry.

2            (5) Exemptions. The Secretary from time to time  
3            may grant exemptions from the requirements of any rule or  
4            regulation prescribed under this title if he finds that  
5            such action would be in the public interest."

6            Section 14. Title 20 of the Code of the Federated States of  
7            Micronesia is hereby amended by enacting a new section 306 of the new  
8            chapter 3 to read as follows:

9            "Section 306. Air transportation security rules and  
10           regulations.

11           (1) Acts of criminal violence and aircraft piracy.  
12           The Secretary shall prescribe such reasonable rules and  
13           regulations requiring such practices, methods, and  
14           procedures, as he may deem necessary to protect persons  
15           and property aboard aircraft against acts of criminal  
16           violence and aircraft piracy.

17           (2) Screening of passengers. The Secretary shall  
18           prescribe or continue in effect reasonable regulations  
19           requiring that all passengers and all property intended to  
20           be carried in the aircraft cabin in air transportation be  
21           screened by weapon-detecting procedures or facilities  
22           employed or operated by employees or agents of the air  
23           carrier or foreign air carrier prior to boarding the  
24           aircraft for such transportation.

25           (3) Procedures for inspections, detentions, and

1       searches. The Secretary shall, to the extent practicable,  
2       require uniform procedures for the inspection, detention,  
3       and search of persons and property in domestic air  
4       transportation and foreign air transportation to assure  
5       their safety and to assure that they will receive  
6       courteous and efficient treatment by air carriers and  
7       their agents and employees."

8       Section 15. Title 20 of the Code of the Federated States of  
9       Micronesia is hereby amended by enacting a new section 307 of the new  
10      chapter 3 to read as follows:

11       "Section 307. Applicability of title 17 of the Code of  
12       the Federated States of Micronesia. In the exercise of  
13       the rulemaking authority under this chapter, the Secretary  
14       shall be subject to the provisions of title 17 of the Code  
15       of the Federated States of Micronesia, as well as the  
16       provisions of this title."

17      Section 16. Title 20 of the Code of the Federated States of  
18      Micronesia is hereby amended by enacting a new section 308 of the new  
19      chapter 3 to read as follows:

20       "Section 308. Development Planning. The Secretary is  
21       directed to make long range plans for and formulate policy  
22       with respect to the orderly development and use of the  
23       navigable airspace, and the orderly development and  
24       location of landing areas, National airways, radar  
25       installation and all other aids and facilities for air

1           navigation, as will best meet the needs of, and serve the  
2           interest of civil aeronautics."

3           Section 17. Title 20 of the Code of the Federated States of  
4   Micronesia is hereby amended by enacting a new section 309 of the new  
5   chapter 3 to read as follows:

6           "Section 309. Delegation by Secretary. In exercising the  
7           powers and duties vested in him by this title, the  
8           Secretary may, subject to such regulations, supervision,  
9           and review as he may prescribe, delegate to any properly  
10          qualified private person, or to any employee or employees  
11          under the supervision of such person, any work, business,  
12          or function respecting (1) the examination, inspection,  
13          and testing necessary to the issuance of certification  
14          under this title, and (2) the issuance of such  
15          certificates in accordance with standards established by  
16          him. The Secretary may establish the maximum fees which  
17          such private persons may charge for their services and may  
18          rescind any delegation made by him pursuant to this  
19          subsection at any time and for any reason which he deems  
20          appropriate."

21          Section 18. Title 20 of the Code of the Federated States of  
22   Micronesia is hereby amended by enacting a new chapter 4 entitled "Air  
23   Carrier Economic Regulation".

24          Section 19. Title 20 of the Code of the Federated States of  
25   Micronesia is hereby amended by enacting a new section 401 of the new

1 chapter 4 to read as follows:

2 "Section 401. Certificate of public convenience and  
3 necessity.

4 (1) Certificate required. No air carrier shall  
5 engage in any air transportation unless there is in force  
6 a certificate issued by the Secretary authorizing such air  
7 carrier to engage in such transportation.

8 (2) Application for certificate. Application for a  
9 certificate shall be made in writing to the Secretary and  
10 shall be in such form and contain such information as the  
11 Secretary shall by regulation require.

12 (3) Terms and conditions of certificate.

13 (a) Each certificate issued under this  
14 section shall specify the terminal points and intermediate  
15 points, if any, between which the air carrier is  
16 authorized to engage in air transportation and the service  
17 to be rendered; and there shall be attached to the  
18 exercise of the privileges granted by the certificate, or  
19 amendment thereto, such reasonable terms, conditions, and  
20 limitations as the public interest may require.

21 (b) A certificate issued under this section  
22 to engage in international air transportation or  
23 international air transportation by charter shall  
24 designate the terminal and intermediate points only  
25 insofar as the Secretary shall deem practicable, and

1            bodily injuries to or the death of any person, or for loss  
2            of or damage to property of others, resulting from the  
3            operation or maintenance of aircraft under such  
4            certificate.

5            (7) Continuing requirement. The requirement that  
6            each applicant for a certificate or any other authority  
7            under this title must be found to be fit, willing, and  
8            able to perform properly the transportation covered by its  
9            application and to conform to the provisions of this title  
10           and the rules, regulations, and requirements of the  
11           Secretary under this title, shall be a continuing  
12           requirement applicable to each such air carrier with  
13           respect to the transportation authorized by the Secretary.  
14           The Secretary may by order modify, suspend, or revoke such  
15           certificate or other authority, in whole or in part, for  
16           failure of such air carrier to comply with the continuing  
17           requirement that the air carrier be so fit, willing, and  
18           able."

19           Section 20. Title 20 of the Code of the Federated States of  
20           Micronesia is hereby amended by enacting a new section 402 of the new  
21           chapter 4 to read as follows:

22           "Section 402. Permits to foreign air carriers.

23           (1) Permit required. No foreign air carrier shall  
24           engage in international air transportation unless there is  
25           in force a permit issued by the Secretary authorizing such

1           carrier so to engage.

2                   (2) Issuance of permit.   The Secretary is empowered  
3           to issue such a permit if it finds (a) that the applicant  
4           is fit, willing, and able properly to perform such  
5           international air transportation and to conform to the  
6           provisions of this title and the rules, regulations, and  
7           requirements of the Secretary hereunder and (b) either  
8           that the applicant is qualified, and has been designated  
9           by its government, to perform such international air  
10          transportation under the terms of an agreement with the  
11          Federated States of Micronesia, or that such  
12          transportation will be in the public interest.

13                   (3) Application for permit.   Application for a  
14          permit shall be made in writing to the Secretary and shall  
15          be in such form and contain such information as the  
16          Secretary shall require."

17          Section 21.   Title 20 of the Code of the Federated States of  
18          Micronesia is hereby amended by enacting a new section 403 of the new  
19          chapter 4 to read as follows:

20                   "Section 403.   Tariffs of air carrier.

21                           (1) Every air carrier and every foreign air carrier  
22          shall file with the Secretary, and print and keep open to  
23          public inspection, tariffs showing all rates, fares, and  
24          charges for air transportation between points served by  
25          it, and between points served by it and points served by

1           any other air carrier or foreign air carrier which through  
2           service and through rates shall have been established, and  
3           showing to the extent required by regulations all  
4           classifications, rules, regulations, practices, and  
5           services in connection with such air transportation.

6           (2) Tariffs shall be filed, posted and published in  
7           such form and manner and shall contain such information as  
8           the Secretary shall by regulation prescribe; and the  
9           Secretary is empowered to reject any tariff so filed which  
10          is not consistent with this section and such regulations.  
11          Any tariff so rejected shall be void.

12          (3) The rates, fares, and charges shown in any  
13          tariff shall be denominated in units of currency of the  
14          United States, but such tariff may also state rates,  
15          fares, and charges in terms of currencies other than that  
16          of the United States, and may in the case of foreign air  
17          transportation, contain such information as may be  
18          required under the laws of any country in which or to  
19          which an air carrier or foreign air carrier is authorized  
20          to operate."

21          Section 22. Title 20 of the Code of the Federated States of  
22          Micronesia is hereby amended by enacting a new section 404 of the new  
23          chapter 4 to read as follows:

24          "Section 404. Observation of tariff. No air carrier,  
25          foreign air carrier or any ticket agent shall charge,

1        thereunder, specified in any effective tariff of any air  
2        carrier or foreign air carrier, except after 30 days'  
3        notice of the proposed change filed, posted and published  
4        in compliance with section 403 of this chapter. Such  
5        notice shall plainly state the change proposed to be made  
6        and the time such change will take effect. The Secretary  
7        may in the public interest by regulation or otherwise,  
8        allow such change upon notice less than that herein  
9        specified, or modify the requirements of this section  
10       governing the filing and posting of tariffs, either in  
11       particular instances or by general order applicable to  
12       special or peculiar circumstances and conditions."

13       Section 24. Title 20 of the Code of the Federated States of  
14       Micronesia is hereby amended by enacting a new section 406 of the new  
15       chapter 4 to read as follows:

16       "Section 406. Power to prescribe rates and practices of  
17       air carriers. Whenever, upon complaint, or upon his own  
18       initiative, and after notice and hearing conducted  
19       pursuant to the procedures provided under title 17 of this  
20       Code, the Secretary shall be of the opinion that any  
21       individual or joint rate, fare or charge demanded,  
22       charged, collected or received by any air carrier for air  
23       transportation, or any classification, rule, regulation,  
24       or practice affecting such rate, fare, or charge, or the  
25       value of the service thereunder, is or will be unjust or



unreasonable, or unjustly discriminatory, or unduly  
preferential, or unduly prejudicial, the Secretary shall  
determine and prescribe the lawful rate, fare, or charge  
thereafter to be demanded, charged, collected or received  
or the lawful classification, rule, regulation or practice  
thereafter to be made effective."

Section 25. Title 20 of the Code of the Federated States of  
Micronesia is hereby amended by enacting a new section 407 of the new  
chapter 4 to read as follows:

"Section 407. Rules of rate-making. In exercising and  
performing his powers and duties with respect to the  
determination of rates for the carriage of persons or  
property, the Secretary shall consider, among other  
factors:

(1) The effect of such rates upon the movement of  
traffic;

(2) The need in the public interest of adequate and  
efficient transportation of persons and property by air  
carrier at the lowest cost consistent with the furnishing  
of such service;

(3) Such standards respecting the character and  
quality of service to be rendered by air carriers as may  
be prescribed by or pursuant to law;

(4) The inherent advantages of transportation by  
aircraft; and

1                   (c) If the proceeding has not been concluded  
2                   and a final order made within such period, the Secretary  
3                   may from time to time extend the period of suspension, but  
4                   not for a longer period in the aggregate than 180 days  
5                   beyond the time when such tariff should otherwise go into  
6                   effect.

7                   (2) If the proceedings have not been concluded and  
8                   an order of extension has not been issued within the  
9                   period of suspension, the proposed rate, fare, or charge  
10                  shall go into effect at the end of such period.

11                  (3) This section shall not apply to any initial  
12                  tariff filed by any air carrier."

13                  Section 27. Title 20 of the Code of the Federated States of  
14                  Micronesia is hereby amended by enacting a new section 409 of the new  
15                  chapter 4 to read as follows:

16                  "Section 409. Carriers' duty to provide service, rates  
17                  and divisions. It shall be the duty of every air carrier:

18                         (1) to provide and furnish air transportation as  
19                         authorized by its certificate, upon reasonable request  
20                         therefore and to provide reasonable through service in  
21                         such air transportation in connection with other air  
22                         carriers;

23                         (2) to provide safe and adequate service, equipment  
24                         and facilities in connection with such transportation;

25                         (3) to establish, observe and enforce just and

1 reasonable individual and joint rates, fares and charges  
2 and just and reasonable classifications, rules and  
3 regulations and practices relating to such air  
4 transportation; and

5 (4) in case of such joint rates, fares, and  
6 charges, to establish just, reasonable and equitable  
7 division thereof between air carriers participating  
8 therein which shall not unduly prefer or prejudice any of  
9 such participating carriers."

10 Section 28. Title 20 of the Code of the Federated States of  
11 Micronesia is hereby amended by enacting a new section 410 of the new  
12 chapter 4 to read as follows:

13 "Section 410. Equitable treatment. No air carrier or  
14 foreign air carrier shall:

15 (1) make, give or cause any undue or unreasonable  
16 preference or advantage to any particular person, port,  
17 locality or description of traffic in air transportation  
18 in any respect whatsoever; or

19 (2) subject any particular person, port, locality  
20 or description of traffic in air transportation to any  
21 unjust discrimination or any undue or unreasonable  
22 prejudice or disadvantage in any respect whatsoever."

23 Section 29. Title 20 of the Code of the Federated States of  
24 Micronesia is hereby amended by enacting a new section 411 of the new  
25 chapter 4 to read as follows:

1           "Section 411. Account records and reports. The Secretary  
2           is empowered to require annual, monthly, periodical and  
3           special reports from any air carrier; to prescribe the  
4           manner and form in which such reports shall be made; and  
5           to require from any air carrier specific answers to all  
6           questions upon which the Secretary may deem information to  
7           be necessary. Such reports shall be under oath whenever  
8           the Secretary so requires. The Secretary may also require  
9           any air carrier to file with him a true copy of each or  
10           any contract, agreement, understanding, or arrangement,  
11           between such air carrier and any other air carrier or  
12           person, in relation to any traffic affected by the  
13           provisions of this title."

14           Section 30. Title 20 of the Code of the Federated States of  
15   Micronesia is hereby amended by enacting a new section 412 of the new  
16   chapter 4 to read as follows:

17           "Section 412. Disclosure of stock ownership. Each air  
18           carrier shall submit annually, and at such times as the  
19           Secretary shall require, a list showing the names of each  
20           of its stockholders or members holding more than five  
21           percent of the entire capital stock or capital as the case  
22           may be, of such air carrier, together with the name of any  
23           person for whose account, if other than the holder, such  
24           stock is held; and a report setting forth a description of  
25           the shares of stock or other interest held by such air

1 carrier, or for its account, in persons other than  
2 itself."

3 Section 31. Title 20 of the Code of the Federated States of  
4 Micronesia is hereby amended by enacting a new section 413 of the new  
5 chapter 4 to read as follows:

6 "Section 413. Inspection of accounts and property. The  
7 Secretary or his duly authorized representative shall,  
8 during reasonable business hours, and upon reasonable  
9 notice, have access to all lands, buildings, and equipment  
10 of any air carrier within the Federated States of  
11 Micronesia, and to all accounts, records and memoranda,  
12 including all documents, papers and correspondence, now or  
13 hereafter existing and kept or required to be kept by air  
14 carriers.

15 (1) The Secretary may, to expedite such inspection,  
16 employ special agents or auditors, who shall have  
17 authority to inspect and examine any and all such lands,  
18 buildings, equipment, accounts, records, and memoranda.

19 (2) The provisions of this section shall apply only  
20 to the extent found by the Secretary to be reasonably  
21 necessary for the administration and enforcement of the  
22 provisions of this title."

23 Section 32. Title 20 of the Code of the Federated States of  
24 Micronesia is hereby amended by enacting a new section 414 of the new  
25 chapter 4 to read as follows:

1           "Section 414. Methods of competition. The Secretary may  
2           upon his own initiative or upon complaint by any air  
3           carrier, foreign air carrier or ticket agent, if he  
4           considers that such action by him would be in the interest  
5           of the public, investigate and determine whether any air  
6           carrier, foreign air carrier or ticket agent has been or  
7           is engaged in unfair or deceptive practices or unfair  
8           methods of competition in air transportation or the sale  
9           thereof.

10           (1) If the Secretary shall find after notice and  
11           hearing conducted pursuant to the procedures provided  
12           under title 17 of this Code that such air carrier, foreign  
13           air carrier or ticket agent is engaged in such unfair or  
14           deceptive practices or unfair methods of competition, the  
15           Secretary shall order such air carrier, foreign air  
16           carrier or ticket agent to cease and desist from such  
17           practices or methods of competition.

18           (2) The Secretary shall, within 30 days of the  
19           issuance of a cease and desist order pursuant to  
20           subsection (1) above, transmit all records supporting such  
21           order to the Attorney General, and refer the matter  
22           thereafter to the Attorney General for review and  
23           appropriate legal action."

24           Section 33. Title 20 of the Code of the Federated States of  
25           Micronesia is hereby amended by enacting a new section 415 of the new

1 chapter 4 to read as follows:

2 "Section 415. Classification and exemption of carriers.

3 (1) The Secretary may from time to time establish  
4 such just and reasonable classifications or groups of air  
5 carriers for the purposes of this title as the nature of  
6 the services performed by such air carriers shall require;  
7 and such just and reasonable rules and regulations,  
8 pursuant to and consistent with the provisions of this  
9 title, to be observed by each such class or group as the  
10 Secretary finds necessary in the public interest.

11 (2) The Secretary may from time to time and to the  
12 extent necessary, exempt from the requirements of this  
13 title or any provisions thereof, or any rule, regulation,  
14 term, condition, or limitation prescribed thereunder, any  
15 air carrier or class of air carriers, if he finds that the  
16 enforcement of this title or such provision, or such rule,  
17 regulation, term, condition, or limitation is or would be  
18 an undue burden on such air carrier or class of air  
19 carriers by reason of the limited extent of, or unusual  
20 circumstances affecting, the operations of such air  
21 carrier or class of air carriers and is in the public  
22 interest."

23 Section 34. Title 20 of the Code of the Federated States of  
24 Micronesia is hereby amended by enacting a new section 416 of the new  
25 chapter 4 to read as follows:

1        for any person to operate or navigate any aircraft  
2        eligible for registration if such aircraft is not  
3        registered by its owner as provided in this section, or  
4        (except as provided in section 1104 of this title) to  
5        operate or navigate within the Federated States of  
6        Micronesia any aircraft not eligible for registration.  
7        The Secretary may, by regulation, permit the operation and  
8        navigation of aircraft without registration by the owner  
9        for such reasonable periods after transfer of ownership  
10       thereof as the Secretary may prescribe.

11        (2) Eligibility for registration. An aircraft  
12       shall be eligible for registration if, but only if:

13                (a) (i) it is:

14                        a) owned by a citizen of the  
15       Federated States of Micronesia or by an individual citizen  
16       of another country who has lawfully been admitted for  
17       permanent residence in the Federated States of Micronesia;  
18       or

19                        b) owned by a corporation (other  
20       than a corporation that is a citizen of the Federated  
21       States of Micronesia) lawfully organized and doing  
22       business under the laws of the Federated States of  
23       Micronesia, so long as such aircraft is based and  
24       primarily used in the Federated States of Micronesia; and

25                        (ii) it is not registered under the



1 laws of any other country; or

2 (b) it is an aircraft of the National

3 Government, or of a state of the Federated States of

4 Micronesia or political subdivision thereof.

5 For purposes of this subsection, the Secretary shall, by

6 regulation, define the term 'based and primarily used in

7 the Federated States of Micronesia'.

8 (3) Issuance of certificate. Upon request of the

9 owner of any aircraft eligible for registration, such

10 aircraft shall be registered by the Secretary who shall

11 issue to the owner thereof a certificate of registration.

12 (4) Applications. Applications for such

13 certificates shall be in such form, be filed in such

14 manner, and contain such information as the Secretary may

15 require.

16 (5) Suspension or revocation.

17 (a) Any such certificate may be suspended or

18 revoked by the Secretary for any cause that renders the

19 aircraft ineligible for registration.

20 (b) The Secretary may suspend or revoke the

21 registration of any aircraft used in the violation of any

22 laws of the Federated States of Micronesia.

23 (6) Effect of registration. Such certificate shall

24 be conclusive evidence of nationality for international

25 purposes. Registration shall not be evidence of ownership

1           of aircraft in any proceeding in which such ownership by a  
2           particular person is, or may be, in issue.

3           (7) Inspection by law enforcement officers. The  
4           operator of an aircraft shall make available for  
5           inspection an aircraft's certificate of registration upon  
6           request by any law enforcement officer."

7           Section 38. Title 20 of the Code of the Federated States of  
8           Micronesia is hereby amended by enacting a new section 502 of the new  
9           chapter 5 to read as follows:

10           "Section 502. Registration of engines, propellers, and  
11           appliances. The Secretary may establish reasonable rules  
12           and regulations for registration and identification of  
13           aircraft engines, propellers, and appliances, in the  
14           interest of safety, and no aircraft engine, propeller, or  
15           appliance shall be used in violation of any such rule or  
16           regulation."

17           Section 39. Title 20 of the Code of the Federated States of  
18           Micronesia is hereby amended by enacting a new section 503 of the new  
19           chapter 5 to read as follows:

20           "Section 503. Recordation of aircraft ownership.

21           (1) Establishment of recording system. The  
22           Secretary shall establish and maintain a system for the  
23           recording of any conveyance that affects the title to, or  
24           any interest in, any civil aircraft of the Federated  
25           States of Micronesia.

1                   (2) Recordation of security interests. The  
2                   Secretary may establish and maintain a system for the  
3                   recording of any lease, and any mortgage, equipment trust,  
4                   contract of conditional sale, or other instrument executed  
5                   for security purposes, which lease or other instrument  
6                   affects the title to, or any interest in, any specifically  
7                   identified aircraft engine or engines or any specifically  
8                   identified aircraft propeller, and also any assignment or  
9                   amendment thereof or supplement thereto.

10                   (3) Recording of releases. The Secretary shall  
11                   also record under the system provided for in subsection  
12                   (1) of this section any release, cancellation, discharge,  
13                   or satisfaction relating to any conveyance or other  
14                   instrument recorded under said system."

15                   Section 40. Title 20 of the Code of the Federated States of  
16                   Micronesia is hereby amended by enacting a new chapter 6 entitled  
17                   "Safety Regulation of Civil Aeronautics".

18                   Section 41. Title 20 of the Code of the Federated States of  
19                   Micronesia is hereby amended by enacting a new section 601 of the new  
20                   chapter 6 to read as follows:

21                   "Section 601. General safety powers and duties.

22                   (1) Minimum standards; rules and regulations. The  
23                   Secretary is empowered and it shall be his duty to promote  
24                   safety of flight of civil aircraft in air commerce by  
25                   prescribing and revising from time to time:

1                    (a) Such minimum standards governing the  
2                    design, materials, workmanship, construction, and  
3                    performance of aircraft, aircraft engines, and propellers  
4                    as may be required in the interest of safety;

5                    (b) Such minimum standards governing  
6                    appliances as may be required in the interest of safety;

7                    (c) Reasonable rules and regulations and  
8                    minimum standards governing, in the interest of safety,  
9                    (i) the inspection, servicing, and overhaul of aircraft,  
10                   aircraft engines, propellers, and appliances; (ii) the  
11                   equipment and facilities for such inspection, servicing,  
12                   and overhaul; and (iii), in the discretion of the  
13                   Secretary, the periods for, and the manner in which, such  
14                   inspection, servicing, and overhaul shall be made,  
15                   including provision for examinations and reports by  
16                   properly qualified private persons whose examinations or  
17                   reports the Secretary may accept in lieu of those made by  
18                   its officers and employees;

19                   (d) Reasonable rules and regulations  
20                   governing the reserve supply of aircraft, aircraft  
21                   engines, propellers, appliances, and aircraft fuel and  
22                   oil, required in the interest of safety, including the  
23                   reserve supply of aircraft fuel and oil that shall be  
24                   carried in flight;

25                   (e) Reasonable rules and regulations

governing, in the interest of safety, the maximum hours or periods of service of airmen, and other employees, of air carriers: and

(f) Such reasonable rules and regulations, or minimum standards, governing other practices, methods, and procedure, as the Secretary may find necessary to provide adequately for national security and safety in air commerce.

(2) International Civil Aviation Organization. In prescribing rules, regulations, and minimum standards, and in issuing certificates under this title, the Secretary shall do so consistently with the provisions of the Convention on International Civil Aviation, its Annexes, and all relevant standards issued by the International Civil Aviation Organization (ICAO)."

Section 42. Title 20 of the Code of the Federated States of Micronesia is hereby amended by enacting a new section 602 of the new chapter 6 to read as follows:

"Section 602. Airman and aircraft certificates.

(1) Power to issue certificate. The Secretary is empowered to issue airman certificates specifying the capacity in which the holders thereof are authorized to serve as airmen in connection with aircraft.

(2) Issuance of certificate. Any person may file with the Secretary an application for an airman

1 certificate. If the Secretary finds, after investigation,  
2 that such person possesses proper qualifications for, and  
3 is physically able to perform duties pertaining to, the  
4 position for which the airman certificate is sought, he  
5 shall issue such certificate, containing such terms,  
6 conditions, and limitations as to duration thereof,  
7 periodic or special examinations, tests of physical  
8 fitness, and other matters as the Secretary may determine  
9 to be necessary to assure safety in air commerce.

10 (3) Airworthiness certificate. The registered  
11 owner of any aircraft may file with the Secretary an  
12 application for an airworthiness certificate for such  
13 aircraft. If the Secretary finds that the aircraft  
14 conforms to the type certificate therefor, and, after  
15 inspection, that the aircraft is in condition for safe  
16 operation, he shall issue an airworthiness certificate.  
17 The Secretary may prescribe in such certificate the  
18 duration of such certificate, the type of service for  
19 which the aircraft may be used, and such other terms,  
20 conditions, and limitations as are required in the  
21 interest of safety. Each such certificate shall be  
22 registered by the Secretary and shall set forth such  
23 information as the Secretary may deem advisable. The  
24 certificate number, or such other individual designation  
25 as may be required by the Secretary, shall be displayed

1        upon each aircraft in accordance with regulations  
2        prescribed by the Secretary."

3        Section 43. Title 20 of the Code of the Federated States of  
4        Micronesia is hereby amended by enacting a new section 603 of the new  
5        chapter 6 to read as follows:

6        "Section 603. Air carrier operating certificates."

7                (1) Power to use. The Secretary is empowered to  
8        issue air carrier operating certificates and to establish  
9        minimum safety standards for the operation of the air  
10       carrier to whom any such certificate is issued.

11               (2) Issuance. Any person desiring to operate as an  
12       air carrier may file with the Secretary an application for  
13       an air carrier operating certificate. If the Secretary  
14       finds, after investigation, that such person is properly  
15       and adequately equipped and able to conduct a safe  
16       operation in accordance with the requirements of this  
17       title and the rules, regulations, and standards prescribed  
18       thereunder, he shall issue an air carrier operating  
19       certificate to such person. Each air carrier operating  
20       certificate shall prescribe such terms, conditions, and  
21       limitations as are reasonably necessary to assure safety  
22       in air transportation, and shall specify the points to and  
23       from which, and the National airways over which, such  
24       person is authorized to operate as an air carrier under an  
25       air carrier operating certificate."

Section 44. Title 20 of the Code of the Federated States of  
Micronesia is hereby amended by enacting a new section 604 of the new  
chapter 6 to read as follows:

"Section 604. Maintenance of equipment in air  
transportation.

(1) Duty of carriers and airmen. It shall be the  
duty of each air carrier to make, or cause to be made,  
such inspection, maintenance, overhaul, and repair of all  
equipment used in air transportation as may be required by  
this title, or the orders, rules, and regulations of the  
Secretary issued thereunder. And it shall be the duty of  
every person engaged in operating, inspecting,  
maintaining, or overhauling equipment to observe and  
comply with the requirements of this title relating  
thereto, and the orders, rules, and regulations issued  
thereunder.

(2) Inspection. The Secretary shall employ  
inspectors who shall be charged with the duties of:

(a) making such inspections of aircraft,  
aircraft engines, propellers, and appliances designed for  
use in air transportation, during manufacture, and while  
used by an air carrier in air transportation, as may be  
necessary to enable the Secretary to determine that such  
aircraft, aircraft engines, propellers, and appliances are  
in safe condition and are properly maintained for



1        operation in air transportation; and

2                    (b) advising and cooperating with each air  
3        carrier in the inspection and maintenance thereof by the  
4        air carrier.

5                    (3) Finding of unsafe condition. Whenever any  
6        inspector shall, in the performance of his duty, find that  
7        any aircraft, aircraft engine, propeller, or appliance,  
8        used or intended to be used by any air carrier in air  
9        transportation, is not in condition for safe operation, he  
10       shall so notify the carrier in such form and manner as the  
11       Secretary may prescribe; and, for a period of five days  
12       thereafter, such aircraft, aircraft engine, propeller, or  
13       appliance shall not be used, unless found by the Secretary  
14       or his inspector to be in condition for safe operation."

15       Section 45. Title 20 of the Code of the Federated States of  
16       Micronesia is hereby amended by enacting a new section 605 of the new  
17       chapter 6 to read as follows:

18                    "Section 605. Air navigation facility rating. The  
19        Secretary is empowered to inspect, classify, and rate any  
20        air navigation facility available for the use of civil  
21        aircraft, as to its suitability for such use. The  
22        Secretary is empowered to issue a certificate for any such  
23        air navigation facility."

24       Section 46. Title 20 of the Code of the Federated States of  
25       Micronesia is hereby amended by enacting a new section 606 of the new

1 chapter 6 to read as follows:

2 "Section 606. Air agency rating.

3 (1) The Secretary is empowered to provide for the  
4 examination and rating of:

5 (a) civilian schools giving instruction in  
6 flying or in the repair, alteration, maintenance, and  
7 overhaul of aircraft, aircraft engines, propellers, and  
8 appliances, as to the adequacy of the course of  
9 instruction, the suitability and airworthiness of the  
10 equipment, and the competency of the instructors;

11 (b) repair stations or shops for the repair,  
12 alteration, maintenance, and overhaul of aircraft,  
13 aircraft engines, propellers, or appliances, as to the  
14 adequacy and suitability of the equipment, facilities, and  
15 materials for and methods of, repair, alteration,  
16 maintenance, and overhaul of aircraft, aircraft engines,  
17 propellers, and appliances, and the competency of those  
18 engaged in the work or giving any instruction therein; and

19 (c) such other air agencies as may, in his  
20 opinion, be necessary in the interest of the public.

21 (2) The Secretary is empowered to issue  
22 certificates for such schools, repair stations, and other  
23 agencies."

24 Section 47. Title 20 of the Code of the Federated States of  
25 Micronesia is hereby amended by enacting a new section 607 of the new

1 chapter 6 to read as follows:

2        "Section 607. Form of applications. Applications for  
3        certificates under this title shall be in such form,  
4        contain such information, and be filed and served in such  
5        manner as the Secretary may prescribe."

6        Section 48. Title 20 of the Code of the Federated States of  
7        Micronesia is hereby amended by enacting a new section 608 of the new  
8        chapter 6 to read as follows:

9        "Section 608. Amendment, suspension, and revocation of  
10       certificates. The Secretary may, from time to time,  
11       reinspect any civil aircraft, engine, propeller,  
12       appliance, air navigation facility, or air agency, or may  
13       reexamine any civil airman. If as a result of any such  
14       reinspection or reexamination, or if, as a result of any  
15       other investigation made by the Secretary, he determines  
16       that aviation safety requires, the Secretary may issue an  
17       order amending, modifying, suspending, or revoking, in  
18       whole or in part, any type certificate, production  
19       certificate, airworthiness certificate, airman  
20       certificate, air carrier operating certificate, air  
21       navigation facility certificate (including airport  
22       operating certificate), or air agency certificate. Prior  
23       to amending, modifying, suspending, or revoking any of the  
24       foregoing certificates, the Secretary shall advise the  
25       holder thereof as to any charges or other reasons relied

1 this title:

2 (c) For any person to employ for service in  
3 connection with any civil aircraft used in air commerce an  
4 airman who does not have an airman certificate authorizing  
5 him to serve in the capacity for which he is employed:

6 (d) For any person to operate as an air  
7 carrier without an air carrier operating certificate, or  
8 in violation of the terms of any such certificate:

9 (e) For any person to operate aircraft in air  
10 commerce in violation of any other rule, regulation, or  
11 certificate issued by the Secretary under this title:

12 (f) For any person holding an air agency or  
13 production certificate, to violate any term, condition, or  
14 limitation thereof, or to violate any order, rule, or  
15 regulation under this title relating to the holder of such  
16 certificate: and

17 (g) For any person to operate an airport  
18 without an airport operating certificate required by the  
19 Secretary pursuant to section 701 of this title, or in  
20 violation of the terms of any such certificate.

21 (2) Exemption of aircraft and airmen of other  
22 countries. Aircraft and airmen of other countries serving  
23 in connection therewith may, except with respect to the  
24 observance by such airmen of the air traffic rules, be  
25 exempted from the provisions of subsection (1) of this

section, to the extent, and upon such terms and  
conditions, as may be prescribed by the Secretary."

Section 50. Title 20 of the Code of the Federated States of  
Micronesia is hereby amended by enacting a new chapter 7 entitled  
"Regulation of Airports".

Section 51. Title 20 of the Code of the Federated States of  
Micronesia is hereby amended by enacting a new section 701 of the new  
chapter 7 to read as follows:

"Section 701. Airport operating certificates.

(1) Power to issue. The Secretary is empowered to  
issue airport operating certificates to, and establish  
minimum safety standards for the operation of, airports  
that serve any scheduled or unscheduled passenger  
operation of air carrier aircraft.

(2) Issuance. Any person, state or state port  
authority desiring to operate an airport that is described  
in subsection (1) and that is required by the Secretary,  
by rule, to be certified may file with the Secretary an  
application for an airport operating certificate.

(a) If the Secretary finds, after  
investigation, that such person is properly and adequately  
equipped and able to conduct a safe operation in  
accordance with the requirements of this title and the  
rules, regulations, and standards prescribed thereunder,  
the Secretary shall issue an airport operating certificate

1           to such person.

2                       **(b) Each airport operating certificate shall**  
3           prescribe such terms, conditions, and limitations as are  
4           reasonably necessary to assure safety in air transportation;  
5           and unless the Secretary determines that it would be  
6           contrary to the public interest, such terms, conditions, and  
7           limitations shall include, but not be limited to, terms,  
8           conditions, and limitations relating to:

9                       **(i) the operation and maintenance of**  
10           adequate safety equipment, including fire fighting and  
11           rescue equipment capable of rapid access to any portion of  
12           the airport used for the landing, takeoff, or surface  
13           maneuvering of aircraft; and

14                       **(ii) the condition and maintenance of**  
15           primary and secondary runways as the Secretary determines  
16           to be necessary.

17                       **(3) Exemption. The Secretary may exempt any**  
18           operator of an airport if he finds that such requirements  
19           are, or would be, unreasonably costly, burdensome, or  
20           impractical."

21           Section 52. Title 20 of the Code of the Federated States of  
22   Micronesia is hereby amended by enacting a new section 702 of the new  
23   chapter 7 to read as follows:

24           "Section 702. Operation and maintenance of airports.

25           Each state shall be responsible for the operation and

1           maintenance of all airports in his state, subject to the  
2           airport certification process of section 701."

3           Section 53. Title 20 of the Code of the Federated States of  
4   Micronesia is hereby amended by enacting a new section 703 of the new  
5   chapter 7 to read as follows:

6           "Section 703. Regulation of tariffs of airport operators.

7                 (1) Tariffs of airport operators. Every airport  
8           operator shall file with the Secretary, and print and keep  
9           open to public inspection, tariffs showing all rates, fees  
10          and charges for services provided to air carriers, and  
11          showing, to the extent required by regulations, all  
12          classifications, rules, regulations, and practices used in  
13          connection with such services and the assessment of such  
14          rates, fees and charges.

15                (2) Observation of tariff. No airport operator  
16          shall charge, demand, collect or receive greater or less  
17          or different compensation than the rates, fares, and  
18          charges specified in its then currently effective tariffs;  
19          and no airport operator shall refund or remit any portion  
20          of the rates, fees, or charges so specified, or extend to  
21          any person any privileges or facilities, with respect to  
22          matters required by the Secretary to be specified in such  
23          tariffs except those specified therein.

24                (a) Nothing in this title shall prohibit such  
25          airport operators, under such terms and conditions as the

1 Secretary may prescribe, from reducing or waiving rates,  
2 fees or charges to air carriers owned or operated by state  
3 government or the national government, or an agency or  
4 department thereof.

5 (3) Notice of tariff change. No change shall be  
6 made in any rate, fee, or charge, or any classification,  
7 rule, regulations or practice affecting such rate, fee, or  
8 charge, or the value of the service thereunder, specified  
9 in any effective tariff of any airport operator, except  
10 after 30 days' notice of the proposed change filed, posted  
11 and published in compliance with subsection (2) of this  
12 section. Such notice shall plainly state the change  
13 proposed to be made and the time such change will take  
14 effect. The Secretary may in the public interest by  
15 regulation or otherwise, allow such change upon notice  
16 less than that herein specified, or modify the  
17 requirements of this section governing the filing and  
18 posting of tariffs, either in particular instances or by  
19 general order applicable to special or peculiar  
20 circumstances and conditions.

21 (4) Power to prescribe rates and practices of  
22 airport operators. Whenever, upon complaint, or upon his  
23 own initiative, and after notice and hearing conducted  
24 pursuant to the procedures provided chapter 10 of this  
25 title, the Secretary shall be of the opinion that any



1 rate, fee or charge demanded, charged, collected or  
2 received by any airport operator from an air carrier, or  
3 any classification, rule, regulation, or practice  
4 affecting such rate, fee, or charge, or the value of the  
5 service thereunder, is or will be unjust or unreasonable,  
6 or unjustly discriminatory, or unduly preferential, or  
7 unduly prejudicial, the Secretary shall determine and  
8 prescribe the lawful rate, fare, or charge thereafter to  
9 be demanded, charged, collected or received or the lawful  
10 classification, rule, regulation or practice thereafter to  
11 be made effective.

12 • (5) Rules of rate-making. In exercising and  
13 performing his powers and duties with respect to the  
14 determination of rates for the carriage of persons or  
15 property, the Secretary shall consider, among other  
16 factors:

17 (a) The effect of such rates upon the  
18 movement of traffic;

19 (b) The need in the public interest of  
20 adequate and efficient services provided by airport  
21 operators at the lowest cost consistent with the  
22 furnishing of such service;

23 (c) Such standards respecting the character  
24 and quality of service to be rendered by airport operators  
25 as may be prescribed by or pursuant to law; and

(d) The need of each airport operator for revenue sufficient to enable such airport operator, under honest, economical, and efficient management, to provide adequate and efficient airport service."

Section 54. Title 20 of the Code of the Federated States of Micronesia is hereby amended by enacting a new section 704 of the new chapter 7 to read as follows:

"Section 704. Expenditure of national funds for airports.

No national funds, other than those expended under this title, shall be expended (whether or not in cooperation with State or other local governmental agencies), for the acquisition, establishment, construction, alteration, repair, maintenance, or operation of any landing area or for the acquisition, establishment, construction, maintenance, or operation of air navigation facilities thereon, except upon written recommendation and certification by the Secretary that such landing area or facility is reasonably necessary for use in air commerce. Any interested person may apply to the Secretary, under regulations prescribed by him, for such recommendation and certification with respect to any landing area or air navigation facility proposed to be established, constructed, altered, repaired, maintained, or operated by, or in the interests of, such person. There shall be no exclusive right for the use of any landing area or air

1 navigation facility upon which national funds have been  
2 expended."

3 Section 55. Title 20 of the Code of the Federated States of  
4 Micronesia is hereby amended by enacting a new section 705 of the new  
5 chapter 7 to read as follows:

6 "Section 705. Derivation and disbursement of funds."

7 (1) All moneys received by the Secretary, the  
8 Department, or the National Government from rates, fees,  
9 and other charges pursuant to this title shall be paid to  
10 the air transportation trust account established by  
11 section 201(4)(c) of this act, to be expended only for the  
12 purposes stated in subparagraphs (i) and (ii) thereof.

13 (2) All moneys received by airport operators from  
14 rates, fees, and other charges pursuant to this title  
15 shall be paid to a special trust account to be expended  
16 only for the state from which such moneys were received,  
17 and to be used at the discretion of the state for:

18 (a) matching funds for grants from the  
19 foreign governments or international organizations for  
20 airport development;

21 (b) maintenance of runways and navigational  
22 aids;

23 (c) improvements, expansion, and maintenance  
24 of the terminal buildings; and

25 (d) other matters related to the operations

under the authority of the airport operator.

(3) The Secretary may exempt a state from the requirements of subsection (2) of this section if he finds that such requirements are, or would be, unreasonably costly, burdensome, or impractical."

Section 56. Title 20 of the Code of the Federated States of Micronesia is hereby amended by enacting a new chapter 8 entitled "Aircraft Accident Investigation".

Section 57. Title 20 of the Code of the Federated States of Micronesia is hereby amended by enacting a new section 801 of the new chapter 8 to read as follows:

Section 801. Accidents involving civil aircraft.

(1) General duties. It shall be the duty of the Secretary to:

(a) Make rules and regulations governing notification and report of accidents involving civil aircraft:

(b) Investigate such accidents and report the facts, conditions, and circumstances relating to each accident and the probable cause thereof:

(c) Take such actions as, in his opinion, will tend to prevent similar accidents in the future:

(d) Make such reports public in such form and manner as may be deemed by him to be in the public interest: and

(e) Ascertain what will best tend to reduce or eliminate the possibility of, or recurrence of, accidents by conducting special studies and investigations on matters pertaining to safety in air navigation and the prevention of accidents.

(2) Conduct of investigations. In conducting any hearing or investigation, any officer or employee of the Secretary shall have the same powers as the Secretary has with respect to hearings or investigations conducted by him. In carrying out his duties under this title, the Secretary is authorized to examine and test to the extent necessary any civil aircraft, aircraft engine, propeller, appliance, or property aboard an aircraft involved in an accident in air commerce. In the case of any fatal accident, the Secretary is authorized to examine the remains of any deceased person aboard the aircraft at the time of the accident, who dies as a result of the accident, and to conduct autopsies or such other tests thereof as may be necessary to the investigation of the accident.

(3) Tampering with evidence. Any civil aircraft, aircraft engine, propeller, appliance, or property aboard an aircraft involved in an accident in air commerce, shall be preserved in accordance with, and shall not be moved except in accordance with, regulations prescribed by the

1 Secretary. Anyone who violates this subsection commits a  
2 national offense, punishable by a fine not to exceed \$5000  
3 or imprisonment for a term not exceeding 1 year, or both.

4 (4) Use of record and reports as evidence. No part  
5 of any report or reports of the Secretary relating to any  
6 accident or the investigation thereof, shall be admitted  
7 as evidence or used in any suit or action for damages  
8 growing out of any matter mentioned in such report or  
9 reports.

10 (5) Use of other agencies in accident  
11 investigations. Upon the request of the Secretary, other  
12 government agencies and departments are authorized to make  
13 investigations with regard to aircraft accidents and to  
14 report to the Secretary the facts, conditions, and  
15 circumstances thereof, and the Secretary is authorized to  
16 utilize such reports in making its determinations of  
17 probable cause under this title."

18 Section 58. Title 20 of the Code of the Federated States of  
19 Micronesia is hereby amended by enacting a new chapter 9 entitled  
20 "Penalties".

21 Section 59. Title 20 of the Code of the Federated States of  
22 Micronesia is hereby amended by enacting a new section 901 of the new  
23 chapter 9 to read as follows:

24 "Section 901. Civil penalties.

25 (1) General penalty. Any person, other than a

1 person conducting an operation in air transportation or  
2 foreign air transportation, who violates any provision of  
3 this title or any rule, regulation, or order issued  
4 thereunder shall be subject to a civil penalty not  
5 exceeding \$1,000 for each such violation. Any person  
6 conducting an operation in air transportation or foreign  
7 air transportation who violates any provision of this  
8 title or any rule, regulation, or order issued thereunder  
9 shall be subject to a civil penalty not exceeding \$10,000  
10 for each such violation. If any such violation is a  
11 continuing one, each day of such violation shall  
12 constitute a separate offense.

13 (2) Penalty considerations. The Secretary shall  
14 have the power to assess and compromise any civil penalty.  
15 In determining the amount of such penalty, the Secretary  
16 shall take into account the nature, circumstances, extent,  
17 and gravity of the violation committed and, with respect  
18 to the person found to have committed such violation, the  
19 degree of culpability, history of prior offenses, ability  
20 to pay, effect on ability to continue to do business, and  
21 such other matters as justice may require. This  
22 subsection shall not apply to defense personnel of the  
23 United States for conduct occurring while engaged in the  
24 performance of their official duties.

25 (3) Aircraft subject to liens. In case a civil

1        aircraft is involved in such violation and the violation  
2        is by the owner or operator of the aircraft, such aircraft  
3        shall be subject to a lien for the penalty."

4        Section 60. Title 20 of the Code of the Federated States of  
5        Micronesia is hereby amended by enacting a new section 902 of the new  
6        chapter 9 to read as follows:

7        "Section 902. Criminal penalties.

8                (1) Certificate violations. Any person who  
9        knowingly and willfully forges, counterfeits, alters, or  
10       falsely makes any certificate authorized to be issued  
11       under this title, or knowingly uses or attempts to use any  
12       such fraudulent certificate, and any person who knowingly  
13       and willfully displays or causes to be displayed on any  
14       aircraft any marks that are false or misleading as to the  
15       nationality or registration of the aircraft, commits a  
16       national offense and shall upon conviction be liable to a  
17       fine not exceeding \$5,000, or to a term of imprisonment  
18       not exceeding five (5) years, or both.

19               (2) Interference with air navigation. A person  
20       commits a national offense and shall upon conviction be  
21       liable to a fine not exceeding \$5,000, or to a term of  
22       imprisonment not exceeding five (5) years, or both, who:

23               (a) with intent to interfere with air  
24       navigation within the Federated States of Micronesia,  
25       exhibits within the Federated States of Micronesia any



light or signal at such place or in such manner that is  
likely to be mistaken for a true light or signal  
established pursuant to this title, or for a true light or  
signal in connection with an airport or other air  
navigation facility, or, after due warning by the  
Secretary, continues to maintain any such misleading light  
or signal; or

(b) knowingly removes, extinguishes, or  
interferes with the operation of any such true light or  
signal.

(3) Reporting and record keeping violations. Any  
air carrier, or any officer, agent, employee, or  
representative thereof, who shall, knowingly and  
willfully, fail or refuse to make a report to the  
Secretary as required by this title, or to keep or  
preserve accounts, records, and memoranda in the form and  
manner prescribed or approved by the Secretary, or shall,  
knowingly and willfully, falsify, mutilate, or alter any  
such report, account, record, or memorandum, or shall  
knowingly and willfully file a false report, account,  
record, or memorandum, commits a national offense and  
shall upon conviction be liable for each offense to a fine  
of not less than \$1,000 and not exceeding \$5,000.

(4) Refusal to testify or to produce records.  
Every person who shall neglect or refuse to attend and

1 testify, or to answer any lawful inquiry, or to produce  
2 books, papers, or documents, if in his power to do so, in  
3 obedience to a subpoena or lawful requirement of the  
4 Secretary, commits a national offense and shall upon  
5 conviction be liable to a fine not less than \$100 and not  
6 exceeding \$5,000, or to a term of imprisonment not  
7 exceeding one year, or both.

8 (5) Aircraft piracy. Whoever commits or attempts  
9 to commit aircraft piracy, as herein defined, commits a  
10 national offense and shall be punished:

11 (a) with imprisonment for not less than  
12 twenty (20) years; or

13 (b) if the death of another person results  
14 from the commission or attempted commission of the  
15 offense, with imprisonment for life.

16 (i) as used in this subsection, the term  
17 "aircraft piracy" means any seizure or exercise of  
18 control, by force or violence, or by any other form of  
19 intimidation, and with wrongful intent, of an aircraft  
20 within the special aircraft jurisdiction of the Federated  
21 States of Micronesia.

22 (ii) an attempt to commit aircraft piracy  
23 shall be within the special aircraft jurisdiction of the  
24 Federated States of Micronesia even though the aircraft is  
25 not in flight at the time of such attempt, if the aircraft

1 would have been within the special jurisdiction of the  
2 Federated States of Micronesia had the offense of aircraft  
3 piracy been completed.

4 (6) Interference with crew members. Whoever while  
5 aboard an aircraft within the special aircraft  
6 jurisdiction of the Federated States of Micronesia,  
7 assaults, intimidates, or threatens any flight crew member  
8 or flight attendant, including any steward or stewardess  
9 of such aircraft, so as to interfere with the performance  
10 by such crew member or attendant of his duties or lessens  
11 the ability of such member or attendant to perform his  
12 duties, commits a national offense and shall upon  
13 conviction be liable to a fine not exceeding \$5,000, or to  
14 a term of imprisonment not exceeding five (5) years, or  
15 both. Whoever in the commission of any such act referred  
16 to in this subsection uses a deadly or dangerous weapon  
17 shall be liable to a term of imprisonment for any term of  
18 years or for life.

19 (7) General criminal penalty. Whoever, while on  
20 board an aircraft within the special aircraft jurisdiction  
21 of the Federated States of Micronesia, commits an act,  
22 which, if committed in the Federated States of Micronesia  
23 would be a violation of the laws of the Federated States  
24 of Micronesia, shall be punished as provided herein.

25 (8) Weapon and explosive violations.

1                   (a) Whoever, while on board, or while  
2                   attempting to board, any aircraft in or intended for  
3                   operation in air transportation, has on or about his  
4                   person or his property a concealed deadly or dangerous  
5                   weapon, which is, or would be accessible to such person in  
6                   flight, or any person who has on or about his person, or  
7                   who has placed, attempted to place, or attempted to have  
8                   placed aboard such aircraft any bomb or similar explosive  
9                   or incendiary device, commits a national offense and shall  
10                  upon conviction be liable to a fine not exceeding \$5,000,  
11                  or to a term of imprisonment not exceeding five (5) years,  
12                  or both.

13                   (b) Whoever willfully and without regard for  
14                   the safety of human life, or with reckless disregard for  
15                   the safety of human life, shall commit an act prohibited  
16                   by paragraph (a) of this subsection commits a national  
17                   offense and shall upon conviction be liable to a fine not  
18                   exceeding \$10,000, or to a term of imprisonment not  
19                   exceeding twenty (20) years, or both.

20                   (c) This subsection shall not apply to law  
21                   enforcement officers of the Federated States of  
22                   Micronesia, who are authorized or required within their  
23                   official capacities to carry arms, or to persons who may  
24                   be authorized by the Secretary to carry deadly or  
25                   dangerous weapons in air transportation, nor shall they

1 apply to persons transporting weapons contained in baggage  
2 which is not accessible to passengers in flight if the  
3 presence of such weapons has been declared to the air  
4 carrier.

5 (9) Interference with aircraft operations. Whoever  
6 willfully and with reckless disregard for safety of human  
7 life interferes or attempts to interfere with the safe  
8 operation of any aircraft in, or intended for operation  
9 in, the special aircraft jurisdiction of the Federated  
10 States of Micronesia, commits a national offense and shall  
11 upon conviction be liable to a fine not exceeding \$5,000,  
12 or to a term of imprisonment not exceeding five (5) years,  
13 or both.

14 (10) False information.

15 (a) Whoever imparts or conveys or causes to  
16 be imparted or conveyed false information, knowing the  
17 information to be false, concerning an attempt or alleged  
18 attempt being made or to be made, to do an act which would  
19 be a crime prohibited by subsections (5) through (8) of  
20 this Section, commits a national offense and shall upon  
21 conviction be liable to a fine not exceeding \$5,000, or to  
22 a term of imprisonment not exceeding five (5) years, or  
23 both:

24 (b) Whoever willfully and maliciously, or  
25 with reckless disregard for the safety of human life,

imparts or conveys or causes to be imparted or conveyed  
false information, knowing the information to be false,  
concerning an attempt or alleged attempt being made or to  
be made, to do any act which would be a crime prohibited  
by subsections (5) through (8) of this section, shall be  
guilty of an offense and shall upon conviction be liable  
to a fine not exceeding \$5,000, or to a term of  
imprisonment not exceeding five (5) years, or both.

(11) Removal of parts of aircraft involved in  
accidents. Every person who knowingly and without  
authority removes, conceals, or withholds any part of a  
civil aircraft involved in an accident, or any property  
which was aboard such aircraft at the time of the  
accident, commits a national offense and shall upon  
conviction be liable to a fine of not less than \$100 and  
not exceeding \$5,000, or to a term of imprisonment not  
exceeding one year, or both."

Section 61. Title 20 of the Code of the Federated States of  
Micronesia is hereby amended by enacting a new chapter 10 entitled  
"Procedure".

Section 62. Title 20 of the Code of the Federated States of  
Micronesia is hereby amended by enacting a new section 1001 of the new  
chapter 10 to read as follows:

"Section 1001. Conduct of proceedings.

(1) Conducting proceedings. The Secretary shall.

1 subject to the provisions of this title, conduct his  
2 proceedings in such manner as will be conducive to the  
3 proper dispatch of business and to the ends of justice.

4 (2) Conflicts of interest. No employee of the  
5 Department shall participate in any hearing or proceeding  
6 in which he has a pecuniary interest.

7 (3) Appearance. Any person may appear before the  
8 Secretary and be heard in person or by an attorney.

9 (4) Recording and public access. Every official  
10 act of the Secretary shall be entered of record, and the  
11 proceedings thereof shall be open to the public upon  
12 request of any interested party, unless the Secretary  
13 determines that withholding from public disclosure is  
14 necessary on grounds of national interest."

15 Section 63. Title 20 of the Code of the Federated States of  
16 Micronesia is hereby amended by enacting a new section 1002 of the new  
17 chapter 10 to read as follows:

18 "Section 1002. Complaints to and investigations by the  
19 Secretary.

20 (1) Filing of complaints. Any person may file with  
21 the Secretary a complaint in writing with respect to  
22 anything done or omitted to be done by any person in  
23 contravention of any provision of this title, or of any  
24 requirement established pursuant thereto. If the person  
25 complained against does not satisfy the complaint and

1        there appears any reasonable ground for investigating the  
2        complaint, it shall be the duty of the Secretary to  
3        investigate the matters set forth in the complaint.  
4        Whenever the Secretary is of the opinion that any  
5        complaint does not state facts which warrant an  
6        investigation or action, such complaint may be dismissed  
7        without hearing.

8                (2) Investigations. The Secretary is hereby  
9        empowered to institute an investigation at any time, on  
10       his own initiative, in any case and as to any matter or  
11       thing within his jurisdiction by any provision of this  
12       title, concerning which a complaint is authorized to be  
13       made to or before the Secretary, or concerning which any  
14       question may arise under any of the provisions of this  
15       title, or relating to the enforcement of any of the  
16       provisions of this title. The Secretary shall have the  
17       same power to proceed with any investigation instituted on  
18       his own motion as though it had been made to him by  
19       complaint.

20               (3) Orders to compel compliance. If the Secretary  
21       finds, after notice and hearing, in any investigation  
22       instituted upon complaint or upon his own initiative, with  
23       respect to matters within his jurisdiction, that any  
24       person has failed to comply with any provision of this  
25       title or any requirement established pursuant thereto, the



Secretary shall, consistent with the provisions of this title, issue an appropriate order to compel such person to comply therewith."

Section 64. Title 20 of the Code of the Federated States of Micronesia is hereby amended by enacting a new section 1003 of the new chapter 10 to read as follows:

"Section 1003. Evidence.

(1) General. The Secretary shall hold hearings, sign and issue subpoenas, administer oaths, examine witnesses, and receive evidence at any place in the Federated States of Micronesia.

(2) Subpoenas. For the purposes of this title, the Secretary shall have the power to require by subpoena the attendance and testimony of witnesses and the production of all books, papers, and documents relating to any matter under investigation.

(3) Compliance with subpoenas. The attendance of witnesses, and the production of books, papers, and documents, may be required from any place in the Federated States of Micronesia, at any designated place of hearing. In case of disobedience to a subpoena, the Secretary or any party to a proceeding before the Secretary, may invoke the aid of the Trial Division of the Supreme Court in requiring attendance and testimony of witnesses and the production of such books, papers, and documents under the

provisions of this section.

(4) Depositions.

(a) The Secretary may order testimony to be taken by deposition in any proceeding or investigation pending before him, at any stage of such proceeding or investigation. Such depositions may be taken before any person designated by the Secretary and having power to administer oaths. Reasonable notice must first be given in writing by the party or his attorney proposing to take such deposition to the opposite party or his attorney of record, which notice shall state the name of the witness and the time and place of the taking of his deposition. Any person may be compelled to appear and be deposed, and to produce books, papers, or documents, in the same manner as witnesses may be compelled to appear and testify and produce like documentary evidence before the Secretary, as hereinbefore provided.

(b) Every person being deposed as herein provided shall be cautioned and shall be required to swear or to affirm, if he so requests, to testify to the whole truth, and shall be carefully examined. The testimony shall be reduced to writing by the person taking the deposition, or under his direction, and shall, after it has been reduced to writing, be subscribed by the deponent. All depositions shall be promptly filed with

1 the Secretary.

2 (c) If a witness whose testimony may be  
3 desired to be taken by deposition is in a foreign country,  
4 the deposition may be taken, provided the laws of the  
5 foreign country so permit, by a person commissioned by the  
6 Secretary or agreed upon by the parties by stipulation in  
7 a writing to be filed with the Secretary, or may be taken  
8 under letters rogatory issued by a court of competent  
9 jurisdiction at the request of the Secretary."

10 Section 65. Title 20 of the Code of the Federated States of  
11 Micronesia is hereby amended by enacting a new section 1004 of the new  
12 chapter 10 to read as follows:

13 "Section 1004. Designation of agent for service.

14 (1) Designating agents. It shall be the duty of  
15 every air carrier and foreign air carrier to designate in  
16 writing an agent in the Federated States of Micronesia  
17 upon which service of all notices and process and all  
18 orders, decisions, and requirements of the Secretary may  
19 be made for and on behalf of said air carrier or foreign  
20 air carrier, and to file such designation with the  
21 Secretary. Such designation may from time to time be  
22 changed by like writing similarly filed.

23 (2) Serving agents.

24 (a) Service of all notices and process and of  
25 orders, decisions, and requirements of the Secretary may

1 be made upon any air carrier or foreign air carrier by  
2 service upon its designated agent at his office in The  
3 Federated States of Micronesia or place of residence in  
4 The Federated States of Micronesia with like effect as if  
5 made personally upon such air carrier or foreign air  
6 carrier.

7 (b) In default or the absence of an agent,  
8 service of any notice or other process in any proceedings  
9 before the Secretary, or of any order, decision, or  
10 requirement of the Secretary, may be made by posting such  
11 notice, process, order, requirement, or decision in the  
12 Department.

13 (3) Service generally. Service of notices,  
14 processes, orders, rules, and regulations upon any person  
15 may be made by personal service or upon an agent  
16 designated in writing for this purpose, or by registered  
17 or certified mail addressed to such person or agent.  
18 Whenever service is made by registered or certified mail,  
19 the date of mailing shall be considered as the date when  
20 service is made."

21 Section 66. Title 20 of the Code of the Federated States of  
22 Micronesia is hereby amended by enacting a new section 1005 of the new  
23 chapter 10 to read as follows:

24 "Section 1005. Venue. The trial of any offense under  
25 this title shall be in the Trial Division of the Supreme

1 of any certificate issued under this title, the Secretary  
2 may apply to the Trial Division of the Supreme Court for  
3 the enforcement of such provision of this title, or of  
4 such rule, regulation, requirement, order, term,  
5 condition, or limitation.

6 (b) Upon the request of the Secretary, the  
7 Attorney General may institute in the Trial Division of  
8 the Supreme Court and prosecute all necessary proceedings  
9 for the enforcement of the provisions of this title or any  
10 rule, regulation, requirement, or order issued thereunder,  
11 or any term, condition, or limitation of any certificate  
12 issued under this title, and for the punishment of all  
13 violations hereof.

14 (3) Participation of Secretary. Upon request of  
15 the Attorney General, the Secretary shall have the right  
16 to participate in any proceeding in court under the  
17 provisions of this title."

18 Section 69. Title 20 of the Code of the Federated States of  
19 Micronesia is hereby amended by enacting a new section 1008 of the new  
20 chapter 10 to read as follows:

21 "Section 1008. Procedure for civil penalties.

22 (1) Civil penalty actions. Any civil penalty  
23 imposed or assessed under this Act may be collected by  
24 proceedings in personam in the Trial Division of the  
25 Supreme Court against the person subject to the penalty

1 and, in the case of an aircraft subject to a lien for the  
2 penalty, by proceedings in rem against the aircraft.

3 (2) Seizure of aircraft. Any aircraft subject to a  
4 lien for a civil penalty may be seized by and placed in  
5 the custody of the Secretary. A report of the seizure and  
6 the basis therefor shall be promptly transmitted to the  
7 Attorney General. The Attorney General shall promptly  
8 institute judicial proceedings for the enforcement of a  
9 lien against an aircraft seized by the Secretary, or  
10 notify the Secretary of his failure to so act. The  
11 aircraft shall be released from custody of the Secretary  
12 upon:

13 (a) payment of the penalty or the amount  
14 agreed upon in compromise;

15 (b) seizure in pursuance of judicial  
16 proceedings in rem for enforcement of the lien;

17 (c) notice by the Attorney General of failure  
18 to institute such proceedings; or

19 (d) deposit of a bond in such amount as the  
20 Secretary may prescribe, conditioned upon payment of the  
21 penalty or the amount agreed upon in compromise."

22 Section 70. Title 20 of the Code of the Federated States of  
23 Micronesia is hereby amended by enacting a new chapter 11 entitled  
24 "Miscellaneous Provisions".

25 Section 71. Title 20 of the Code of the Federated States of

1 Micronesia is hereby amended by enacting a new section 1101 of a new  
2 chapter 11 to read as follows:

3 Section 1101. Hazards to safe and efficient air commerce  
4 and the preservation of navigable airspace; notice of  
5 construction. The Secretary shall, by rules and  
6 regulations, or by order, where necessary, require all  
7 persons to give adequate public notice, in the form and  
8 manner prescribed by the Secretary, of the construction or  
9 alteration, or of the proposed construction or alteration,  
10 of any structure where notice will promote safety in air  
11 commerce as well as the efficient use and preservation of  
12 the navigable airspace."

13 Section 72. Title 20 of the Code of the Federated States of  
14 Micronesia is hereby amended by enacting a new section 1102 of a new  
15 chapter 11 to read as follows:

16 "Section 1102. International agreements.

17 (1) In exercising and performing his powers  
18 and duties under this title, the Secretary shall do so  
19 consistently with any obligation assumed by the Federated  
20 States of Micronesia in any treaty, convention, or  
21 agreement that may be in force between the Federated  
22 States of Micronesia and any other country or countries,  
23 and shall take into consideration any applicable laws and  
24 requirements of such countries and the Secretary shall  
25 not, in exercising and performing his powers and duties

1 with respect to certificates of convenience and necessity,  
2 restrict compliance by any air carrier with any  
3 obligation, duty, or liability imposed by any other  
4 country.

5 (2) This section shall not apply to any  
6 obligation, duty, or liability arising out of a contract  
7 or other agreement, heretofore or hereafter entered into  
8 between an air carrier, or any officer or representative  
9 thereof, and any other country, if such contract or  
10 agreement is disapproved by the Secretary as being  
11 contrary to the public interest."

12 Section 73. Title 20 of the Code of the Federated States of  
13 Micronesia is hereby amended by enacting a new section 1103 of a new  
14 chapter 11 to read as follows:

15 "Section 1103. Remedies not exclusive. Nothing contained  
16 in this title shall in any way abridge or alter the  
17 remedies now existing under the laws of the Federated  
18 States of Micronesia, but the provisions of this title are  
19 in addition to such remedies."

20 Section 74. Title 20 of the Code of the Federated States of  
21 Micronesia is hereby amended by enacting a new section 1104 of a new  
22 chapter 11 to read as follows:

23 "Section 1104. Aircraft of other countries.

24 (1) The Federated States of Micronesia is hereby  
25 declared to possess and exercise complete and exclusive

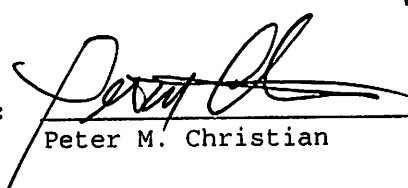


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1 Section 78. The provisions of this act shall take effect 180  
2 days after the date it becomes law.

3 Section 79. This act shall become law upon approval by the  
4 President of the Federated States of Micronesia or upon its becoming  
5 law without such approval.

6  
7 Date: 11-11-96

Introduced by:   
Peter M. Christian

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