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A BILL FOR AN ACT

To establish the Joint Committee on Compact Economic Negotiations and its Secretariat for the purpose of coordinating the nation's preparation efforts towards effectively renegotiating the Compact of Free Association with the United States of America, and for other purposes.

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

1 Section 1. Purpose. In preparation for the Compact of Free Association  
2 negotiations scheduled to commence in November 1999, there is hereby  
3 established a joint committee.

4 Section 2. Establishment of the Joint Committee on Compact Economic  
5 Negotiation. There is hereby created and established a joint committee to be  
6 known as the Joint Committee on Compact Economic Negotiations (JCN),  
7 comprising nine members as follows: one representative from each of the four  
8 States, as appointed by the President in consultation with the leadership of each  
9 State, and four representatives from the Congress of the Federated States of  
10 Micronesia, one from each congressional delegation. One member shall be the  
11 Secretary of External Affairs, or his designee. He shall chair the Joint Committee's  
12 first meeting, and organize the election of its Chairman and Vice Chairman. Seven  
13 of the members shall constitute a quorum for the transaction of business,  
14 provided that a representative of each State, or his designee, is present.  
15 Decisions shall be made within the Committee by a majority of votes, with each  
16 participating member casting a single vote.

17 Section 3. Meetings. The Joint Committee on Economic Negotiations  
18 shall hold its first meeting at the call of the acting Chairman. Subsequent  
19 meetings shall be held in accordance with a schedule set by the Joint Committee  
20 covering the entire period between the first meeting and the commencement of  
21 the Compact economic negotiations in November 1999.

22 Section 4. Mandate. The Joint Committee on Economic Negotiations shall  
23 carry out the following responsibilities and obligations:

24 (1) In consultation with the Congress, set goals and objectives for  
25 the Compact of Free Association negotiations;

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1                   (2) Conduct a thorough analysis of all factors relating to the  
2 Compact of Free Association negotiations;

3                   (3) Develop all necessary strategies and approaches to enable the  
4 Federated States of Micronesia to commence negotiating with the United  
5 States in November 1999;

6                   (4) Direct its Secretariat in preparing the documentation necessary  
7 to accomplish its responsibilities hereunder;

8                   (5) Analyze all economic information available on the Federated  
9 States of Micronesia, with the aim of identifying the FSM's continuing requirement  
10 for reasonable, fair, and effective financial assistance from the United States of  
11 America from the year 2001 onward;

12                  (6) Provide reports periodically to the Congress at each regular  
13 session, and to the Office of the President, on all developments, actual or  
14 potential, positive or negative, that may be related to the renegotiation of the  
15 Compact of Free Association, including but not limited to new information, actions,  
16 communications, domestic and foreign policies, bilateral and multilateral plans, as  
17 well as periodic surveys exploring the value of net benefits to a foreign nation  
18 from an exclusive security prerogative; and

19                  (7) Collaborate with the State governments, the Department of  
20 External Affairs, the Congress, and the Office of the President in identifying the  
21 nominees for the team of negotiators whose selection will be subject to  
22 Congress's express approval; approved nominees will represent the FSM in the  
23 bilateral Compact of Free Association negotiations; and

24                  (8) Use funds for each separate category of expense only up to the  
25 aggregate amount of the line-items of the corresponding expense category set

1 out in the associated appropriations bill or bills approved by Congress, and select  
2 and hire the personnel needed to staff the Secretariat, as specified in section 5  
3 below.

4 Section 5. Establishment of the Secretariat. There is hereby created and  
5 established a full-time Secretariat for the Joint Committee on Compact Economic  
6 Negotiations. The Secretariat shall consist of an Executive Director, an  
7 Administrative Officer, a staff Counsel, and a secretary, all based in Pohnpei. In  
8 addition to the Secretariat, the work of the Joint Committee shall also be  
9 supported by existing Washington D.C. based legal counsel. The Secretariat shall  
10 have the following responsibilities.

11 (1) Provide all administrative and logistical support to the Joint  
12 Committee on Compact Economic Negotiations, and shall (a) prepare an annual  
13 budget for approval by the Joint Committee, (b) transmit an approved budget to  
14 the President to submit it, with comments, to the Congress of the Federated  
15 States of Micronesia for approval at least ten days in advance of the first regular  
16 session of each fiscal year;

17 (2) Carry out research on relevant Compact of Free Association  
18 issues;

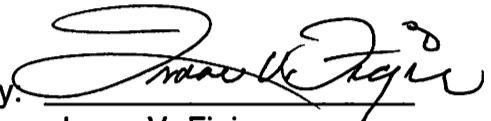
19 (3) Coordinate with the various departments, offices and agencies  
20 of the FSM and State Governments to collect all information and technical input  
21 necessary for satisfying its responsibilities and for establishing negotiating  
22 objectives as to provisions of the Compact of Free Association and the Related  
23 agreements that bear upon their respective areas of responsibilities; and

24 (4) As directed by the Joint Committee on Compact Economic  
25 Negotiations, hire professionals including an outside developmental economist and

1 other consultants with expertise in security or defense policy to assist the Joint  
2 Committee with any aspect of its responsibilities, particularly that provided under  
3 section 4(5) above.

4 Section 6. This act shall become law upon approval by the President of  
5 the Federated States of Micronesia or upon its becoming law without such  
6 approval.

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8 Date: 5-20-97

Introduced by.   
Isaac V. Figir

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