

EX. AFF.

TENTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA

FIRST REGULAR SESSION, 1997

C.B. NO. 10-48

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A BILL FOR AN ACT

To create and establish the Joint Committee on Compact Economic Negotiations (JCN) and its Secretariat; 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  
2 Free Association negotiations scheduled to commence in November  
3 1999, the Congress finds that there is a need to establish a  
4 joint committee comprising of representatives of the four  
5 States and the National Government to spearhead the process of  
6 preparing for the negotiations.

7           Section 2. Establishment of the Joint Committee on  
8 Compact Economic Negotiations. There is hereby created and  
9 established a joint committee to be known as the Joint  
10 Committee on Compact Economic Negotiations (JCN), comprising of  
11 six members as follows: one representative from each of the  
12 four States, as designated by each State's leadership; one  
13 representative from the Congress of the Federated States of  
14 Micronesia; and the Secretary of External Affairs as Chairman.

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

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

24                   (a) Set goals and objectives for the Compact of Free  
25 Association negotiations slated to commence in November 1999;

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

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

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

9 (e) Analyze all economic information available on  
10 the Federated States of Micronesia, with the aim of identifying  
11 the FSM's minimum continuing requirement for financial  
12 assistance from the United States of America from the year 2001  
13 onward; PROVIDED, that this information shall be developed into  
14 a rationale to make up a negotiating approach, including  
15 decisions concerning the time period desired and the kinds of  
16 funding to be requested;

17 (f) Ensure that its work benefits from the  
18 information-gathering efforts of the FSM Embassy in Washington  
19 D.C., the financial analytical work of the Asia Development  
20 Bank's Economic Management Policy Advisory Team (EMPAT) in  
21 Pohnpei, and other sources of relevant information;

22 (g) Collaborate with the Department of External  
23 Affairs and the Office of the President in identifying the  
24 members of the team of negotiators that will represent the FSM  
25 in the bilateral Compact of Free Association negotiations; and

1           (h) Select and hire the personnel needed to staff  
2 the Secretariat, as specified in Section 5 below.

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

12           (a) Provide all administrative and logistical  
13 support to the Joint Committee on Compact Economic  
14 Negotiations;

15           (b) Carry out research on relevant Compact of Free  
16 Association issues;

17           (c) Coordinate with the various departments, offices  
18 and agencies of the FSM and State Governments to collect the  
19 technical input necessary for establishing negotiating  
20 objectives as to provisions of the Compact of Free Association  
21 and the Related Agreements that bear upon their respective  
22 areas of responsibility;

23           (d) Coordinate with the Department of External  
24 Affairs and the FSM Embassy in Washing D.C. to ensure that the  
25 Joint Committee on Compact Economic Negotiations obtains all

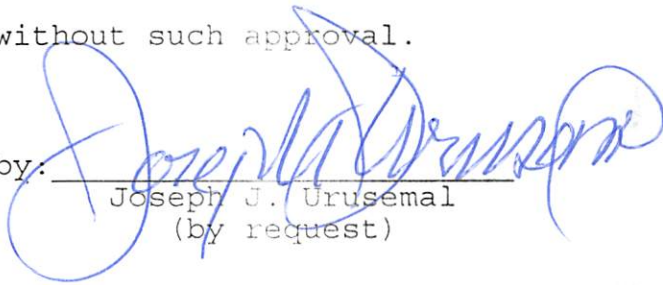
1 the information it needs to carry out its responsibilities  
2 herein;

3 (e) As directed by the Joint Committee on Compact  
4 Economic Negotiations, solicit the assistance of senior FSM  
5 statesmen who participated in the original Compact  
6 negotiations, for the purpose of advising and consulting with  
7 the Joint Committee when needed, on a voluntary basis; and

8 (f) As directed by the Joint Committee on Compact  
9 Economic Negotiations, hire an outside developmental economist  
10 to assist the Joint Committee with any aspect of its  
11 responsibilities, particularly that provided under Section 4(e)  
12 above.

13 Section 6. Effective date. This act shall become law  
14 upon approval by the President of the Federated States of  
15 Micronesia or upon its becoming law without such approval.

16  
17 Date: 5/22/97

18 Introduced by:   
Joseph J. Urusemal  
(by request)

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A BILL FOR AN ACT

To amend Public Law No. 10-119, by amending sections 13 and 16, to reprogram the sum of \$500,000 from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1999, for the lease of an airplane for the use of the Federated States of Micronesia, and for other purposes.

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

1 Section 1. Section 13 of Public Law No. 10-119 is hereby  
2 amended to read as follows:

3 "Section 13. Development budget - Appropriation. The  
4 sum of \$3,737,000, or so much thereof as may be  
5 necessary, is hereby appropriated from the General Fund  
6 of the Federated States of Micronesia for the fiscal  
7 year ending September 30, 1999, for capital improvement  
8 and development programs and projects of the National  
9 Government of the Federated States of Micronesia during  
10 fiscal year 1999. Of the funds appropriated under this  
11 section, \$1,487,000 (for lines (1), (2), (3) and (5))  
12 shall be deemed to come from the capital account of the  
13 Compact of Free Association. The sum appropriated by  
14 this section shall be apportioned as follows:

- 15 (1) National staff upgrading program (Division  
16 of Personnel Administration, for training programs of  
17 one year or less)
  - 18 (a) General staff ..... \$ 80,000
  - 19 (b) Public auditor's office ..... 20,000
- 20 (2) National Visitors Council (Department  
21 of Economic Affairs)..... 200,000
- 22 (3) Regional livestock project (Department  
23 of Economic Affairs)..... 187,000
- 24 (4) FSM 2000 population and housing census  
25 (Department of Economic Affairs) ..... 100,000

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- 1 (5) Business Development Loan Fund (FSMDB) \$ 1,000,000
- 2 (6) FSM Trust Fund..... [~~2,000,000~~]
- 3 (7) Coconut processing project, Chuuk, for the
- 4 purchase of plant machinery and materials for soap
- 5 production only; no salaries, travel, or vehicle
- 6 purchase or rental..... 150,000
- 7 (8) Airplane lease for the use of the
- 8 Federated States of Micronesia..... 500,000"

9 Section 2. Section 16 of Public Law No. 10-119 is hereby  
10 amended to read as follows:

11 "Section 16. Allotment and management of funds and  
12 lapse date.

13 (1) All funds appropriated by this act shall be  
14 allotted, managed, administered, and accounted for in  
15 accordance with applicable law, including, but not  
16 limited to, the Financial Management Act of 1979;  
17 PROVIDED, however, that the funds appropriated to Chuuk  
18 State under subsection (3) of section 10 of this act  
19 shall be retained in the General Fund of the Federated  
20 States of Micronesia until a scholarship recipient is  
21 identified to the President or the President's  
22 designee, at which time scholarship funds in the amount  
23 of the scholarship award shall be disbursed directly to  
24 the educational institution in the form of a two-party  
25 check payable to both the scholarship recipient and the

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1 educational institution he or she is attending; and  
2 PROVIDED FURTHER, that the allottee of the funds  
3 appropriated under section 6(1), (2), and (3) of this  
4 act shall be, respectively, the President of the  
5 Federated States of Micronesia, the Speaker of the  
6 Congress of the Federated States of Micronesia, and the  
7 Chief Justice of the Supreme Court of the Federated  
8 States of Micronesia; and PROVIDED FURTHER, that the  
9 allottee of the funds appropriated under section 7 of  
10 this act shall be the Secretary of the Department of  
11 Transportation, Communication and Infrastructure; and  
12 PROVIDED FURTHER, that the allottees [~~for~~] of the funds  
13 appropriated under subsection (2)(o) of section 11 of  
14 this act shall be the Governors of the respective  
15 States, and no funds appropriated under subsection  
16 (2)(o) of section 11 of this act shall be disbursed  
17 from the General Fund to the allottees unless the  
18 President certifies that the State involved has entered  
19 into a joint law enforcement agreement for the period  
20 of October 1, 1998, to September 30, 1999, with the  
21 National Government pursuant to chapter 12 of title 12  
22 of the Code of the Federated States of Micronesia; and  
23 PROVIDED FURTHER, that the allottees of the funds  
24 appropriated under subsection 2(hh) of section 11 of  
25 this act shall be the Rural Development Community

1 Development Managers of the respective States. Funds  
2 appropriated under subsection 2(hh) of section 11 of  
3 this act shall not be disbursed to a State's Rural  
4 Development Community Manager if he fails to submit to  
5 the Speaker of Congress and to the President detailed,  
6 quarterly financial statements regarding his office's  
7 operations, or if he fails to comply with the Financial  
8 Management Act of 1979; and PROVIDED FURTHER, that the  
9 allottees [~~for~~] of the funds appropriated under  
10 subsection (2)(s) of section 11 of this act shall be  
11 the Chief Justices of the respective States; and  
12 PROVIDED FURTHER, that the allottee of the funds  
13 appropriated under subsection (1) of section 13 shall  
14 be the Personnel Officer of the Division of Personnel  
15 Administration; and PROVIDED FURTHER, that the allottee  
16 of the funds appropriated under subsection (8) of  
17 section 13 of this act shall be the President of the  
18 Federated States of Micronesia, and that no funds  
19 appropriated under subsection (8) of section 13 of this  
20 act shall be obligated or disbursed from the General  
21 Fund of the Federated States of Micronesia unless and  
22 until both the President of the Federated States of  
23 Micronesia and the Transportation & Communications  
24 Committee of the Congress of the Federated States of  
25 Micronesia agree that it is in the best interests of



1           the Federated States of Micronesia to do so. Each  
2 allottee shall be responsible for ensuring that these  
3 funds, or so much thereof as may be necessary, are used  
4 solely for the purpose specified in this act, and that  
5 no obligations are incurred in excess of the sum  
6 appropriated.

7           (2) Allotments shall not exceed the  
8 following percentages of the funds appropriated  
9 under sections 5(3), 5(6), 7, 9(1), and 13(5) of  
10 this act:

11                   (a) thirty percent of the  
12 appropriation before January 1, 1999;

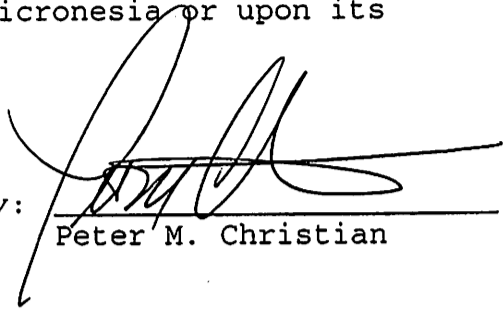
13                   (b) fifty percent of the appropriation  
14 before April 1, 1999;

15                   (c) eighty percent of the  
16 appropriation before July 1, 1999.

17           (3) The authority of the allottees to obligate  
18 funds appropriated by this act shall lapse as of  
19 September 30, 1999; PROVIDED, however, that the  
20 authority of the allottees to obligate funds  
21 appropriated by sections 3(3), 7, 9, 10, and 13 shall  
22 not lapse; and PROVIDED FURTHER, that the authority of  
23 the allottee to obligate funds appropriated by section  
24 13(4) shall lapse as of September 30, 2000."  
25

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

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5 Date: 11/27/98

Introduced by:   
Peter M. Christian

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