A BILL FOR AN ACT

To further amend title 10 of the Code of the Federated States of Micronesia, as amended, by enacting a new chapter 7 to create a Compact Economic Management Committee, and for other purposes.

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

Section 1. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 7 entitled "Compact Economic Management Committee".

Section 2. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 701 of chapter 7 to read as follows:

"Section 701. Definitions. When used in this chapter:

(1) 'Appointing Authority' means the entity given the right to appoint a member of CEMC pursuant to section 703 of this chapter.

(2) 'CEMC' shall have the meaning ascribed thereto in section 702 of this chapter.


(4) 'Compact Budget Requests' means the annual Compact funding requests that are to be submitted to the United
States and JEMCO pursuant to the terms of the Compact.

(5) 'JEMCO' means the Joint Economic Management Committee established pursuant to the Compact.

(6) 'JEMCO Representative' means a voting member representing the Federated States of Micronesia on JEMCO.

(7) 'National Government' means the National Government of the Federated States of Micronesia.

(8) 'State' means a state of the Federated States of Micronesia.

(9) 'Trust Fund Representative' means a member appointed by the Federated States of Micronesia to serve as a member of the Joint Trust Fund Committee created pursuant to the Compact."

Section 3. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 702 of chapter 7 to read as follows:

"Section 702. Compact Economic Management Committee. There shall be created a Compact Economic Management Committee (CEMC) under the authority of the Department of Foreign Affairs."

Section 4. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 703 of chapter 7 to read as follows:

"Section 703. Number and Appointment of Members.

(1) CEMC shall consist of the following members,
initially totaling eleven (11):

(a) The Secretary of the Department of Foreign Affairs, or his designee, who shall serve as the director of the CEMC;

(b) One member appointed by the President;

(c) One member appointed by the Congress;

(d) One member appointed by each State Governor;

and

(e) One member appointed by each State Legislature.

(2) Appointment of members shall be made in writing by the Appointing Authority.

(3) Members shall be appointed with consideration given to their knowledge of finance, accounting, budgeting and economic principles and written and verbal communication skills.

(4) With the exception of the director, each member shall serve at the pleasure of his or her Appointing Authority.

(5) Members shall not be entitled to compensation.

(6) All travel-related expenses incurred by the members shall be the responsibility of the Appointing Authority."

Section 5. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 704 of chapter 7 to read as follows:
1 "Section 704. Purpose and responsibilities of CEMC.

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(1) To elect the JEMCO Representatives.

(2) To formulate guidelines to be followed and policy direction to be taken by the JEMCO Representatives in their presentation of the Compact Budget Requests at JEMCO meetings by the Trust Fund Representatives in the meetings of the Joint Trust Fund Committee and in other communications with the U.S. Government or U.S. members of JEMCO or the Joint Trust Fund Committee relating to the economic provisions of the Compact.

(3) To gather and compile additional supporting documentation to be used by the JEMCO Representatives to justify the Compact Budget Request.

(4) To provide advice, guidelines, and assistance to the State Governments and National Government in the formulation of the Compact Budget Requests.

(5) To assist in the coordination of Compact Budget Requests and reports required under the Compact;

(6) To use its best efforts to ensure that the obligations of the FSM relating to the economic provisions of the Compact and under the Compact Sector Grants are satisfied.

(7) To use its best efforts to ensure that the rights of the FSM under the Compact are preserved and upheld.

(8) To represent the best interests of the Federated States of Micronesia in all dealings with the United
States in connection with the economic provisions of the Compact of Free Association."

Section 6. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 705 of chapter 7 to read as follows:

"Section 705. Meetings.

(1) CEMC shall meet at such time and in such place as designated by the CEMC director or as called for by a majority of members, but no less than once per year.

(2) The director shall give all members reasonable prior notice of each meeting.

(3) If a member is unable to attend a meeting, such member shall designate, in writing, an alternate, who shall have the authority to vote on such member’s behalf.

(4) Members may participate in meetings by telephone, provided that each participating member is able to hear each and every other participating member."

Section 7. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 706 of chapter 7 to read as follows:

"Section 706. Voting. A quorum shall consist of nine members of CEMC. No action shall be taken by the CEMC unless a quorum is present. Except as set forth in section 708 below, with respect to removal of JEMCO Representatives, all decisions of CEMC shall be made by
majority vote of the members, provided however, that the
director of CEMC shall not vote except to settle a tie."

Section 8. Title 10 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new section 707 of chapter 7 to read as follows:

"Section 707. Election of JEMCO members.

(1) CEMC shall elect, from among its members, the two
JEMCO Representatives who shall each serve for a term of
two years, or such other term as is specified by the
Compact.

(2) At no time shall the two serving JEMCO
Representatives be from the same State.

(3) The director shall be eligible to serve as the
JEMCO Representative.

(3) JEMCO Representatives may be re-elected.

(4) If a JEMCO Representative is unable to attend a
meeting, he or she may designate another member of CEMC
to serve as an alternate JEMCO Representative.

(5) In the event a JEMCO Representative position
becomes vacant for any reason, the CEMC director shall
appoint a CEMC member to serve as the JEMCO
Representative until such vacancy is filled by a vote of
the members of CEMC as provided in this chapter.

(6) The members elected as JEMCO Representatives shall
also serve as the Trust Fund Representatives."
Section 9. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 708 of chapter 7 to read as follows:

"Section 708. Removal of JEMCO members.

(1) CEMC may remove any JEMCO Representative by two-thirds vote of the members. CEMC shall endeavor to promptly elect a replacement JEMCO Representative for the remainder of the term.

(2) A person’s removal as a JEMCO Representative shall not affect his or her status as a CEMC member.

(3) A JEMCO Representative may not be removed from CEMC membership by his or her Appointing Authority until the expiration of his or her term as JEMCO Representative."

Section 10. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 709 of chapter 7 to read as follows:

"Section 709. Utilization of State and National personnel by CEMC. Technical assistance to CEMC shall be provided by the Office of Economic Management and Statistics. The director of CEMC may also request staff from other departments or offices of the National Government or the State Governments for temporary assignment with CEMC, with the cost allocation of such assignment to be arranged by the director."

Section 11. Title 10 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 709 of chapter 7 to read as follows:
Micronesia, as amended, is hereby further amended by enacting a new section 710 of chapter 7 to read as follows:

"Section 710. Conflict. In the event of a conflict between this chapter and the Compact, the Compact shall control."

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

Date: 11/02/04     Introduced by: /s/ Henry C. Asugar
Henry C. Asugar
(by request)