A BILL FOR AN ACT

To further amend title 2 of the Code of the Federated States of Micronesia, as amended by amending section 207, to require that Ambassadors and the FSM members of the Joint Economic Management Committee and Joint Trust Fund Committee be appointed by the President with the advice and consent of the Congress; by further amending title 55, as amended, by enacting a new subchapter 15 concerning Joint Economic Management Committee; to delete the requirement that appointment of deputy ambassadors is subject to the advice and consent of Congress; to limit the term of Ambassadors to the term of the President; and for other purposes.

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

1. Section 1. Section 207 of title 2 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 10-55 and 11-40, is hereby further amended to read as follows:

"Section 207. Appointment authority.

(1) The President shall nominate and, with the advice and consent of the Congress, as provided in article X, section 2(d), of the Constitution, shall appoint the following:

(a) ambassadors

(b) the secretaries of departments and their deputies, if any [and];

(c) the head of the office of the Public Defender [including the secretaries, and];

(d) heads of departments and offices established by subsequent law; [and including]

(e) the chairman and the members of the Board of Advisors for the Investment Development Fund to be appointed by the President; [and including]"
the Federated States of Micronesia members of the Board of Regents of the College of Micronesia; [and including]

the Federated States of Micronesia's members of the Joint Economic Management Committee and the Joint Trust Fund Committee created pursuant to the Compact of Free Association, as amended, between the United States of America and the Federated States of Micronesia; and

the Federated States of Micronesia's deputy ambassadors (assistant to the ambassadors) and consuls general.; provided that nothing herein shall be construed to require the appointment of the deputies and deputy ambassadors (assistant to the ambassadors) and consuls general named above.

(2) The President or his or her designee may appoint officers and employees not included in subsection (1) of this section, without the advice and consent of the Congress; provided that such appointments are not inconsistent with the provisions of this chapter or other laws of the Federated States of Micronesia.

(3) Any nomination submitted to Congress which is not acted upon within two (2) consecutive sessions of Congress, not including the session in which Congress first receives the nomination, or ninety (90) days, whichever occurs later in time, shall be deemed
rejected. The President shall not resubmit the nomination of any person to the Congress, for its action if the same Congress shall have previously rejected such nomination, unless the Congress shall by resolution authorize such resubmission.

(4) With the exception of the Chief Justice and Associate Justices of the Supreme Court, the Public Auditor, ambassadors, members of boards, commissions, and other entities with fixed terms, a public official whose appointment is subject to the advice and consent of the Congress shall submit his or her resignation no later than ninety (90) days after the President of the Federated States of Micronesia takes the oath of office, or at the time a new nominee for such position is confirmed by the Congress, whichever is earlier; provided that, in the case of ambassadors only, the resignation requirement of this subsection shall not become effective until May 11, 2007. The President may renominate the same public official for the same position subject to the advice and consent of the Congress."

Section 2. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 15 concerning FSM Joint Economic Management Committee and FSM Joint Trust Fund Committee.
Section 3. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new subchapter I of chapter 15 concerning FSM Joint Economic Management Committee.

Section 4. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1511 to read as follows:

"Section 1511. Creation of FSM Joint Economic Management Committee. There is hereby created a committee to be known as the Federated States of Micronesia Joint Economic Management Committee, hereinafter referred to as 'the FSM JEMCO'."

Section 5. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1512 to read as follows:

"Section 1512. Purpose. The purpose of the FSM JEMCO shall be to strengthen management and accountability of funds provided under the Compact of Free Association, as amended, to promote the effective use of funding provided thereunder, and to represent the FSM National Government in the Joint Economic Management Committee called for in Section 213 of Article I, Title Two of the Compact of Free Association, as amended."

Section 6. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a
new section 1513 to read as follows:

“Section 1513. Members.

(1) There shall be two members of the FSM JEMCO, both of whom shall be appointed by the President with the advice and consent of the Congress.

(2) One member shall represent the four states on a rotational basis, and the other member shall be from the FSM National Government.

(3) The member representing the state governments shall be appointed by the President after consultation with the relevant state governor.

(4) The member from the FSM National Government shall not be an official then holding a Department Secretary position.”

Section 7. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1514 to read as follows:

“Section 1514. Terms.

(1) The terms of the members of the FSM JEMCO shall be two years.

(2) The member representing the FSM National Government may be reappointed at the end of each term.

(3) No member from the states shall serve for more than one (1) term in any given eight-years period.”

Section 8. Title 55 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a new section 1515 to read as follows:

"Section 1515. Duties. The duties of the FSM JEMCO shall be to:

(1) Review the Development Plan and other planning and budget documents of the states and national governments, and monitor the progress made by the governments toward sustainable economic development and budgetary self-reliance in relation to their written goals and performance measures;

(2) Work closely with the various governments in the preparation of their annual budgets and to insure compliance with reporting requirements of the Compact, as amended;

(3) Review performance outcomes and other reported data in relation to the previous year's grant funding levels, terms, and conditions;

(4) Recommend grant allocations and performance objectives for the upcoming year,

(5) Formulate policy recommendations to the various governments relating to the duties in subsections (1) to (3) of this section.

(6) Represent the FSM National Government in the Joint Economic Management Committee called for in Section 213 of Article I, Title Two of the Compact of Free
Section 9. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1516 to read as follows:

'Section 1516. Annual Meetings. The FSM JEMCO shall meet at least once each year to:

(1) Review the audits and reports required under Title Two of the Compact of Free Association, as amended;

(2) Review the proposed annual budgets of the state and national governments;

(3) Evaluate the progress made by the state and national governments in meeting the objectives identified in their plan described in subsection (c) of Section 211 of Title Two of the Compact, as amended;

(4) Identify problems encountered, and recommend ways to increase the effectiveness of the assistance made available under Title Two of the Compact, as amended.'

Section 10. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new subchapter II of chapter 15 concerning the FSM Joint Trust Fund Committee.

Section 11. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1521 to read as follows:

'Section 1521. Creation of the Joint Trust Fund
Committee. There is hereby created a committee to be
known as the FSM Joint Trust Fund Committee.'

Section 12. Title 55 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new section 1522 to read as follows:

'Section 1522. Purpose. The FSM Joint Trust Fund
Committee is created consistent with Article 7, Part III
of the Agreement Between the Government of the United
States of America and the Government of the Federated
States of Micronesia Implementing Section 215 and
Section 216 of the Compact, as Amended Regarding a Trust
Fund. The Committee shall represent the FSM National
Government in the Joint Trust Fund Committee called for
in Section 215 of Article I, Title Two of the Compact,
as amended.'

Section 13. Title 55 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new section 1523 to read as follows:

'Section 1523. Members.

(1) The President shall appoint, with the advice and
consent of the Congress, the two FSM representatives to
the Joint Trust Fund Committee called for in Paragraph
2(a) of Article 7 of the Agreement Between the
Government of the United States of America and the
Government of the Federated States of Micronesia
Implementing Section 215 and Section 216 of the Compact, as Amended Regarding a Trust Fund.

(2) One representative shall be from the FSM National Government, and the other member shall represent the four states on a rotational basis.

(3) The member representing the FSM National Government shall not be a person then holding a Department Secretary position.

(4) The President shall also appoint, with the advice and consent of the Congress, two alternate representatives, who shall represent the FSM National Government in the Joint Trust Fund Committee if one of the members appointed pursuant to subsection (1) of this section is temporarily unable to attend a Joint Trust Fund Committee meeting. The two alternate members shall be appointed in the same manner set forth in subsections (2) and (3) of this section."

Section 14. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1524 to read as follows:

"Section 1524. Terms.

(1) The FSM representatives to the Joint Trust Fund Committee shall serve for a term of 2 years.

(2) The representative of the FSM National Government may be reappointed."
(3) No representative of the state governments shall serve for more than one (1) term in any given eight-year period.”

Section 15. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1525 to read as follows:

'Section 1525. Annual Meeting. The FSM Joint Trust Fund Committee shall meet at least once each year to consider the state and national governments positions concerning:

(1) the operation, supervision, and management of the Trust Fund;

(2) the investment and distribution of resources of the Trust Fund; and

(3) the agreements and arrangements with subsequent contributors and other organizations.”

Section 2. 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: __________ Introduced by: __________________________

Dion G. Neth