AN ACT

To further amend title 55 of the Code of the Federated States of Micronesia, as amended, by enacting a new chapter 15 thereof for the purpose of establishing a Compact Management Board and to amend section 204 of title 2 of the Code of the Federated States of Micronesia for the purpose of creating an Office of Compact Management, and for other purposes.

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

Section 1. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new chapter 15 thereof, entitled "Compact Management Board", for the purposes of establishing a Compact Management Board to represent the interests of the Federated States of Micronesia in connection with matters relating to the Compact of Free Association between the Federated States of Micronesia and the United States, as amended, and to manage certain functions and activities necessary to comply with the Compact.

Section 2. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1501 to read as follows:

"Section 1501. Definitions. When used in this chapter:

(1) 'Appointing Authority' means the President or State Governor, as appropriate, given the right to appoint a Member pursuant to section 1503 of this chapter.

(2) 'Board' means the Compact Management Board as established by section 1502 of this chapter.

(3) 'Chairman' means the chairman of the Board appointed pursuant to subsection 1505(1) of this chapter.

(4) 'Compact' means the Compact of Free Association, as amended.
1 States, as ratified on May 26, 2004.

(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) 'Member' means an individual appointed to the Board pursuant to section 1503 of this chapter.

(8) 'Meeting' means a meeting of the Board duly constituted pursuant to subsection 1506(2) of this chapter.

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

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

(11) 'Trust Fund Committee' means the Joint Trust Fund Committee established pursuant to the Compact.

Section 3. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1502 to read as follows:

"Section 1502. Establishment of the Board. There is hereby established a Compact Management Board under the authority of the National Government."

Section 4. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1503 thereof to read as follows:

"Section 1503. Appointment and removal of Board Members. (1) The Board shall consist of seven members, appointed in the following manner:

(a) The Head of the Office of Compact Management, appointed as provided in section 207 of title 2 of the Code of the Federated States of Micronesia;"
(b) Two Members shall be appointed by the President of the Federated States of Micronesia on the advice and consent of Congress; and

(c) One member shall be appointed by each State in such manner as may be established by State law.

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

(3) Each Member shall serve at the pleasure of its Appointing Authority, however, no Member's term shall be less than one year.

(4) A vacancy on the Board may be filled, pending appointment of a new Member:

(a) in the case of a Member appointed pursuant to subsection (1)(b), by the President or his designee; or

(b) in the case of a Member appointed pursuant to subsection (1)(c) by the Governor of the appointing State or his designee.

(5) A Member appointed pursuant to subsection 1(b) may be removed from the Board by resolution and a two-thirds vote of Congress. A Member appointed by a State may be removed as may be provided by the law of that State.

(6) Members shall not be entitled to compensation for
their position on the Board. All related expenses
incurred by a Member shall be the responsibility of the
Appointing Authority."

Section 5. Title 55 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new section 1504 thereof to read as follows:

"Section 1504. Powers and responsibilities of the
Board.

The Board shall have the following powers and
responsibilities:

(1) To formulate guidelines for the JEMCO
Representatives to follow in their communications of
Compact matters at JEMCO meetings.

(2) To support the JEMCO Representatives in matters
relating to the Compact.

(3) To identify, consider and formulate positions, in
the best interests of the Federated States of
Micronesia, with regard to issues to be addressed by
JEMCO and other issues relating to the management of the
Compact, provided that the Board shall not alter the
proposals for Compact Sector Grant Awards submitted by
the President to JEMCO on behalf of the National
Government or the States, the Infrastructure Development
Plan or Strategic Plan, as such terms are defined in the
Compact, submitted by the Federated States of Micronesia
(4) To coordinate the submission to JEMCO and the United States of such reports, presentations and information as may be needed to support proposals to JEMCO and positions taken on behalf of the Federated States of Micronesia;

(5) To ensure that all reports and other documents required by the Compact are submitted on a timely basis;

(6) To provide oversight of the implementation of the provisions of the Compact by the National Government and each of the State Governments and their respective agencies, and as the Board deems appropriate, including the conducting of investigations to ensure that the National Government and each of the State Governments is in compliance with all terms of the Compact;

(7) To direct the work, in conjunction with the President, of the Office of Compact Management;

(8) To establish procedures or rules for conducting the business of the Board; and

(9) To report to the President, Congress and each of the States concerning the activities of the Board, the actions of JEMCO and the Trust Fund Committee, and other significant matters relating to the Compact.

(10) To use its best efforts to ensure that the obligations of the Federated States of Micronesia under
the Compact are satisfied and the rights of the
Federated States of Micronesia under the Compact are
preserved and upheld."

Section 6. Title 55 of the Code of the Federated States of
Micronesia, as amended, is hereby further amended by enacting a
new section 1505 thereof to read as follows:

"Section 1505. **Chairman of the Board.**

(1) The Members shall elect, as the first order of
business at the first Meeting, a Chairman.

(2) The Member elected Chairman shall serve as
Chairman until the Members elect another Member as
Chairman.

(3) In the case of vacancy in the office of Chairman,
the Member appointed pursuant subsection 1503(1)(a) of
this chapter shall serve as Chairman.

(4) The duties and powers of the Chairman shall
include calling a Meeting to order, setting the agenda
for a Meeting, directing the voting process of the Board
as outlined in section 1507 of this chapter, designating
the time and place of the next Meeting and providing
reasonable notice to the Members of such time and place
of the next Meeting.

(5) The Chairman must call a Meeting to order when a
majority of the Members present request that such
Meeting be called.
(6) Where a majority of the Members at a Meeting request that the next Meeting be designated at a specific time and/or place, the Chairman must designate the next Meeting at such time and/or place. The Chairman must also designate the time and place of the next Meeting as the time and/or place specified in a written request signed by a majority of the Members and delivered to the Chairman."

Section 7. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1506 thereof to read as follows:

"Section 1506. Meeting of the Board.

(1) The Board shall conduct a Meeting at least once a year.

(2) A Meeting is duly constituted when at least four Members are present, including at least one of the Members appointed pursuant to subsections 1503(1)(a) or (b) of this chapter, and called to order by the Chairman.

(3) Members may be present by means of telephone provided that each Member present is able to clearly hear each and every other Member present.

(4) If a Member is unable to attend a meeting, such Member may designate an alternate to attend the meeting on that Member’s behalf. An alternate may vote at a
meeting provided that a written authorization is signed by the appropriate Appointing Authority and delivered to the Chairman prior to the vote."

Section 8. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1507 thereof to read as follows:

"Section 1507. Voting.

(1) All procedures, guidelines and positions formulated by the Board shall be approved and all elections by the Board shall be determined by a majority vote of its Members present at a duly constituted meeting.

(2) All votes are to be conducted in the manner determined by the Chairman."

Section 9. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1508 thereof to read as follows:

"Section 1508. Appointment of JEMCO and Trust Fund Committee Representatives.

(1) The Member appointed pursuant to subsection 1503(1)(a) of this chapter shall serve as a JEMCO Representative.

(2) The President shall appoint one of the Members appointed pursuant to subsection 1503(1)(b) to serve as a JEMCO Representative.

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(3) JEMCO Representatives shall serve a two-year term, or such other term as may be provided in the Compact.

(4) JEMCO Representatives may be re-appointed.

(5) In the event of a vacancy of a JEMCO Representative, the Member appointed pursuant to subsection 1503(1)(b) who is not a JEMCO Representative shall become the JEMCO Representative until such vacancy is filled.

(6) JEMCO Representatives shall also serve as the representatives of the Federated States of Micronesia on the Trust Fund Committee."

Section 10. Section 204 of title 2 of the Code of the Federated States of Micronesia, as amended by Public Law No. 10-55, is hereby further amended to read as follows:

"Section 204. Other Executive Offices.
There shall be the following executive offices:

(1) Office of the Public Defender; and

(2) Office of Compact Management."

Section 11. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1509 to read as follows:

"Section 1509. Office of Compact Management.
In addition to advising the President on Compact matters, the Office of Compact Management shall provide assistance to and take direction from the Board. The
duties that may be asked of the Office of Compact Management by the Board shall include the following:

(1) To be principally responsible, on behalf of the Federated States of Micronesia, for day-to-day communications with JEMCO and the United States with regard to JEMCO and Compact matters;

(2) Under the direction of the Board, to gather, develop and submit to the Trust Fund Committee;

(3) To submit to the President, Congress and the States reports relating to the activities of the Office of Compact Management;

(4) To gather information for the Board relating to compliance by the National Government and the States with the requirements of the Compact;

(5) To assist representatives of the National Government and the States;

(6) To do such further and additional things as may be directed by the Board.

Section 12. Until such time as Public Law No. 13-46 is amended to reflect the reorganization effected by this title, the budget authority as provided therein shall be transferred in proportion to the reassignment of personnel, functions and responsibilities effected pursuant to this title."

Section 13. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended, by enacting a new section 1510 thereof to read as follows:

"Section 1510. Appointment of the Head of the Office of Compact Management. The Head of Office of Compact Management shall be appointed pursuant to section 207 of title 2 of the Code of the Federated States of
Section 14. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended by enacting a new section 1511 thereof to read as follows:

"Section 1511. Employees of the Office of Compact Management. Every employee of the Office of Compact Management with the exception of the Head, shall be subject to the provisions of title 52 of the Code of the Federated States of Micronesia: the National Public Service System Act."

Section 15. Title 55 of the Code of the Federated States of Micronesia, as amended, is hereby further amended, by enacting a new section 1512 thereof to read as follows:

"Section 1512. Cooperation from the governments. The National Government and the State governments and each of their respective departments and agencies shall cooperate with the Board and the Office of Compact Management by providing such data, information and reports as may be requested. The Board shall have the power to issue subpoenas, enforceable by the courts of the Federated States of Micronesia, in the event that the Board finds that any government or any of its departments or agencies has failed to provide requested data, information and reports in a timely manner."
Section 15. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

LAW WITHOUT SIGNATURE – OVERRIDDEN JANUARY 27, 2005

Joseph J. Urusemal
President
Federated States of Micronesia