

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:

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

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

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

14                   (1) 'Appointing Authority' means the President or State Govern

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

17                   (3) 'Chairman' means the chairman of the Board appointed pursu

18                   (4) 'Compact' means the Compact of Free Association, as amende

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1 States, as ratified on May 26, 2004.

2 (5) 'JEMCO' means the Joint Economic Management Committee esta

3 (6) 'JEMCO Representative' means a voting member representing

4 (7) 'Member' means an individual appointed to the Board pursua

5 (8) 'Meeting' means a meeting of the Board duly constituted pu

6 (9) 'National Government' means the National Government of the

7 (10) 'State' means a state of the Federated States of Micronesi

8 (11) 'Trust Fund Committee' means the Joint Trust Fund Committe

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

12 "Section 1502. Establishment of the Board.

13 There is hereby established a Compact Management Board  
14 under the authority of the National Government."

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

18 "Section 1503. Appointment and removal of Board  
19 Members.

20 (1) The Board shall consist of seven members,  
21 appointed in the following manner:

22 (a) The Head of the Office of Compact  
23 Management, appointed as provided in section 207 of  
24 title 2 of the Code of the Federated States of  
25 Micronesia;

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1                   (b) Two Members shall be appointed by the  
2                   President of the Federated States of Micronesia on the  
3                   advice and consent of Congress; and

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

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

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

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

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

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

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

25                  (6) Members shall not be entitled to compensation for

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1           their position on the Board. All related expenses  
2           incurred by a Member shall be the responsibility of the  
3           Appointing Authority."

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

7           "Section 1504. Powers and responsibilities of the  
8           Board.

9           The Board shall have the following powers and  
10          responsibilities:

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

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

16           (3) To identify, consider and formulate positions, in  
17          the best interests of the Federated States of  
18          Micronesia, with regard to issues to be addressed by  
19          JEMCO and other issues relating to the management of the  
20          Compact, provided that the Board shall not alter the  
21          proposals for Compact Sector Grant Awards submitted by  
22          the President to JEMCO on behalf of the National  
23          Government or the States, the Infrastructure Development  
24          Plan or Strategic Plan, as such terms are defined in the  
25          Compact, submitted by the Federated States of Micronesia

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1 to JEMCO;

2 (4) To coordinate the submission to JEMCO and the  
3 United States of such reports, presentations and  
4 information as may be needed to support proposals to  
5 JEMCO and positions taken on behalf of the Federated  
6 States of Micronesia;

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

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

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

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

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

24 (10) To use its best efforts to ensure that the  
25 obligations of the Federated States of Micronesia under

1           the Compact are satisfied and the rights of the  
2           Federated States of Micronesia under the Compact are  
3           preserved and upheld."

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

7           "Section 1505. Chairman of the Board.

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

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

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

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

23          (5) The Chairman must call a Meeting to order when a  
24          majority of the Members present request that such  
25          Meeting be called.

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1           (6) Where a majority of the Members at a Meeting  
2           request that the next Meeting be designated at a  
3           specific time and/or place, the Chairman must designate  
4           the next Meeting at such time and/or place. The  
5           Chairman must also designate the time and place of the  
6           next Meeting as the time and/or place specified in a  
7           written request signed by a majority of the Members and  
8           delivered to the Chairman."

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

12                 "Section 1506. Meeting of the Board.

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

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

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

23                 (4) If a Member is unable to attend a meeting, such  
24                 Member may designate an alternate to attend the meeting  
25                 on that Member's behalf. An alternate may vote at a

1 meeting provided that a written authorization is signed  
2 by the appropriate Appointing Authority and delivered to  
3 the Chairman prior to the vote."

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

7 "Section 1507. Voting.

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

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

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

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

20 (1) The Member appointed pursuant to subsection  
21 1503(1)(a) of this chapter shall serve as a JEMCO  
22 Representative.

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



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

3           (4) JEMCO Representatives may be re-appointed.

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

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

12           Section 10. Section 204 of title 2 of the Code of the  
13           Federated States of Micronesia, as amended by Public Law No. 10-  
14           55, is hereby further amended to read as follows:

15           "Section 204. Other Executive Offices.

16           There shall be the following executive offices:

17           (1) Office of the Public Defender; and

18           (2) Office of Compact Management."

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

22           "Section 1509. Office of Compact Management.

23           In addition to advising the President on Compact  
24           matters, the Office of Compact Management shall provide  
25           assistance to and take direction from the Board. The

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1 duties that may be asked of the Office of Compact  
2 Management by the Board shall include the following:

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

7 (2) Under the direction of the Board, to gather, develop and  
8 Compact;

9 (3) To submit to the President, Congress and the States report  
10 the Trust Fund Committee;

11 (4) To gather information for the Board relating to compliance

12 (5) To assist representatives of the National Government and t

13 (6) To do such further and additional things as may be directed

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

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

22 "Section 1510. Appointment of the Head of the Office  
23 of Compact Management. The Head of Office of Compact  
24 Management shall be appointed pursuant to section 207  
25 of title 2 of the Code of the Federated States of

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1           Micronesia."

2           Section 14. Title 55 of the Code of the Federated States of  
3 Micronesia, as amended, is hereby further amended by enacting a  
4 new section 1511 thereof to read as follows:

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

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

14          "Section 1512. Cooperation from the governments.  
15 The National Government and the State governments and  
16 each of their respective departments and agencies shall  
17 cooperate with the Board and the Office of Compact  
18 Management by providing such data, information and  
19 reports as may be requested. The Board shall have the  
20 power to issue subpoenas, enforceable by the courts of  
21 the Federated States of Micronesia, in the event that  
22 the Board finds that any government or any of its  
23 departments or agencies has failed to provide requested  
24 data, information and reports in a timely manner."  
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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.

\_\_\_\_\_, 2004

LAW WITHOUT SIGNATURE - OVERRIDDEN JANUARY 27, 2005

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Joseph J. Urusemal  
President  
Federated States of Micronesia

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