AN ACT

To further amend chapter 15 of Title 55 of the Code of the Federated States of Micronesia, as amended, by amending section 1503 on the removal of Board members, by amending sections 1504 and 1509 to state that the work of the Office of Compact Management and the direction given by the Board are subject to the ultimate authority of the President and by amending section 1508 to state that the Head of the Office of Compact Management and at least one Board member will also be a representative of the Federated States of Micronesia on the Trust Fund Committee, and for other purposes.

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

Section 1. Section 1503 of Title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-75, is hereby amended 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;

(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.

(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;

(b) in the case of a member appointed pursuant to subsection (1)(c), by the Appointing Authority;
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 the President. 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 2. Section 1504 of title 55 of the Code of the
Federated States of Micronesia, as enacted by Public Law No. 13-
75, is hereby amended 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 to JEMCO;

(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 monitor 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 of the Office of Compact Management with the concurrence, and subject to the ultimate authority, of the President;
(8) To establish procedures or rules for conducting the business of the Board;

(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; and

(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 3. Section 1508 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-75, is hereby amended 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 and a representative of the Federated States of Micronesia on the Trust Fund Committee.

(2) The President shall appoint one of the members appointed pursuant to subsection 1503(1)(b) to serve as a JEMCO Representative. The President shall appoint the same or the other member appointed pursuant to subsection 1503(1)(b) to serve as a representative of
the Federated States of Micronesia on the Trust Fund Committee.

(3) JEMCO Representatives and representatives of the Federated States of Micronesia on the Trust Fund Committee shall serve a two-year term, or such other term as may be provided in the Compact.

(4) JEMCO Representatives and representatives of the Federated States of Micronesia on the Trust Fund Committee may be re-appointed.

(5) In the event of a vacancy or absence of a JEMCO Representative or representative of the Federated States of Micronesia on the Trust Fund Committee, the member appointed pursuant to subsection 1503(1)(b) who is not a JEMCO Representative or, as the case may be, a Trust Fund Committee representative shall become the JEMCO Representative or Trust Fund Committee representative until such vacancy is filled or during such absence.

Section 4. Section 1509 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-75, is hereby amended to read as follows:

"Section 1509. Office of Compact Management.
The Office of Compact Management shall assist and advise the President on Compact matters. In addition, pursuant to the directives of the President, the Office of Compact Management shall provide assistance to the
Board. The Board may also give direction to the Office of Compact Management on Compact matters with the concurrence, and subject to the ultimate authority, of the President. 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) To gather, develop and submit to JEMCO and the United States information, data and reports relating to Compact matters, including such reports as may be required by the Compact;

(3) To submit to the President, Congress and the States reports relating to the activities of the Trust Fund Committee;

(4) To gather information relating to compliance by the National Government and the States with the requirements of chapter 5 of title 55 of the Code of the Federated States of Micronesia; and

(5) To assist representatives of the National Government and the States in their efforts to comply with the requirements of chapter 5 of title 55 of the Code of the Federated States of Micronesia;

(6) To do such further and additional things as may be directed by the Board with the concurrence, and subject to the ultimate authority, of the President.

Section 5. Section 1511 of title 55 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 13-75, is hereby amended to read as follows:

"Section 1511. Employees of the Office of Compact Management. Employees of the Office of Compact Management shall be subject to the provisions of title
Section 6. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

February 22, 2006

/s/ Joseph J. Urusemal
Joseph J. Urusemal
President
Federated States of Micronesia