December 7, 2007

The Honorable Isaac V. Figir
Speaker
15th FSM Congress
Palikir, Pohnpei State, FM 96941

RE: C.A. No. 15-26

Dear Speaker Figir:

I am pleased to inform you that I designated the following Congressional Act as Public Law No. 15-21:

Congressional Act No. 15-26, "AN ACT TO AMEND TITLE 27 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA AS ENACTED BY PUBLIC LAW NO. 15-08, BY AMENDING SECTION 265 THEREOF TO PROVIDE AN ALTERNATIVE PROCEDURE FOR DIVESTMENT OF ASSETS AND OPERATIONS OF THE FEDERATED STATES OF MICRONESIA PETROLEUM CORPORATION TO THE STATES IN WHICH THEY ARE LOCATED, AND FOR OTHER PURPOSES."

Sincerely,

Manny Mori
President

xc: Chief Justice, FSM Supreme Court
Secretary, Dept. of Justice
Director, SBOC
Legislative Counsel, CFSM
Library, CFSM
PIO, FSM
November 27, 2007

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Mr. President:

I have the honor to transmit herewith Congressional Act No. 15-26, "AN ACT TO AMEND TITLE 27 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA AS ENACTED BY PUBLIC LAW NO. 15-08 BY AMENDING SECTION 265 THEREOF TO PROVIDE AN ALTERNATIVE PROCEDURE FOR DIVESTMENT OF ASSETS AND OPERATIONS OF THE FEDERATED STATES OF MICRONESIA PETROLEUM CORPORATION TO THE STATES IN WHICH THEY ARE LOCATED, AND FOR OTHER PURPOSES.", which was passed by the Fifteenth Congress of the Federated States of Micronesia, Third Special Session, 2007, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

[Signature]

Liwiana K. Ramon
Chief Clerk, Congress of the Federated States of Micronesia

Enclosures
An Act

TO AMEND TITLE 27 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA AS ENACTED BY PUBLIC LAW NO. 15-08 BY AMENDING SECTION 265 THEREOF TO PROVIDE AN ALTERNATIVE PROCEDURE FOR DIVESTMENT OF ASSETS AND OPERATIONS OF THE FEDERATED STATES OF MICRONESIA PETROLEUM CORPORATION TO THE STATES IN WHICH THEY ARE LOCATED, AND FOR OTHER PURPOSES.

INTRODUCED BY: SENATOR JOE N. SUKA (BY REQUEST)
DATE: NOVEMBER 16, 2007

REFERRED TO: RESOURCES AND DEVELOPMENT COMMITTEE
FIRST READING: NOVEMBER 22, 2007
SECOND READING: NOVEMBER 23, 2007

Liwiana K. Ramon
Chief Clerk, FSM Congress
ACT NO. 15-26

(CONGRESSIONAL BILL NO. 15-82)

We hereby certify that on November 23 the foregoing act passed Second and Final Reading of the Fifteenth Congress of the Federated States of Micronesia, Third Special Session, 2007, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

Isaac V. Figir
Speaker
Congress of the Federated States of Micronesia

Liwiana K. Ramon
Chief Clerk
Congress of the Federated States of Micronesia
AN ACT

To amend title 27 of the Code of the Federated States of Micronesia as enacted by Public Law No. 15-08 by amending Section 265 thereof to provide an alternative procedure for divestment of assets and operations of the Federated States of Micronesia Petroleum Corporation to the States in which they are located, and for other purposes.

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

1 Section 1. Title 27 of the Code of the Federated States of Micronesia, as enacted by Public Law No. 15-08, is hereby amended by adding a new subsection 3 to Section 265 thereof to read as follows:

"Section 265. Issuance of Shares; divestment.

(1) Upon the written instruction of the Executive Council, the Corporation shall, through the filing of such documents as may be required of privately-held corporations, including, without limitation, Articles of Incorporation, Bylaws and Share Affidavits, capitalize itself through the issuance of common shares and, in such event, the provisions of this Chapter shall be made subject to the terms of the Articles of Incorporation and Bylaws, and nothing in this Chapter shall be read as restricting the payment of dividends, the holding of annual shareholder’s meetings, the conduct of audits for the benefit of shareholders, the election of Directors and such other corporate governance and shareholder’s
rights provisions as may be set out in the Articles of
Incorporation and Bylaws and approved by the Executive
Council.

(2) Upon the written instruction of the Executive
Council, the Corporation shall, subject to the
conditions set forth in Section 243, take all necessary
steps to divest its assets and operations, in whole or
in part, to such entity or entities as shall be directed
by the Executive Council. The Board and officers of the
Corporation shall take all necessary actions to
effectuate such divestment, including the execution of
documents and instruments, and the turnover of books,
records and personal property as shall be necessary to
transfer operations and assets of the Corporation to the
entity or entities designated by the Executive Council.
Upon written instruction of the Executive Council
following such divestment, the Corporation shall wind up
its affairs and cease operation."

(3) Notwithstanding any other provisions of this
Section, the assets and operations of the Corporation
may be divested to the State in which the assets and
operations are located if:

(a) such State provides full payment or
reimbursement of all debts and expenses incurred by the
Government of the Federated States of Micronesia and the
Corporation in the acquisition of those assets, and any
product inventory remaining therein at the time of the
divestment;

(b) such divestment is approved by the majority
decision of the Executive Council; and

(c) the manner of divestment does not breach any
agreement to which the Corporation, the Government of
the Federated States of Micronesia, or the State is
bound in respect of the assets or the supply of
products.

Section 2. Effectiveness. This act shall become law upon
approval by the President of the Federated States of Micronesia or
upon its becoming law without such approval.

12, 07, 2007

Manny Mori
President
Federated States of Micronesia