AN ACT

To further amend title 24 of the Code of the Federated States of Micronesia (Annotated), as amended, by creating a new chapter 12 to establish the Vessel Day Scheme Acquisition Fund, and for other purposes.

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

1 Section 1. Policy statement. It is the intent of this act to strengthen the mandate of the National Oceanic Resources Management Authority (NORMA) to manage, administer and exploit fisheries resources. At the same time, mindful of the potential revenue associated with favorable and unpredictable fishing conditions under the Vessel Day Scheme (VDS), it is the sense of the Congress of the Federated States of Micronesia that a VDS Revolving Fund established by this act could leverage the further maximization of revenue from fisheries through the trading of vessel days in the manner consistent with the prevailing practices among the PNA members.

2 Section 2. Title 24 of the Code of the Federated States of Micronesian (Annotated), as amended, is hereby further amended by creating a new chapter 12 entitled:

“Chapter 12. Vessel Day Scheme Acquisition Fund”.

3 Section 3. Chapter 12 of title 24 of the Code of the Federated States of Micronesian (Annotated), as amended, is hereby amended by inserting a new section 1201 to read as follows:

“Section 1201. Establishment. There is hereby created
and established the Vessel Day Scheme (VDS) Acquisition Fund, hereinafter referred to as the “VDS Acquisition Fund”, separate from the General Fund of the Federated States of Micronesia and all other funds.”

Section 4. Chapter 12 of title 24 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by inserting a new section 1202 to read as follows:

“Section 1202. Purpose.

To provide the legal and financial authority of the National Oceanic Resources Management Authority to purchase vessel days from members of the Parties to the Nauru Agreement (PNA) who are Parties to the Palau Arrangement Vessel Day Scheme (VDS Participants) for the purpose of re-selling the vessel days to interested parties who hold valid fishing access agreements with the National Oceanic Resource Management Authority for the purpose of generating revenue or maximizing economic benefit for the Federated States of Micronesia. The Fund shall be used exclusively to purchase vessel days.”

Section 5. Chapter 12 of title 24 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by inserting a new section 1203 to read as follow:

“Section 1203. Acquisition of vessel days

To maximize fishing opportunities, the Board of Directors may authorize the Executive Director to use
funding in the VDS Acquisition Fund to secure additional fishing days from PNA members as provided by the Palau Arrangement."

Section 6. Chapter 12 of title 24 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by inserting a new section 1204 to read as follows:

“Section 1204. Deposits.

All future appropriations for the Fund shall be deposited in the Fund. The total amount of the fund shall be limited to $3,000,000. All revenues generated and any unexpended moneys in excess of $3,000,000 shall be paid into the General Fund.”

Section 7. Chapter 12 of title 24 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by inserting a new section 1205 to chapter 12 to read as follows:

“Section 1205. Administration.

The Fund shall be administered by the President of the Federated States of Micronesia or his designee, who shall establish procedures necessary and appropriate for the effectuation and implementation of the provisions of this chapter.”

Section 8. Chapter 12 of title 24 of the Code of the Federated States of Micronesia (Annotated), as amended, is hereby amended by inserting a new section 1206 to read as follows:
The President or his designee shall report to the
Congress of the Federated States of Micronesia on the
status of the Fund at the close of each fiscal year.”

Section 9. Chapter 12 of title 24 of the Code of the
Federated States of Micronesia (Annotated), as amended, is hereby
amended by inserting a new section 1207 to read as follows:

“Section 1207. Regulation. With the approval of the
President, the Authority shall promulgate appropriate
regulation in accordance with the Administrative
Procedures Act, providing for suitable policy concerning
the trading of vessel days and such controls that shall
govern the management of the revolving fund in
accordance with the Financial Management Act.”
Section 10. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

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May 10, 2019

/s/ Peter M. Chrisian
Peter M. Christian
President
Federated States of Micronesia