A BILL FOR AN ACT

To reorganize the Government of the Federated States of Micronesia, and for other purposes.

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

Section 1. Section 203 of title 2 of the Code of the Federated States of Micronesia, as amended by Public Law No. 4-65, is hereby further amended to read as follows:

"Section 203. Departments.

(1) There shall be the following departments which shall be responsible for major programs or administrative support areas in the Government of the Federated States:

(a) Department of Finance;
(b) Department of External Affairs;
(c) Department of Resources and Development; and
(d) Department of Transportation;
(e) Department of Foreign Affairs;
(f) Department of Justice;
(g) Department of Budget and Planning;
(h) Department of Economic Development;
(i) Department of Marine and Maritime Affairs;
(j) Department of Human Resources; and
(k) Department of Administrative Services.

(2) The administrative head of each department shall be designated as a 'Secretary' 'Minister' except that the administrative head of the Department of Justice shall be designated as the 'Attorney General.'

(3) Succession.

(a) Any reference to the Department of External Affairs, the Department of Resources and Development, the
Department of Transportation, the Office of the Attorney General, the Office of Budget, the Office of Information, the Office of Personnel, the Office of Planning and Statistics, the Office of Education, or the Office of Health Services shall apply to the appropriate successor entity.

(b) Any reference to any official or employee of an entity referred to in subsection (3)(a) of this section shall be construed as applying to the person holding the same or most similar position in the appropriate successor entity."

Section 2. Section 204 of title 2 of the Code of the Federated States of Micronesia, as amended by Public Law No. 4-65, is hereby further amended to read as follows:

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

[(1) Office of the Attorney General]
[(2) Office of Budget]
[(3) Office of Information]
[(4) Office of Personnel]
[(5) Office of Planning and Statistics]
[(6) Office of the Public Defender]
[(7) Office of Education and]
[(8) Office of Health Services/"

Section 3. Section 201 of title 22 of the Code of the Federated States of Micronesia is hereby repealed in its entirety and a new section 201 is hereby enacted to read as follows:
"Section 201. Definitions.
(1) 'Board' means the Minister of Economic Development.
(2) 'Coconut Development Authority' and 'Authority' mean
the Minister of Economic Development."

Section 4. Section 401 of title 22 of the Code of the Federated
States of Micronesia is hereby amended to read as follows:
"Section 401. Purpose and definition.
(1) In order to protect the agricultural and general
well-being of the people of the Federated States of
Micronesia, quarantines are promulgated as a means of
preventing the introduction and further dissemination of
injurious insects, pests, and diseases into and within the
Federated States of Micronesia.
(2) The term 'Secretary of Resources and Development'
when used herein shall hereinafter mean the Minister of Human
Resources."

Section 5. Section 102 of title 24 of the Code of the Federated
States of Micronesia is hereby amended to read as follows:
"Section 102. Definitions. As used in this title, unless the
context otherwise requires, the term:
(1) 'Atoll' means a circular or oval coral reef forming
a geographic and ecologic unity crowned by at least one
island.
(2) 'Authority' and 'Micronesian Maritime Authority'
means the MICRONESIAN MARITIME AUTHORITY ESTABLISHED BY
Section 301 of this title. Minister of Marine and Maritime Affairs.

(3) 'Congress' means the Congress of the Federated States of Micronesia.

(4) 'Executive director' and 'chairman' mean the executive director of the Federated States Maritime Authority Director of the Division of Fisheries Licensing of the Department of Marine and Maritime Affairs.

(5) 'Fish' means any living resource.

(6) 'Fishery' means:

(a) one or more stocks of fish which can be treated as a unit for purposes of conservation and management and which are identified on the basis of geographical, scientific, technical, recreational, and economic characteristics; and

(b) any fishing for such stocks.

(7) 'Fishing' means:

(a) the actual or attempted catching, taking, or harvesting of fish;

(b) any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish; or

(c) any operations at sea in support of or in preparation for any activity described in paragraphs (a) and (b) of this subsection.

(8) 'Fishing vessel' means any vessel, boat, ship, or
other craft which is used for, equipped to be used for, or of
a type that is normally used for:

    (a) fishing;

    (b) aiding or assisting one or more vessels at sea
in the performance of any activity related to fishing, includ-
ing, but not limited to preparation, supply, storage, refriger-
ation, transportation, or processing.

    (9) 'Foreign fishing' means fishing by vessels:

        (a) not registered in Micronesia; or

        (b) not wholly owned by citizens of Micronesia; or

        (c) not wholly controlled by citizens of Micronesia;

        or

        (d) of foreign registry chartered by citizens of
Micronesia.

    (10) 'Foreign fishing agreement' means an agreement
between the Authority on behalf of the Government of the
Federated States of Micronesia and one or more foreign
commercial fishing interests to permit foreign vessels to
harvest fish within the extended fishery zone of the
Federated States of Micronesia. A 'foreign party' is a
party to such an agreement other than the authority.

    (11) 'Island' means a naturally formed area of land,
surrounded by water, which is above water at high tide.

    (12) 'Living resource' means a finfish, mollusks,
crustaceans, and all other forms of marine animal and plant life
other than marine birds.

(13) 'Micronesia' or 'Government of Micronesia' refers to the appropriate State government or the Government of the Federated States of Micronesia.

(14) 'Person' means any individual, corporation, partnership, association, or other entity, the Government of Micronesia or any of its subdivisions or any entity thereof, and any foreign government, subdivision of such government, or entity thereof.

(15) 'Reef fish' means any species of living resource which predominately inhabits reef areas or internal waters.

(16) 'State' means any of the States of the Federated States of Micronesia.

(17) 'Stock of fish' means a species, subspecies, geographical grouping, or other category of fish capable of management as a unit.

(18) 'Submerged reef' means a coral reef forming a geographic and ecologic unity which is wholly submerged at high tide."

Section 6. Section 201 of title 26 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 201. Establishment Authorization. The [Insert Text]

For Micronesian History and Culture Purposes..."
The Minister of Administrative Services shall oversee the identification, conservation, and protection of historic properties and cultural attributes within the Federated States of Micronesia through the effective administration of funds from various sources. As used herein, 'Institute' means the Minister of Administrative Services or his designee."

Section 7. Section 102 of title 29 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 102. Definitions. As used in this title, unless it is otherwise provided or the context requires a different construction, application, or meaning:

(1) 'Bank' means a stock or mutual corporation or unincorporated association with sufficient capital, authorized by law to receive deposits of money or securities, to open credits, checking accounts, and savings accounts, to make loans, and in general to engage in all kinds of banking transactions, but does not mean a National banking association established by the Federated States of Micronesia. 'Bank' includes a savings and loan association but does not include a credit union.

(2) 'Banking Board' means the board established pursuant to section 202 of this title Minister of Finance.
(3) 'Branch' means an office of a bank at which deposits are received or checks paid or money lent.

(4) 'Demand deposit' means any deposit which is repayable by its terms not more than three days after the time it is made.

(5) 'Deposits' means money or other property transferred or assigned to any person pursuant to an agreement, expressed or implied, that the person shall repay such moneys upon demand (whether in person or by written order) or after a fixed or determinable period of time. Money loaned to a bank which is to be repaid not sooner than five years from the date of the loan, and pursuant to a loan agreement under which the obligation to repay is subordinate to the rights of depositors, shall not be deemed to be a deposit. Money transferred to a credit union as a purchase or its shares shall not be deemed to be a deposit.

(6) 'Domestic bank' means a bank organized under the provisions of chapter 3 of this title.

(7) 'Foreign bank' means a corporation or other financial institution organized for the purpose of engaging in the banking business under the laws of the United States or of a territory or State of the United States, or of a foreign country, operating a bank in its home territory, State, or country.
(8) 'Legal reserve' means the sum which every domestic bank and foreign bank shall at all times have available for the payment of their deposit liabilities pursuant to the provisions of this title.

(9) 'Paid-in capital, surplus, and undistributed profits' means, in the case of a foreign bank, the aggregate paid-in capital, surplus, and undistributed profits of such bank and not merely that allocated to, located in, or arising out of its operations in the Federated States of Micronesia.

(10) 'Person' includes individuals, corporations, partnerships, and any other business entity.

(11) 'Public Auditor' means the Public Auditor appointed by the President of the Federated States of Micronesia with the advice and consent of the Congress pursuant to the Constitution.

(12) 'Registrar of Corporations' means the Registrar of Corporations of the National Government of the Federated States of Micronesia.

(13) 'Related person' with respect to any person means his spouse, child, parents, brothers, or sisters, or any partnership, corporation, or firm in which he owns more than a ten percent interest."

Section 8. Section 101 of title 32 of the Code of the Federated States of Micronesia is hereby amended to read as follows:
"Section 101. Business license required - Generally.
(1) Any person, partnership, corporation, or association engaging in the business of importing, exporting, selling of securities, or insurance, as a condition precedent to engaging or continuing in such business, shall obtain from the Secretary of Resources and Development Minister of Economic Development a license to engage in or conduct such business. All references in this chapter to the Secretary of Resources and Development shall be deemed to refer to the Minister of Economic Development.
(2) Prior consultation with the Secretary Minister of Finance by the Secretary of Resources and Development Minister of Economic Development shall be required prior to issuance of licenses to businesses engaged in selling of securities or importing."

Section 9. Section 202 of title 32 of the Code of the Federated States of Micronesia is hereby amended to read as follows:
"Section 202. Definitions. When words defined in this section are used in this chapter, unless otherwise required by the context, the following definitions shall govern:
(1) 'Board' means the Minister of Economic Development.
(12) 'Business' means any sole proprietorship, partnership, corporation, or any other association engaged in commerce.
(13) 'Citizen' means any person or business not included in the definition of noncitizen contained in this chapter.
(14) 'Licensee' means any noncitizen who has been issued a foreign-investment permit under this chapter, including agents
or employees of the noncitizen.

(45) 'Noncitizen' means/
Micronesia, who shall issue, receive, and hold as custodian
all certificates, papers, statements, or other records of docu-
ments required by the provisions of this chapter, or rules or
regulations promulgated hereunder, to be distributed by or filed
with the Government of the Federated States of Micronesia, and
shall perform such other duties as may from time to time be
assigned to him by the President of the Federated States of
Micronesia or the Secretary of Resources and Development
Minister of Economic Development."

Section 11. Section 202 of title 36 of the Code of the Federated
States of Micronesia is hereby amended to read as follows:

"Section 202. Authority to promulgate rules and regulations.
The Registrar of Corporations, with the approval of the
Secretary of the Department of Resources and Development
Minister of Economic Development and the President of the
Federated States of Micronesia, shall have the power to
prescribe such rules and regulations as are deemed advisable
to administer and carry into effect the provisions of this
chapter."

Section 12. Section 121 of title 40 of the Code of the
Federated States of Micronesia is hereby amended to
read as follows:

"Section 121. Definitions. As used herein, unless other-
wise indicated by the context:

(1) 'Board' means the Federated States of Micronesia
HAIDA OF EDUCATION Minister of Human Resources.

(2) 'Chief of education' means the CHIEF OF THE
DIVISION OF EDUCATION WITHIN THE DEPARTMENT OF SOCIAL
SERVICES Minister of Human Resources of the Federated
States of Micronesia.

(3) 'President' means the President of the Federated
States of Micronesia.

(4) 'Secretary of Social Services' means the
SECRETARY OF THE DEPARTMENT OF SOCIAL SERVICES Minister of
Human Resources of the Federated States of Micronesia."

Section 13. Section 101 of title 41 of the Code of the Federated
States of Micronesia is hereby amended to read as follows:

'Section 101. Duties of director of Health Services
generally.

(1) The director of Health Services shall either
personally or by his duly authorized representatives
maintain and improve health and sanitary conditions, minimize and
control communicable disease, establish standards of medical and
dental care and practice, encourage scientific investigation in
the field of health, and supervise and administer all Government-
owned hospitals, sanitariums, clinics, dispensaries,
and such other medical and dental facilities as are or may be
established throughout the Trust Territory Federated States of
Micronesia.

(2) As used in this title 'Director of Health Services'
means the Minister of Human Resources or his designee."

Section 14. Section 112 of title 51 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 112. Definitions. For the purposes of this chapter, unless it is otherwise provided or the context requires a different construction, application, or meaning:

(1) 'Available' means able to be on the island on which the employer desires workers on the date the employer states the workers are desired.

(2) 'Chief' means the Chief of the Division of Labor within the Department of Resources and Development Minister of Economic Development or his designee.

(3) 'Department of Resources and Development' means the Department of Economic Development.

(4) 'District representative' means any district employment services officer or any other person designated by the Chief to act on his behalf in any district in which there is no district employment services officer person designated by the Minister to act on his behalf.

(5) 'Employer' means any individual, partnership, association, or corporation hiring employees in the Trust Territory Federated States of Micronesia and any individual who has in his employ a domestic servant, but does not include any branch or agency of the Trust Territory Government or the United States Government Federated States of Micronesia.
(66) 'Employment service' means the Trust Territory Federated States of Micronesia Employment Service established under section 151 of this chapter.

(67) 'Employment service officer' means the official who is the head of the Trust Territory Federated States of Micronesia Employment Service established under section 151 of this chapter.

(78) 'Nonresident worker' means any person who is capable of performing services or labor and who is not a citizen of the Trust Territory Federated States of Micronesia or an immigrant alien admitted to the Trust Territory Federated States of Micronesia for permanent residence under the provisions of title 50 of this code, including persons acting in a professional, managerial, or executive capacity.

(89) 'Resident worker' means any person who is capable of performing services or labor and who is a citizen of the Trust Territory Federated States of Micronesia or an immigrant alien admitted to the Trust Territory Federated States of Micronesia for permanent residence under the provisions of title 50 of this code, including persons acting in a professional, managerial or executive capacity."

Section 15. Section 112 of title 52 of the Code of the Federated States of Micronesia is hereby amended to read as follows:

"Section 112. Definitions. In this chapter, unless the context requires otherwise, the following definitions shall apply:

(1) 'Adjusted base salary' means the total of base salary plus market place differential and foreign service
differential. If an employee is not entitled to either of these differentials, his adjusted base salary means his base salary.

(2) 'Base salary' means the specific rate of pay for a given pay level and step as contained within the base salary schedule established by law. 'Base salary' does not include differentials or allowances for night work, transfer, overtime, holiday work, travel per diem, or other similar ones.

(3) 'Class' or 'class of positions' means a group of positions sufficiently similar so that all can reasonably be identified by the same title, be filled by applying the same qualification standards, and be equitably compensated by the same salary level. A class may consist of only one position or of any greater number of positions.

(4) 'Eligible list' means a list of persons who have been found qualified for appointment to a position in a particular class. Such a list may be either reemployment, promotional, or open-competitive.

(5) 'Eligible person' or 'eligible' means a person whose name is on an active eligible list.

(6) 'Employee' means a person holding a position in the public service, whether permanently or otherwise.

(7) 'Management official' or 'management' means a person authorized to make appointments or changes in status of employees in the public service.

(8) 'Open-competitive examination' means an examination
for positions in a particular class, admission to which is	not limited to persons employed in the public service.

(9) 'Open-competitive list' means a list of persons who
have been found qualified by open-competitive examination for
appointment to a position in a particular class.

(10) 'Personnel Officer' means the Head of the Office of
Personnel of the Central Government of the Federated States of
Micronesia Director, Division of Personnel, Department of
Administrative Services.

(11) 'Position' means a group of duties and
responsibilities assigned by competent authority to be
performed by one person, working full-time or part-time. A
position may be either occupied or vacant.

(12) 'Position classification plan' means the
arrangement in a systematic order of the titles of all
classes existing in the public service, with a description
of each class.

(13) 'Probation period' means a period of probationary
employment status of not less than six months nor more than
one year from the beginning of an employee's service in a
particular position or class in the public service.

(14) 'Promotional examination' means an examination for
positions in a particular class, admission to which is
limited to regular employees in the public service.

(15) 'Promotional list' means a list of persons who
have been found qualified by a promotional examination for
appointment to a position in a particular class.

   (16) 'Public service' means all offices and other
positions in the central Government of the Federated States
of Micronesia not exempted by section 117 of this chapter.

   (17) 'Reemployment list' means a list of persons who
have been regular employees in the public service and who are
entitled to have their names certified for appointment to a
position in the class in which they last held permanent
status, or in a related class in the same or a lower salary
range for which they meet the qualification requirements.

   (18) 'Regular employee' or 'permanent employee' means an
employee who has been appointed to a position in the public
service who has successfully completed a probation period."

Section 16. Section 117 of title 52 of the Code of the Federated
States of Micronesia is hereby amended to read as follows:

"Section 117. Application of chapter; Exemptions. The
National Public Service System shall apply to all employees
of and positions in the central Government of the Federated
States of Micronesia now existing or hereafter established and
to all personnel services performed for that Government except
the following, unless this chapter or provisions thereof are
specifically made applicable to them:

   (1) members of the Congress of the Federated States of
Micronesia;
(2) the President and Vice President of the Federated States of Micronesia;

(3) Justices and other Judges of the National Courts;

(4) the legislative counsel and the Clerk of the Congress;

(5) the Public Auditor;

(6) the administrative officer of the National Courts;

(7) the special assistants and secretaries to the President and Vice President;

(8) persons appointed by the President to fill the following positions: Secretary of External Affairs, Secretary of Finance, Secretary of Resources and Development, Secretary of Social Services, Budget Officer, Minister of Foreign Affairs, Minister of Administrative Services, Minister of Finance, Minister of Budget and Planning, Minister of Economic Development, Minister of Marine and Maritime Affairs, Minister of Human Resources, Information Officer, Personnel Officer, National Finance Attorney General, and Public Defender, and their deputies, if any;

(9) persons appointed to any other positions by the President with the advice and consent of the Congress;

(10) the Liaison Officer in Washington and all ambassadors;

(11) persons or organizations retained by contract when the Personnel Officer has certified that the service to be performed is special or unique and nonpermanent and is essential to the public interest, and that, because of the degree of expertise or special knowledge required and the
nature of the services to be performed, it would not be
practical to obtain personnel to perform such services
through normal public service recruitment procedures;

(12) persons presently under contract of employment not
included in subsection (11) of this section, during the life
of such contract. No contract of employment shall be entered
into, renewed, or amended after the effective date of this
chapter, except in accordance with the provisions of this
chapter;

(13) temporary positions, required in the public
interest, for which the need does not exceed six months;

(14) positions requiring part-time or intermittent work
which does not exceed sixty hours in any calendar month;

(15) positions filled by inmates, patients, and students
of institutions of the Federated States of Micronesia;

(16) members of any board, public corporation,
commission, or similar body, in their capacity as such;

(17) officers, faculty, and employees of the Board of
Regents and the College of Micronesia; and

(18) positions specifically exempted by any other law
of the Federated States of Micronesia; and

(19) Heads of all Divisions established pursuant to
Presidential Order Number 1."

Section 17. Section 123 of title 52 of the
Code of the Federated States of Micronesia is hereby
amended to read as follows:

"Section 123. Personnel Officer - Functional duties. The Personnel Officer shall:

(1) work directly responsible to the President and serve as a principal adviser to the President and his staff on all matters concerning personnel administration and employee training;

(2) administer the system of personnel administration for the central Government of the Federated States of Micronesia;

(3) prepare proposed policies and regulations to carry out the provisions of this chapter;

(4) cooperate fully with and attend, or assign a qualified representative to attend, all meetings of the ad hoc committees organized under section 153, and provide the committee with such technical advice as it may require;

(5) appoint other employees of the Office Division of Personnel, in accordance with all other applicable provisions of law;

(6) establish and maintain a current roster of all officers and employees in the public services, indicating for each the class of position held, the salary, and any other appropriate data;

(7) develop and maintain a system of performance evaluation for the purpose of appraising the productivity of employees in the public service;

(8) develop and maintain a position classification plan..."
and a pay plan in accordance with this chapter and other applicable laws;

(9) develop and utilize recruitment and selection procedures and methods;

(10) develop training programs for the improvement of employee skills and for the development of a systematic career program for employees who are citizens of the Federated States of Micronesia; and

(11) perform any other lawful acts assigned to him by the President or otherwise required to carry out the provisions and purposes of this chapter."

Section 18. Section 2 of Public Law No. 2-60, as amended by Public Law No. 3-64, is hereby further amended to read as follows:

"Section 2. **Purpose.** The purpose of this act is to establish **four** ongoing imprest revolving funds to provide, subject to the provisions of section 4 of this act, sources of advanced funding for authorized operations expenses of the Guam and Honolulu Liaison Offices, the Federated States of Micronesia Representative Office, and the Japan Economic Liaison Office and authorized expenses incurred during official travel by qualified Community College of Micronesia employees and officials, National and State Government employees and officials, and medical referral patients and their attendants."

Section 19. Section 3 of Public Law No. 2-60, as amended by
Public Law No. 3-64, is hereby further amended to read as follows:

"Section 3. Establishment.

(1) There is hereby established an ongoing imprest revolving fund within the General Fund for each of the following offices of the National Government of the Federated States of Micronesia:

(a) Guam Liaison Office;
(b) Honolulu Liaison Office;
(c) San Francisco Supply Office;
(d) Federated States of Micronesia Representative Office; and
(e) Japan Economic Liaison Office."

Section 20. Section 4 of Public Law No. 2-60, as amended by Public Law No. 3-64, is hereby further amended to read as follows:

"Section 4. Authorized uses of the funds.

(1) The fund established pursuant to section 3 of this act for the Guam Liaison Office may be utilized as a source of advanced funding for authorized expenses incurred in the operation of that office.

(2) The fund established pursuant to section 3 of this act for the Honolulu Liaison Office may be utilized as a source of advanced funding for authorized expenses incurred in the operation of that office.
(3) The fund established pursuant to section 3 of this act for the Federated States of Micronesia Representative Office may be utilized as a source of advanced funding for authorized expenses incurred in the operation of that office.

(4) The fund established pursuant to section 3 of this act for the Japan Economic Liaison Office may be utilized as a source of advanced funding for authorized expenses incurred in the operation of that office.

(5) All of the funds established pursuant to section 3 of this act for the Federated States of Micronesia Representative Office and the Japan Economic Liaison Office may be utilized as sources of advanced funding for authorized expenses incurred during travel by:

employees and officials of the Community College of Micronesia and employees and officials of any branch, department, office, board, bureau, commission, committee, institution, corporation, or statutory authority of the National or State Governments of the Federated States of Micronesia who have been issued valid travel authorizations.

(6) All of the funds established pursuant to section 3 of this act may be utilized as sources of advanced funding for authorized expenses incurred during travel by
(Wy) Medical referral patients and their
attendants who have been issued valid travel authorizations.

(§7) The Secretary Minister of Finance of the National
Government of the Federated States of Micronesia shall
determine 'authorized expenses' for the purposes of
subsections (1) through (§6) of this section through the
establishment of policies and procedures.

(§8) The funds shall not be utilized for any purpose
other than as permitted by this section."

Section 21. Section 8 of Public Law No. 2-60, as amended by
Public Law No. 3-64, is hereby further amended to read as follows:

"Section 8. Authorization.

(1) The sum of $87,000,000,000, or so much thereof as
may be necessary, is hereby authorized to be used within
the General Fund of the Federated States of Micronesia for
the purpose of funding the imprest revolving funds. The
sums authorized by this subsection shall be apportioned as
follows:

(a) Guam Liaison Office ................. $ 20,000
(b) Honolulu Liaison Office ............ 20,000
(c) San Francisco Supply Office ........... 7,000
(d) Federated States of Micronesia
Representative Office ..................... 20,000
(e) Japan Economic Liaison Office ... 20,000

(2) All funds authorized by this act shall be
allotted, managed, administered, and accounted for in accordance with applicable law, including, but not limited to, the Financial Management Act of 1979. The allottee shall be responsible for ensuring that these funds, or so much thereof as may be necessary, are used solely for the purpose specified in this act, and that no obligations are incurred in excess of the sum authorized."

Section 22. Section 103 of Public Law No. 2-74 is hereby amended to read as follows:

"Section 103. Definitions. In this act, unless the context otherwise requires, the following definitions shall be applicable:

(1) 'Became disabled' means the first month in which an individual is under a disability and is both fully and currently insured.

(2) 'Board' means the Federated States of Micronesia Social Security Board provided for by section 201 of this Act Minister of Administrative Services.

(3) 'Child or spouse' means that an applicant is the child or spouse of an individual if the court of the State in which the individual was domiciled at the time of his death has or would find the applicant to be the individual's child or spouse in determining the devolution of intestate personal property.

(4) 'Contributions' means the tax imposed upon income
of covered employees and the tax imposed upon employers on
account of wages paid to a covered employee.

(5) 'Disability' means inability to engage in any
substantial gainful employment by reason of any medically
determinable physical or mental impairment which can be
expected to result in death or which has lasted or can
be expected to last for a continuous period of not less than
12 months.

(6) 'Earning test' means that an individual who
receives a retirement, disability, or survivor benefit and
who works in covered or noncovered employment shall have
his quarterly benefit reduced by $1 for each $2 earned in
a quarter, except there shall be no reduction for the
first $200 earned in a quarter. The reduction shall be
applied in one of the subsequent two quarters immediately
after the quarter in which the earnings were made, or as
soon as possible thereafter.

(7) 'Employee' means:

(a) Any officer of a corporation; or
(b) Any individual who, under the usual
common law rules applicable in determining the employer-
employee relationship, has the status of an employee; or
(c) Any self-employed person who has at least
one employee for whom he is required to report in a given
quarter; or
(d) Any self-employed person who had more than $10,000 of annual gross revenue in the preceding calendar year.

(8) 'Employment' means any service by an employee for an employer incorporated or doing business within the Federated States of Micronesia employing him, irrespective of where such employment shall be performed, except family employment.

(9) 'Family employment' means employment of a worker by a member of the household, a parent or a son or daughter except that the worker may apply to the Board for a determination that such employment is bona fide covered employment subject to this act.

(10) Insured status can mean any of the following:

(a) 'Fully insured individual' means any individual who has not less than one quarter of coverage for each year beginning after June 30, 1968, or for each year after attaining the age of 21, whichever is later, and up to but excluding the year in which he attained retirement age, became disabled, or died, whichever first occurred, except that in no case shall an individual be a fully insured individual unless he has at least 12 quarters of coverage.

(b) 'Currently insured individual' means any individual who has had not less than 8 quarters of coverage
during the 13 quarter period ending with:

(i) The quarter in which he died, or

(ii) The quarter in which he became entitled
to old age insurance benefits, or

(iii) The quarter in which he became disabled,
whichever first occurs.

(11) 'Quarter' and 'calendar quarter' mean a period
of three calendar months ending on March 31, June 30,
September 30, or December 31. 'Quarter of coverage' means
a quarter in which the individual has been paid $50 or
more in wages in employment subject to this act.

(12) 'Wages' means remuneration paid subject to the
provisions of this act, including the cash value of all
remuneration paid in any medium other than cash and
remuneration accruing to a self-employed person. Remunera-
tion accruing to a self-employed person shall be deemed
to be twice the amount paid to the highest paid employee
reported by the self-employed person in a quarter, $1,500
maximum per quarter. Remuneration accruing to a self-
employed person who has no covered employees shall, for
each quarter of a year, be deemed to be 2.5 percent of
the gross revenue of the business for the previous
calendar year, subject to $1,500 maximum. Remuneration
paid for any service which is more or less than a whole
dollar shall, as may be prescribed by regulations,
be computed to the nearest dollar. Wages shall not include:

(a) That part of remuneration in excess of $1,500 paid in a quarterly reporting period by one employer;

(b) Any payment on account of sickness or accident disability, or medical or hospitalization expenses made by an employer to or on behalf of an employee;

(c) Any payment made to or on behalf of an employee or to his beneficiary from a trust or annuity;

(d) Remuneration paid in any medium other than cash to an employee for service not in the course of the employer's trade or business or for domestic service in a private home of an employer;

(e) Remuneration paid for casual or intermittent labor not performed in the course of the employer's trade or business when such employment does not exceed employment in more than one week in each calendar month of each quarterly reporting period; and

(f) Remuneration from family employment subject to the provisions of this act."

Section 23. Section 1 of Public Law No. 3-13 is hereby amended to read as follows:

"Section 1. Short title. This act is known and may be
Section 24. Section 2 of Public Law No. 3-13 is hereby amended to read as follows:

"Section 2. National Postal Service. There is hereby established as an independent agency of the national government of the Federated States of Micronesia, the National Postal Service of the Federated States of Micronesia."

Section 25. Section 3 of Public Law No. 3-83 is hereby amended to read as follows:

"Section 3. Definitions. The following words, for the purpose of this act, shall have the following meanings:

(1) 'Board' means the Federated States of Micronesia Environmental Protection Board, Minister of Human Resources;

(2) 'Chairman of the Environmental Protection Board' or 'chairman' means the chairman or his duly authorized representative the Minister of Human Resources or his designee;

(3) 'Person' means the Federated States of Micronesia, a State, municipality, political subdivision, a public or private institution, corporation, partnership, joint venture, association, firm, or company organized or existing under the laws of the Federated States of Micronesia or any State or country, lessee or other occupant of property, or individual, acting singly or as a group;
(4) 'Pollutant' means one or more substances or forms of energy which, when present in the air, land, or water, are or may be harmful or injurious to human health, welfare, or safety, to animal or plant life, or to property, or which unreasonably interfere with the enjoyment by the people of life or property.

(5) 'Primary drinking water regulation' means a regulation which:

(a) Applies to public water systems;

(b) Specifies contaminants which, in the judgment of the Board, may have any adverse effect on the health of persons; and

(c) Specifies for each such contaminant either:

(i) A maximum contaminant level, if, in the judgment of the Board, it is economically and technologically feasible to ascertain the level of such contaminant in water in public water systems; or

(ii) If, in the judgment of the Board, it is not economically or technologically possible to so ascertain the level of such contaminant, each treatment technique known to the Board which leads to a reduction in the level of such contaminant;

(d) Contains criteria and procedures to assure a supply of drinking water which dependably complies with such maximum contaminant levels, including quality control and
testing procedures to ensure compliance with such levels and to
ensure proper operation and maintenance of the system and
requirements as to:

(i) The minimum quality of water which may be
taken into the system; and

(ii) Siting for new facilities for public water
systems.

(6) 'Secondary drinking water regulation' means a regula-
tion which applies to public water systems and which specifies
the maximum contaminant level which in the judgment of the Board
is requisite to protect the public welfare. Such regulations
may apply to any contaminant in drinking water:

(a) Which may adversely affect the odor or
appearance of such water and consequently may cause a
substantial number of persons served by the public water system
providing such water to discontinue its use; or

(b) Which may otherwise adversely affect the public
welfare. Such regulations may vary according to geographic or
other circumstances.

(7) 'Trust Territory Environmental Protection Board'
means the board established pursuant to 25 F.S.M.C. 201."

Section 26. Section 2 of Public Law No. 4-41, as amended by
Public Law No. 4-102, is hereby further amended to read as follows:

"Section 2. Definitions. As used herein unless otherwise
indicated by the context:
(1) 'Board' means the Federated States of Micronesia Medical Health Care Licensing Board Minister of Human Resources.

(2) 'Practice of medical health care' includes activities as a doctor, nurse, optometrist, dentist or pharmacist, as those activities may be described by the President or the Board pursuant to this act or amendments hereto.

(3) 'President' means the President of the Federated States of Micronesia."

Section 27. Sections 101 through 112 of title 8 of the Code of the Federated States of Micronesia, which established the Commission on Future Political Status and Transition, are hereby repealed in their entirety.

Section 28. Section 503(3) of title 10 of the Code of the Federated States of Micronesia, as established by Public Law No. 4-104, is hereby repealed in its entirety and subsection (4) is hereby renumbered as subsection (3).

Section 29. Sections 203 through 206 and 209 through 213 of title 22 of the Code of the Federated States of Micronesia are hereby repealed in their entirety. Sections 207, 208 and 214 through 217 are hereby renumbered as sections 203 through 208, respectively.

Section 30. Sections 105, 301, 304, 305 and 306 of title 24 of the Code of the Federated States of Micronesia are hereby repealed in their entirety. Sections 302 and 303 are hereby renumbered as
sections 301 and 302, respectively.

Section 31. Sections 202 and 203 of title 26 of the Code of the Federated States of Micronesia are hereby repealed in their entirety.

Sections 204 and 205 are hereby renumbered as sections 202 and 203, respectively.

Section 32. Chapter 2 of title 29 of the Code of the Federated States of Micronesia is hereby repealed in its entirety.

Section 33. Sections 206, 207, and 208 of title 32 of the Code of the Federated States of Micronesia are hereby repealed in their entirety. Sections 209 through 232 are hereby renumbered as sections 206 through 229, respectively.

Section 34. Sections 123, 124, 125, 126 and 127 of title 40 of the Code of the Federated States of Micronesia are hereby repealed in their entirety. Section 128 is hereby renumbered as section 123.

Section 35. Section 122(1) of title 52 of the Code of the Federated States of Micronesia is hereby repealed in its entirety. Subsections (2) and (3) are hereby renumbered as subsections (1) and (2), respectively.

Section 36. Public Law No. 3-14, as amended by Public Law No. 3-25, which established the National Fisheries Corporation of the Federated States of Micronesia, is hereby repealed in its entirety.

Section 37. Sections 4, 5 and 6 and subsection 8(2) of Public Law No. 3-83 are hereby repealed in their entirety. Sections 7 through 21 are hereby renumbered as sections 4 through 18, respectively.

Section 38. Sections 4 and 8 of Public Law No. 4-41 are hereby repealed in their entirety. Sections 5 through 7 are
hereby renumbered as sections 4 through 6, respectively. Sections 9 through 14 are hereby renumbered as sections 7 through 12, respectively.

Section 39. Section 3 of Public Law No. 4-65 is hereby repealed in its entirety.

Section 40. Public Law No. 4-101, which established the Federated States of Micronesia Airline Corporation, is hereby repealed in its entirety.

Section 41. This act shall become law 30 days after its approval by the President of the Federated States of Micronesia or 30 days after its becoming law without such approval.

Date: 5/28/87

Introduced by: [Signature]

Claude Philip (by request)