A BILL FOR AN ACT

To further amend title 32 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 5-21, 5-54 and 5-109, by further amending sections 202 and 210, as amended by Public Law No. 5-21, to specifically include the provision of education, health care, and legal services as a "business" regulated under the Foreign-Investment Act, to require consideration, along with other factors, of the impact of granting or denying of a permit for the provision of education, health care and legal services on the right of the people to education, health care, and legal services, and for other purposes.

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

1. Section 202 of title 32 of the Code of the Federated States of Micronesia, as amended by Public Law No. 5-21, is hereby further 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 Secretary of Resources and Development.

(2) 'Business' means any sole proprietorship, partnership, corporation, or any other association engaged in commerce, including any sole proprietorship, partnership, corporation, or any other association engaged in the provision of education, health care, or legal services.

(3) 'Citizen' means any person or business not included in the definition of noncitizen contained in this chapter.

(4) 'Licensee' means any noncitizen who has been issued a foreign-investment permit under this chapter, including agents or employees of the noncitizen.

(5) 'Noncitizen' means any person who is not a citizen of the Federated States of Micronesia, and any business in which any interest is owned by a person who is not a citizen of the Federated States of Micronesia.

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

(7) "Secretary' means the Secretary of Resources and Development of the Federated States of Micronesia.

(8) 'State authority' means any official or entity designated by a State of the Federated States of Micronesia to consider foreign-investment applications under this chapter and, failing such designation, means the Governor of a State."

Section 2. Section 210 of title 32 of the Code of the Federated States of Micronesia, as amended by Public Law No. 5-21, is hereby further amended to read as follows:

"Section 210. Application - Decision by board. Upon receipt of the information and recommendations called for in sections ZII 208 and ZII 209 of this chapter, or upon expiration of the time set for submission of such information and recommendations, whichever occurs first, the Board shall, within an additional thirty days, decide whether or not to grant the foreign-investment permit, based on all relevant factors, including:

(1) the economic, social, or environmental need for the business activity to be performed;

(2) the degree to which such activities will effect change in exports or imports;

(3) the extent to which such activities will deplete a nonrenewable natural resource, or will disturb the
environmental balance or the conservation of renewable
natural resources, or will pollute the atmosphere or water;

(4) the extent of participation by citizens at the
outset in the ownership and management of the enterprise,
and in the case of an applicant which is a corporation
chartered outside the Federated States, the degree of
willingness and specific plans to form a Federated States
corporation in the future and to offer at least fifty-one
percent of the ownership and capital to citizens;

(5) the willingness and specific plans of the
applicant to give employment preference to citizens and to
train citizens for positions in management and at other
levels by instituting training programs;

(6) the extent to which the capital, managerial
skills, and technical skills required for such an
enterprise are available among Federated States citizens at
the current time or can be expected to be available in the
near future;

(7) the extent to which an operation will contribute
to the overall economic well-being of the Nation and each
State affected and the extent to which any interest,
including economic, social, traditional, or environmental,
of any State or the Nation may be affected; and

(8) if the operation will engage in the provision of
education, health care or legal services, the extent to
which the operation will contribute to the adequate
provision of education, health care, and legal services in
the Federated States of Micronesia; and
(80) the recommendations, if any, made by the State
authorities."

Section 3. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its becoming
law without such approval.

Date: 3/29/89

Introduced by: Claude H. Philip
(by request)