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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 1. Section 202 of title 32 of the Code of the Federated  
2 States of Micronesia, as amended by Public Law No. 5-21, is hereby  
3 further amended to read as follows:

4 "Section 202. Definitions. When words defined in this  
5 section are used in this chapter, unless otherwise required  
6 by the context, the following definitions shall govern:

7 (1) 'Board' means the Secretary of Resources and  
8 Development.

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

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

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

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

25 (6) 'President' means the President of the Federated

1 States of Micronesia.

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

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

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

12 "Section 210. Application - Decision by board. Upon  
13 receipt of the information and recommendations called for  
14 in sections 211 208 and 211 209 of this chapter, or upon  
15 expiration of the time set for submission of such  
16 information and recommendations, whichever occurs first,  
17 the Board shall, within an additional thirty days, decide  
18 whether or not to grant the foreign-investment permit,  
19 based on all relevant factors, including:

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

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

24 (3) the extent to which such activities will deplete  
25 a nonrenewable natural resource, or will disturb the

1 environmental balance or the conservation of renewable  
2 natural resources, or will pollute the atmosphere or water;

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

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

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

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

24 (8) if the operation will engage in the provision of  
25 education, health care or legal services, the extent to

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C. B. No. 5-431

1           which the operation will contribute to the adequate  
2           provision of education, health care, and legal services in  
3           the Federated States of Micronesia; and  
4           (§9) the recommendations, if any, made by the State  
5           authorities."

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

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10   Date: 3/29/89

Introduced by: Claude H. Phillip  
Claude H. Phillip  
(by request)

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