A BILL FOR AN ACT

To appropriate the sum of $8,554,160 and such other amount as is required from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1990, for the purpose of providing an operating subsidy to the National Fisheries Corporation, providing for the initial capitalization of the National Fisheries Corporation, and providing funds for the National Fisheries Corporation to participate in a particular joint venture under certain conditions, and for other purposes.

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

1 Section 1. The sum of $8,554,160 and such other amount as is required is hereby appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1990, for the purpose of providing an operating subsidy to the National Fisheries Corporation, providing for the initial capitalization of the National Fisheries Corporation, and providing funds for the National Fisheries Corporation to participate in a particular joint venture under certain conditions.

2 Section 2. The sum appropriated under section 1 of this act shall be apportioned as follows:

3 (1) The sum of $4,160 is appropriated for the purpose of providing an operating subsidy to the National Fisheries Corporation during the fiscal year ending September 30, 1990.

4 (2) The sum of $3,500,000 is appropriated for the purpose of providing initial capitalization for, or an operating subsidy to, the National Fisheries Corporation, PROVIDED that no such funds shall be made available to the National Fisheries Corporation except to support its purchases, projects or joint venture participation, pursuant to a valid agreement or contract, or to provide an operating subsidy of $250,000 or less in any fiscal year beginning with the fiscal year ending September 30, 1991.

5 (3) The sum of $5,000,000 is appropriated for the purpose of providing funds for the National Fisheries Corporation to participate in a joint venture in which the other joint venturers are a State of the Federated States of Micronesia and a private entity.
incorporated in Australia, PROVIDED that no such funds shall be made
available to the National Fisheries Corporation or joint venture
unless the allottee certifies that:

(a) A reliable appraisal or appraisals demonstrate a
fair market value of any vessels to be purchased of at least the
amount of the purchase price;

(b) The private joint venturer has demonstrated
creditworthiness or has otherwise provided loan guarantees or other
security for its share of the liability on any loan made to the joint
venture by the National Fisheries Corporation from said $5,000,000,
having reference to generally acceptable commercial banking standards;

(c) No loan of any portion of said $5,000,000 will be
made by the National Fisheries Corporation to the joint venture on
other than generally acceptable commercial banking terms, unless
necessary and only to the extent necessary to induce the private
joint venturer to enter into the joint venture, or to create a
commercially viable joint venture;

(d) The terms of the joint venture agreement and all
related agreements are fair and evenly balanced, having reference to
generally accepted commercial joint venture standards; and

(e) The joint venture agreement contains reasonable
provisions designed to ensure that the joint venture undertake
commercially viable shore-based value-adding activities in a State of
the Federated States of Micronesia as soon as commercially feasible.

(4) Such amount as is equal to the amount of funds for
which the authority of the National Fisheries Corporation to obligate
lapses pursuant to section 3 of this act is appropriated for the
purpose of providing an additional operating subsidy to the National
Fisheries Corporation during the fiscal year ending September 30,
1990, PROVIDED that such operating subsidy shall not be made
available to the National Fisheries Corporation prior to January 1,
1990.

Section 3. The authority of the National Fisheries Corporation
to obligate funds appropriated by Public Law No. 6-10 shall lapse as

Section 4. All funds appropriated 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 President or his designee shall be the
allottee and shall be responsible for ensuring that these funds, or
so much thereof as may be necessary, are used solely for the purposes
specified in this act, and that no obligations are incurred in excess
of the sum appropriated. The authority of the allottee to obligate
or disburse funds appropriated by this act shall lapse as of
September 30, 1990, except that the authority to obligate or disburse
funds pursuant to subsection (2) or (3) of section 2 of this act
shall not lapse. Notwithstanding any other provision of this act or
any other law of the Federated States of Micronesia, with respect to
the funds appropriated by this act, the National Fisheries
Corporation shall be deemed to be a subsidy recipient and neither an
allottee nor suballottee of such funds nor a National Government agency for any purposes, including for purposes of the Public Contracts Act, chapter 4 of title 55 of the Code of the Federated States of Micronesia. With respect to funds obligated prior to January 1, 1990, the National Fisheries Corporation shall continue to be deemed to be a National Government agency.

Section 5. 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: 11-09-89

Introduced by: [Signature]

(by request)