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A BILL FOR AN ACT

To further amend Public Law No. 5-122, as amended by Public Laws Nos. 6-21, 6-109, and 7-106, by amending section 5 to enlarge the class of potential recipients of Investment Development Fund loans, and for other purposes.

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

1 Section 1. Section 5 of Public Law No. 5-122 is hereby
2 amended to read as follows:

3 "Section 5. Purposes and guidelines.

4 (1) Investment Development Fund moneys shall be
5 used only:

6 (a) To finance projects which will:

7 (i) Have their operations located
8 primarily within the Federated States of Micronesia;

9 (ii) Improve the balance of payments
10 position of the Federated States of Micronesia;

11 (iii) Increase the value of visible and
12 invisible exports or result in import substitution;

13 (iv) Demonstrably result in positive
14 economic return; and

15 (v) Contribute to the furtherance of
16 close economic and commercial relations between the
17 United States of America and the Federated States of
18 Micronesia, encourage the productive presence of
19 citizens and commercial enterprises of the United
20 States in the Federated States of Micronesia or
21 otherwise compensate the Federated States of Micronesia
22 for the loss of the tax and trade incentives affected
23 by Title IV of United States Public Law 99-239 as
24 provided for in the Investment Development Fund
25 Agreement and as further defined by the Federated

1 Development Authority;

2 (b) To finance projects which will provide
3 direct services to projects identified in paragraph (a)
4 of this subsection and are in compliance with the
5 conditions in subparagraphs (iv) and (v) of such
6 paragraph; or

7 (c) For the expenses specified in section 15
8 of this act.

9 (2) The qualified recipients of financings from
10 the Investment Development Fund are as follows:

11 (a) Private citizens of the Federated States
12 of Micronesia and corporations, partnerships, joint
13 ventures, or other business entities with a minimum of
14 20 percent ~~citizen~~ ownership by citizens or by the
15 National or State Governments of the Federated States
16 of Micronesia and public corporations thereof interest;
17 ~~and~~

18 (b) The National and State Governments of the
19 Federated States of Micronesia and public corporations
20 thereof; PROVIDED that, any project which involves
21 direct participation by the National or State
22 Governments of the Federated States of Micronesia,
23 including public corporations thereof, shall include an
24 evaluation by such government of the desirability of
25 future divestiture of the project to the private sector

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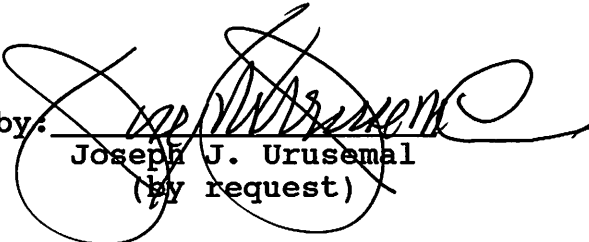
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1 and, if appropriate, identification of possible
2 strategies and estimated timetables for accomplishing
3 such divestiture; and

4 (c) Private citizens of the United States or
5 corporations, partnerships, joint ventures, or other
6 business entities with a minimum of 20 percent U.S.
7 citizen ownership interest, but only if said recipient
8 is the purchaser/lessor in a sale/leaseback transaction
9 in which the lessee has an option to purchase and is
10 itself a person or entity of the type described in
11 subsections (2)(a) or (2)(b) of this section."

12 Section 2. This act shall become law upon approval by the
13 President of the Federated States of Micronesia or upon its
14 becoming law without such approval.

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16 Date: 5/13/93

Introduced by: 
Joseph J. Urusemal
(by request)

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A RESOLUTION

To ratify the extension of the Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States, as amended.

1 WHEREAS, the Treaty on Fisheries between the Governments of
2 Certain Pacific Island States and the Government of the United States
3 (hereinafter referred to as the Multilateral Fisheries Treaty), was
4 ratified by the Congress of the Federated States of Micronesia on
5 May 29, 1987; and

6 WHEREAS, the parties met in December of 1991 and May of 1992
7 and agreed to extend the financial and licensing arrangements
8 of the Multilateral Fisheries Treaty for a period of 10 years,
9 starting from June 15, 1993, with a review before the fifth year;
10 and

11 WHEREAS, the Multilateral Fisheries Treaty itself was not
12 amended but its annexes and schedules; and

13 WHEREAS, the United States Government has agreed to make
14 annual cash payments to the Forum Fisheries Agency (FFA) in an
15 average amount of \$18,000,000, an increase over the current
16 \$10,000,000; and

17 WHEREAS, the fee schedule as amended may not be in the best
18 interests of the parties, particularly the Federated States of
19 Micronesia; and

20 WHEREAS, the amendments to the Annexes of the Multilateral
21 Fisheries Treaty include among others the following: a new Part
22 4 regarding transshipment of fish; a new subpart under Part 7

1 entitled "Observers," which imposes upon the operators of U.S.
2 vessels the responsibility for the cost of observers, including full
3 travel costs, salary and allowances, full insurance coverage, and
4 the cost of training observers; a new subpart under Part 8 entitled
5 "Miscellaneous Requirements," which establishes a region-wide vessel
6 tracking system which shall be applicable to all U.S. vessels licensed
7 to fish in the treaty area; a new paragraph 4 and subparagraph
8 5(c)(i)(D) in Annex II regarding suspension of good standing of a
9 vessel when a violation has occurred; and a new paragraph 6 in Annex
10 II, where the Pacific Island Parties consider notifying the Government
11 of the United States of any alleged infringements of the Treaty by
12 vessels of the United States 30 days prior to requesting an
13 investigation under paragraph 4 of Article 4 of the Treaty; and

14 WHEREAS, the Multilateral Fisheries Treaty as amended was to
15 have entered into force on June 15, 1993, and is scheduled to remain
16 in force for 10 years unless amended or terminated; and

17 WHEREAS, it may not be in the best interests of the parties,
18 particularly the Federated States of Micronesia, to continue the
19 Multilateral Fisheries Treaty in force for more than five years;
20 and

21 WHEREAS, the parties meet annually to review the operation and
22 effects of the Multilateral Fisheries Treaty; now, therefore,

23 BE IT RESOLVED by the Eighth Congress of the Federated States of
24 Micronesia, Second Regular Session, 1993, that pursuant to section
25 2(b) of article IX of the Constitution of the Federated States of

1 Micronesia the Congress hereby ratifies the Amendment to the Articles
2 of Agreement establishing the Treaty on Fisheries between the Govern-
3 ments of Certain Pacific Island States and the Government of the
4 United States, which agreement shall be good for a period of five years
5 only; and

6 BE IT FURTHER RESOLVED that Congress directs the Department of
7 External Affairs, during its annual meetings with the parties to the
8 Multilateral Fisheries Treaty, to review the operation and effects of
9 that Treaty, to review particularly the adequacy of the fee schedule
10 and the wisdom of continued participation in the Treaty, and to report
11 to Congress annually its conclusions regarding these issues; and

12 BE IT FURTHER RESOLVED that if Congress determines within the
13 next five years that continued participation in the Multilateral
14 Fisheries Treaty from the date of this resolution is not in the best
15 interests of the Federated States of Micronesia, it will direct the
16 Department of External Affairs to withdraw from that Treaty; and

17 BE IT FURTHER RESOLVED that a certified copy of this
18 resolution be transmitted to the President of the Federated States
19 of Micronesia.


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21 ADOPTED: November 9, 1993



Jack Fritz
Speaker
FSM Congress

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ATTEST:


Henry C. Asugar
Chief Clerk
FSM Congress