

AN ACT

To amend Public Law No. 10-11 by amending sections 1, 2, 3, 4, and 5, and by adding a new section 6, and renumbering section 6 as section 7, to add the role of negotiator of the Compact of Free Association with the United States of America to the responsibilities of the Joint Committee on Compact Economic Negotiations, to make certain other modifications with respect to the Joint Committee on Compact Economic Negotiations, and for other purposes.

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

Section 1. Section 1 of Public Law No. 10-11 is hereby amended to read as follows:

"Section 1. Purpose. In preparation for the Compact of Free Association negotiations scheduled to commence in November, 1999, there is hereby established a joint committee. With respect to said negotiations, the joint committee shall also be empowered to renegotiate the expiring terms of the Compact of Free Association with the United States of America."

Section 2. Section 2 of Public Law No. 10-11 is hereby amended to read as follows:

"Section 2. Establishment of the Joint Committee on Compact Economic Negotiations. There is hereby created and established a joint committee to be known as the Joint Committee on Compact Economic Negotiations (JCN), comprising nine voting members as follows: one representative from each of the four States, as appointed by the President in consultation with the leadership of each State, and four representatives from the Congress of the Federated States of Micronesia, one from each congressional delegation. One member shall be the Secretary of Foreign Affairs. He shall chair the Joint Committee's first meeting, and organize the election of its Chairman and Vice Chairman. The Secretary of Economic Affairs, or his designee, shall serve as a non-voting member. Six of the voting

members shall constitute a quorum for the transaction of business. Decisions shall be made within the Committee by at least five concurring votes, with each participating member casting a single vote. A member representing a State may be replaced by the President upon the request of the Governor and the Legislature of the State."

Section 3. Section 3 of Public Law No. 10-11 is hereby amended to read as follows:

"Section 3. Meetings. The Joint Committee on Compact Economic Negotiations shall hold its first meeting at the call of the acting Chairman. Subsequent meetings shall be held in accordance with a schedule set by the Joint Committee."

Section 4. Section 4 of Public Law No. 10-11 is hereby amended to read as follows:

"Section 4. Mandate. The Joint Committee on Compact Economic Negotiations shall carry out the following responsibilities and obligations:

(1) In consultation with the Congress, set goals and objectives for the Compact of Free Association negotiations;

(2) Conduct a thorough analysis of all factors relating to the Compact of Free Association negotiations;

(3) Develop all necessary strategies and approaches to enable the Federated States of Micronesia to commence negotiating with the United States in November, 1999;

(4) Direct its Secretariat in preparing the documentation necessary to accomplish its responsibilities hereunder;

(5) Analyze all economic information available on the Federated States of Micronesia, with the aim of identifying the FSM's continuing requirement for reasonable, fair, and effective financial assistance

from the United States of America from the year 2001 onward;

(6) Provide reports periodically to the Congress at each regular session, and to the Office of the President, on all developments, actual or potential, positive or negative, that may be related to the renegotiation of the Compact of Free Association, including, but not limited to, new information, actions, communications, domestic and foreign policies, bilateral and multilateral plans, as well as periodic surveys exploring the value of net benefits to a foreign nation from an exclusive security prerogative;

(7) Conduct negotiations on the expiring terms of the Compact of Free Association with the United States of America. The Joint Committee on Compact Economic Negotiations may delegate negotiations to an individual negotiator or a negotiating team. All actions taken or decisions made by an individual negotiator or a negotiating team shall be provisional and subject to confirmation by the Joint Committee on Compact Economic Negotiations; and

(8) Use funds for each separate category of expense only up to the aggregate amount of the line-items of the corresponding expense category set out in the associated appropriations bill or bills approved by Congress, and select and hire the personnel needed to

staff the Secretariat, as specified in section 5 below."

Section 5. Section 5 of Public Law No. 10-11 is hereby amended to read as follows:

"Section 5. Establishment of the Secretariat. There is hereby created and established a full-time Secretariat for the Joint Committee on Compact Economic Negotiations. The Secretariat shall consist of an Executive Director, and such other staff as it deems necessary, subject to the availability of funding, all such staff to be based in Pohnpei. In addition to the Secretariat, the work of the Joint Committee shall also be supported by the FSM Embassy to the United States of America and by existing Washington D.C. based legal counsel. The Secretariat shall have the following responsibilities:

(1) Provide all administrative and logistical support to the Joint Committee on Compact Economic Negotiations, and shall:

(a) prepare an annual budget for approval by the Joint Committee;

(b) transmit an approved budget to the President to submit it, with comments, to the Congress of the Federated States of Micronesia for approval at least ten days in advance of the first regular session of each fiscal year;

(c) as necessary, prepare for approval and transmit approved supplemental budget requests to the President; the President shall submit all such supplemental budget requests, with comment, to the Congress of the Federated States of Micronesia within twenty days of receipt;

(2) Carry out research on relevant Compact of Free Association issues;

(3) Coordinate with the various departments, offices and agencies of the FSM and State Governments

to collect all information and technical input necessary for satisfying its responsibilities and for establishing negotiating objectives as to provisions of the Compact of Free Association and the related agreements that bear upon their respective areas of responsibilities; and

(4) As directed by the Joint Committee on Compact Economic Negotiations, hire professionals including an outside developmental economist and other consultants with expertise in security or defense policy to assist the Joint Committee with any aspect of its responsibilities, particularly that provided under section 4(5) above."

Section 6. Public Law No. 10-11 is hereby amended by adding a new section 6 to read as follows:

"Section 6. Negotiated agreement. The Joint Committee on Compact Economic Negotiations shall submit any agreement negotiated by it pursuant to this law to the President or his designee for signature. Any such agreement shall be subject to ratification by Congress."

Section 7. Public Law No. 10-11 is hereby amended by renumbering existing section 6 as section 7.

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

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Jacob Nena  
President  
Federated States of Micronesia