

A BILL FOR AN ACT

To establish a National Fisheries Corporation of the Federated States of Micronesia, and for other purposes.

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

1 Section 1. Short title. This act may be cited as the "Federated
2 States of Micronesia National Fisheries Corporation Act of 1983."

3 Section 2. Purpose. The purpose of this act is to create a
4 public corporation to promote the development of fisheries and related
5 industries for the benefit of the people of the Federated States of
6 Micronesia.

7 Section 3. Establishment of Corporation. The National Fisheries
8 Corporation of the Federated States of Micronesia, hereinafter referred
9 to as the "Corporation," is hereby established as a public corporation
10 under the laws of the Federated States of Micronesia.

11 Section 4. Charter.

12 (1) The charter of the Corporation shall be as prescribed in
13 this section and sections 5 through 7 of this act.

14 (2) The existence of the Corporation shall be perpetual.

15 Section 5. Charter; Principal and branch offices.

16 (1) The principal office of the Corporation shall be located
17 within the territory of the Federated States of Micronesia at a place to
18 be designated by the Board of Directors of the Corporation.

19 (2) There may be such subordinate or branch offices in such
20 place or places as the Board of Directors of the Corporation may deem necessary.

21 Section 6. Charter; Corporation authority.

22 (1) Subject to any existing limitation or limitations hereafter
23 enacted, the Corporation, through its officers and agents, is authorized
24 to engage in all commercial activities which will further the develop-
25 ment of the fishing and fisheries industry in the Federated States of

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1 Micronesia.

2 (2) The Corporation's authority shall include, but not be
3 limited to, the following:

4 (a) To enter into joint venture, partnership, and
5 other agreements related to the fishing and fisheries industry with
6 other persons including, but not limited to, foreign persons and
7 governments;

8 (b) To otherwise engage or participate as owner, partner,
9 shareholder, or other interest holder in commercial ventures related to
10 the fishing and fisheries industry;

11 (c) To manage or operate commercial projects, enterprises,
12 and ventures related to the fishing and fisheries industry;

13 (d) To secure both from within and from without the
14 Federated States of Micronesia financial resources to achieve the purpose
15 of this act and the Corporation's charter;

16 (e) To provide technical assistance and services for
17 project identification, project formulation, and pre-investment studies
18 relating to the fishing and fisheries industry;

19 (f) To foster economic activities and to cooperate with
20 other institutions within and without the Federated States of Micronesia
21 in supporting activities for fishing and fisheries development;

22 (g) To promote the training of Micronesian citizens in
23 matters related to the fishing and fisheries industry; and

24 (h) To invest in the expansion and improvement of the fishing
25 and fisheries industry in the Federated States of Micronesia.

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1 Section 7. Charter; Corporate powers. In addition to the
2 authority granted under section 6 of this act, the Corporation shall
3 possess and exercise all powers normally exercised by a corporation,
4 including, but not limited to, the following:

5 (1) To adopt, alter, and use a corporate seal;

6 (2) To adopt, amend, and repeal its bylaws governing the
7 conduct of its business and the exercise of its authority; PROVIDED
8 that such bylaws shall be consistent with the laws of the Federated
9 States of Micronesia;

10 (3) To sue and be sued in its corporate name;

11 (4) To acquire in any lawful manner, real, personal, or mixed
12 property, either tangible or intangible, and to hold, maintain, use, and
13 operate such property, and to sell, lease, or otherwise dispose of such
14 property;

15 (5) To acquire in any mode and take over the whole or any part
16 of the business, property, goodwill, and liabilities of any other corpora-
17 tion or corporations, including debts, liabilities, and obligations incur-
18 red prior to the time of acquisition;

19 (6) To take and otherwise acquire and hold shares, stocks,
20 mortgages, bonds, obligations, securities, and investments of all kinds,
21 foreign and domestic, and to sell or otherwise alienate the same;

22 (7) To form or assist in forming any company for the purpose
23 of carrying on any business which the corporation is authorized to carry
24 on, or any other business which may enhance the fishing and fisheries
25 industry;

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1 (8) To issue corporate bonds from time to time for sale
2 to the general public, or to other financial institutions, or Govern-
3 ment agencies, upon such terms and under such conditions as the Board
4 of Directors deem necessary and appropriate;

5 (9) To make contracts and incur liabilities, to borrow
6 money, and to secure any or all of its obligations by mortgage or
7 pledge of any or all of its property, franchises, or income;

8 (10) To lend money for its corporate purposes, and to invest
9 or reinvest its funds;

10 (11) To conduct its business, carry on its operations, have
11 offices, and to exercise the powers granted herein in any State or
12 territory of the Federated States of Micronesia or in any foreign
13 country;

14 (12) To permit the Corporation to be registered or recognized
15 in any country, state, or place outside of the Federated States of
16 Micronesia, and to comply with any condition necessary or expedient
17 in order to enable the Corporation to carry on business in any such
18 country, state, or place, and to establish local companies or branch
19 offices within the jurisdiction of the Federated States of Micronesia;

20 (13) To act as agent for or of any other person or entity;

21 (14) To appoint, subject to other provisions of this act
22 and other applicable laws, such officers and agents as the business of
23 the Corporation requires; and

24 (15) To have and to exercise all powers necessary and proper
25 to effectuate the purposes of this act and the Corporation's charter.

1 Section 8. Board of Directors. The affairs of the Corporation
2 shall be managed and its corporate powers exercised by a Board of
3 Directors, hereinafter referred to as the "Board."

4 Section 9. Composition of the Board. The Board shall be composed
5 of the following:

6 (1) One representative appointed by the President of the
7 Federated States of Micronesia;

8 (2) One representative appointed by each of the Governors
9 of the States of the Federated States of Micronesia;

10 (3) The chief executive officers of each of the State
11 agencies established pursuant to 24 F.S.M.C. 601, et. seq.;

12 (4) The Executive Director of the Micronesian Maritime
13 Authority; and

14 (5) The Secretary of the Department of Resources and
15 Development who shall serve as an ex officio member and who shall
16 have no power to vote except in the event of a tie.

17 Section 10. Organizational meeting. The first organizational
18 meeting of the Board shall be held not later than 45 days
19 after all of the appointments of the members of the Board have become
20 effective.

21 Section 11. Terms of office of Board members. Those members of
22 the Board appointed pursuant to section 9(3), (4), and (5) shall serve
23 on the Board for the duration of their appointments to their respective
24 agencies. Those members serving on the Board pursuant to section 9(1)
25 and (2) shall serve on the Board at the pleasure of the appointing

1 officials and may be changed from time to time at the election of the
2 official.

3 Section 12. Corporation's bylaws. The Board may, by majority
4 vote of its entire membership, adopt, amend, or repeal bylaws of the
5 Corporation which shall provide for the management of the business of
6 the Corporation, the organization, meetings, and procedure of the Board,
7 the duties of the officers and employees of the Corporation, and the
8 preparation and submission of required reports. Bylaws may not be
9 adopted, amended, or repealed except after one week of written notice
10 to each director.

11 Section 13. Officers of the Board. The Board shall elect from
12 among its members a Chairman, a Vice Chairman, and a Secretary-Treasurer.
13 The Chairman shall ordinarily preside at the Board meetings. The Vice
14 Chairman shall preside at the Board meetings in the absence of the Chair-
15 man. The bylaws shall provide for determination of the presiding
16 officer in the absence of these officers.

17 Section 14. Board meetings. The regular meetings of the Board
18 shall be held at such times and places as shall be provided in the
19 corporate bylaws. Special meetings shall be called by the Chairman
20 on his own initiative, or by petition of one - third of the entire
21 membership of the Board.

22 Section 15. Quorum of the Board. A majority of the entire member-
23 ship of the Board shall constitute a quorum. An affirmative vote of a
24 majority of the members present shall be required to transact the Board's
25 business. A majority of the entire membership of the Board shall be

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1 required to adopt, amend, or repeal the bylaws. Unless otherwise
2 provided in the corporate bylaws or in this act, the Robert's Rules
3 of Parliamentary Procedure shall be used as the rules of procedure
4 governing the Board's proceedings.

5 Section 16. Minutes of Board meetings. The Secretary-Treasurer,
6 or his designee, as may be provided in the bylaws, shall keep full and
7 accurate minutes of all meetings.

8 Section 17. Compensation of Board members. Those members of the
9 Board who are Government employees, both State and National, shall
10 receive no compensation at all. Compensation of members of the Board
11 who are not Government employees shall be established by the Board.
12 All members of the Board shall be entitled to per diem at established
13 Federated States of Micronesia rates when traveling on the Corporation's
14 business. For the purpose of this section, "Government employees" includes,
15 but is not limited to, employees of those Government agencies or entities
16 created and funded by National or State laws.

17 Section 18. Employees of the Corporation.

18 (1) The Corporation shall employ a full-time Executive
19 Director, who shall be appointed by a majority vote of the entire
20 membership of the Board. The compensation, terms, and conditions of
21 employment shall be determined by the Board. The Executive Director
22 shall be accountable and answerable to the Board for the daily operation
23 of the Corporation.

24 (2) The Executive Director may hire, subject to the approval
25 of the Board, such supporting staff as he deems necessary and proper to

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1 effect the purpose of this act. The employees of the Corporation
2 shall be exempt from the provisions of the Federated States of Micro-
3 nesia National Public Service System Act.

4 (3) No member of the Board at the same time shall become
5 an employee of the Corporation.

6 Section 19. Budget preparation. The Executive Director shall
7 prepare in advance of each fiscal year an annual budget for the Corpora-
8 tion, taking into consideration anticipated capital, anticipated revenue,
9 and operational expenditure. The Corporation shall use the same fiscal
10 year as that of the National Government of the Federated States of
11 Micronesia. The budget shall indicate the operational, capital, and
12 maintenance requirements of the Corporation that will be met with the
13 anticipated revenues of the Corporation and such essential requirements
14 as cannot be met without an increase in the rate of revenues or outside
15 financial assistance. The annual budget shall be reviewed and approved
16 by the Board.

17 Section 20. Budget request. The Corporation may seek appropria-
18 tions from the Congress of the Federated States of Micronesia and
19 from other lawful sources within or without the Federated States of Micro-
20 nesia, in such amount and under such terms and conditions as it deems neces-
21 sary and proper for the development of the fishing and fisheries industry.

22 Section 21. Records and reporting. The Executive Director shall
23 keep accurate records of the Corporation's business transactions. Such
24 records shall include, but not be limited to, accounting of all income
25 and expenditure, and assets, both tangible and intangible, and liabilities

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1 of the Corporation. The Executive Director shall prepare and submit
2 a monthly report to the Board. That monthly report shall include, inter
3 alia, a monthly financial report. The Corporation, through its Board,
4 shall make a quarterly report to the President of the Federated States
5 of Micronesia, and to the Speaker of the Congress of the Federated States
6 of Micronesia. The quarterly report shall include, inter alia, a quarterly
7 financial statement.

8 Section 22. Corporate debts and obligations. Unless otherwise
9 expressly provided by law, the National Government shall not be liable
10 or responsible for any debts incurred by or obligations imposed upon the
11 Corporation.

12 Section 23. Tax exempt. The Corporation shall exist and operate
13 solely for the benefit of the public and shall be exempt from any taxes
14 or assessments on any of its property, operations, or activities. Nothing
15 herein shall be deemed to exempt employees and independent contractors of
16 the Corporation from tax liability for income received from the Corporation.

17 Section 24. Effective date. This act shall become law upon approval
18 by the President of the Federated States of Micronesia or upon its becoming
19 law without such approval.

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21 Date: May 19, 1983 Introduced by:
Sasao H. Gouland

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