December 20, 2007

The Honorable Isaac V. Figir
Speaker
15th FSM Congress
Palikir, Pohnpei State, FM 96941

RE: C.A. No. 15-25

Dear Speaker Figir:

I am pleased to inform you that I have designated the following Act as Public Law No. 15-22:


Sincerely,

Manny Mori
President

xc: Chief Justice, FSM Supreme Court
    Secretary, Dept. of Justice
    Director, SBOC
    Legislative Counsel, CFSM
    Library, CFSM
    PIO, FSM
November 27, 2007

His Excellency Manny Mori
President
Federated States of Micronesia
Palikir, Pohnpei FM 96941

Dear Mr. President:

I have the honor to transmit herewith Congressional Act No. 15-25, "AN ACT TO AUTHORIZE THE PRESIDENT OF THE FEDERATED STATES OF MICRONESIA TO EXECUTE A FULL FAITH AND CREDIT GUARANTY AS SECURITY FOR A LOAN AGREEMENT BETWEEN THE FSM PETROLEUM CORPORATION AND THE BANK OF GUAM.", which was passed by the Fifteenth Congress of the Federated States of Micronesia, Third Special Session, 2007, by a two-thirds vote of all the State delegations as required and as duly certified.

Sincerely yours,

Liwiana K. Ramon
Chief Clerk, Congress of the
Federated States of Micronesia

Enclosures
An Act

TO AUTHORIZE THE PRESIDENT OF THE FEDERATED STATES OF MICRONESIA TO EXECUTE A FULL FAITH AND CREDIT GUARANTY AS SECURITY FOR A LOAN AGREEMENT BETWEEN THE FSM PETROLEUM CORPORATION AND THE BANK OF GUAM.

INTRODUCED BY: SENATOR JOE N. SUKA
DATE: NOVEMBER 14, 2007

REferred TO: RESOURCES AND DEVELOPMENT COMMITTEE
FIRST READING: NOVEMBER 22, 2007
SECOND READING: NOVEMBER 23, 2007

Liwiana K. Ramon
Chief Clerk, FSM Congress
ACT NO. 15-25

(CONGRESSIONAL BILL NO. 15-80, C.D.1)

We hereby certify that on November 23 the foregoing act passed Second and Final Reading of the Fifteenth Congress of the Federated States of Micronesia, Third Special Session, 2007, by a two-thirds vote of all the State delegations as required under article IX, section 20, of the Constitution of the Federated States of Micronesia.

Isaac V. Figir
Speaker
Congress of the Federated States of Micronesia

Liwiana K. Ramon
Chief Clerk
Congress of the Federated States of Micronesia
AN ACT

To authorize the President of the Federated States of Micronesia to execute a full faith and credit guaranty as security for a loan agreement between the FSM Petroleum Corporation and the Bank of Guam.

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

1. Section 1. Purpose. The newly created FSM Petroleum Corporation (FSMPC) is in the process of consummating a transaction with Mobil Oil Micronesia, Inc. (MOMI) to purchase MOMI’s fuel facilities located within the FSM and to enter into a new fuel supply agreement with MOMI and is in need of a commercial loan in order to complete these deals and begin its operations.

2. FSMPC has negotiated a loan with the Bank of Guam (BOG) in the amount of $9,740,000. BOG requires FSMPC to secure from the President a "full faith and credit guaranty," the essence of which is that the National Government will agree to become jointly and severally liable for FSMPC’s payment obligations under the loan and consent to waive its sovereign immunity for the transaction. A limited waiver of sovereign immunity is codified at 6 F.S.M.C. § 702. However, pursuant to 27 F.S.M.C § 251 (as enacted by Public Law No. 15-08), the National Government will not assume the debts of FSMPC in the absence of a law expressly authorizing such assumption.

3. Section 2. Authorization. Pursuant to the borrowing authority bestowed by article IX of the FSM Constitution, 27
F.S.M.C. § 251, and 6 F.S.M.C. § 702, the Congress hereby authorizes the President to execute the guaranty with the Bank of Guam and waives the sovereign immunity of the National Government with regard to any legal action arising from the guaranty.

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

December 20, 2007

Manny Mori
President
Federated States of Micronesia