A RESOLUTION

Calling upon all of the States of the Federated States of Micronesia to authorize agreements necessary for the acquisition of fuel supply facilities currently owned by Mobil Oil Micronesia by the Federated States of Micronesia Petroleum Corporation and for a five-year fuel supply for all of the States.

WHEREAS, the terms of a Sale and Purchase Agreement for the acquisition of the fuel terminal assets of Mobil Oil Micronesia (MOMI) located in the States of Pohnpei, Chuuk and Yap and a five year Fuel Supply Agreement between the Federated States of Micronesia Petroleum Corporation and MOMI have been settled; and,

WHEREAS, such Agreements require certain undertakings by the Governments of the Federated States of Micronesia and of each of the States; and,

WHEREAS, the National Government, pursuant to C.R. No. 15-39, approved the said Agreements and authorized the undertakings required of it by the terms thereof; and,

WHEREAS, the Congress of the FSM now has passed C.B. No. 15-80, C.D.1 authorizing a full faith and credit guarantee of the financing necessary for the Petroleum Corporation to take control of the fuel distribution facilities from MOMI and assume their operations, such Bill requiring only the signature of the President to become law; and,

WHEREAS, such Agreements in their present form require the approval and participation of all of the four states to become
enforceable and for the control and operation of the fuel
distribution facilities in three of the States to be transferred
from MOMI ownership; and,

WHEREAS, approval and authorization has not been received
from all of the States due in part to concerns with certain
provisions of Public Law No. 15-08 establishing the FSM Petroleum
Corporation; and,

WHEREAS, it has never been the intention of Congress by
any action to reject the goal of the States to ultimately own
and operate the fuel facilities located within their
boundaries but merely to create the necessary mechanism by
which such facilities could be acquired; and,

WHEREAS, Congress has repeatedly confirmed through its
adoption of S.C.R. No. 15-23, S.C.R. No. 15-42 and S.C.R. No. 15-
50 its commitment to the vision of the States wanting such
ownership and control and its own vision that the adoption of the
Corporation statute, the approval of the purchase and fuel supply
agreement and the approval of the National Guaranty of the
necessary financing are first steps in the process to accomplish
that final result; and,

WHEREAS, Congress has also now passed C.B. No. 15-82 which
awaits only the signature of the President to become law to
modify terms of Public Law No. 15-08 relating to an
alternative procedure allowing for divestment or transfer of
assets and operations from the Corporation to any State; and,
WHEREAS, the Standing Committee Report recommending adoption of such Bill, S.C.R. No. 15-50, as adopted by Congress on November 22, 2007, specifically states that the Bill, in addition to its stated purpose, is intended to confirm the willingness of Congress to address all visions and concerns of individual States on a more deliberate basis once fuel facilities are under Micronesian control; and

WHEREAS, the process leading to the outcome desired by the people of all of the states cannot begin without the approval and authorization of the Agreements and the cooperation of each of them; now therefore

BE IT RESOLVED by the Fifteenth Congress of the Federated States of Micronesia, Third Special Session, 2007, that each of the States of the Nation are called upon to take such actions as may be required to authorize and approve the Agreements between the FSM Petroleum Corporation and Mobil Oil Micronesia and the undertakings as required thereby to permit the beginning of the process necessary to assume local control of fuel supply and distribution within the Nation and each of the States.
BE IT FURTHER RESOLVED that certified copies of this resolution be transmitted to the President of the Federated States of Micronesia, the Governor and Legislature of each State, and FSM Petroleum Corporation.

Date: 11/23/07

Introduced by: /s/ Joseph J. Urusemal

Joseph J. Urusemal