

A BILL FOR AN ACT

To further amend title 24 of the Code of the Federated States of Micronesia (Annotated), as amended, by creating a new chapter 12 to establish the Vessel Day Scheme Acquisition Fund, and for other purposes.

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

1 Section 1. Policy statement. It is the intent of this act
2 to strengthen the mandate of the National Oceanic Resources
3 Management Authority (NORMA) to manage, administer and exploit
4 fisheries resources. At the same time, mindful of the potential
5 revenue associated with favorable and unpredictable fishing
6 conditions under the Vessel Day Scheme (VDS), it is the sense of
7 the Congress of the Federated States of Micronesia that a VDS
8 Revolving Fund established by this act could leverage the
9 further maximization of revenue from fisheries through the
10 trading of vessel days in the manner consistent with the
11 prevailing practices among the PNA members.

12 Section 2. Title 24 of the Code of the Federated States of
13 Micronesia (Annotated), as amended, is hereby further amended
14 by creating a new chapter 12 entitled:

15 “Chapter 12. Vessel Day Scheme Acquisition Fund”.

16 Section 3. Chapter 12 of title 24 of the Code of the
17 Federated States of Micronesia (Annotated), as amended, is
18 hereby amended by inserting a new section 1201 to read as
19 follows:

1 “Section 1201. Establishment. There is hereby created
2 and established the Vessel Day Scheme (VDS)
3 Acquisition Fund, hereinafter referred to as the “VDS
4 Acquisition Fund”, separate from the General Fund of
5 the Federated States of Micronesia and all other
6 funds.”

7 Section 4. Chapter 12 of title 24 of the Code of the
8 Federated States of Micronesia (Annotated), as amended, is
9 hereby amended by inserting a new section 1202 to read as
10 follows:

11 “Section 1202. Purpose.
12 To provide the legal and financial authority of the
13 National Oceanic Resources Management Authority to
14 purchase vessel days from members of the Parties to
15 the Nauru Agreement (PNA) who are Parties to the Palau
16 Arrangement Vessel Day Scheme (VDS Participants) for
17 the purpose of re-selling the vessel days to
18 interested parties who hold valid fishing access
19 agreements with the National Oceanic Resource
20 Management Authority for the purpose of generating
21 revenue or maximizing economic benefit for the
22 Federated States of Micronesia. The Fund shall be
23 used exclusively to purchase vessel days.”

24 Section 5. Chapter 12 of title 24 of the Code of the
25 Federated States of Micronesia (Annotated), as amended, is

1 hereby amended by inserting a new section 1203 to read as
2 follow:

3 "Section 1203. Acquisition of vessel days
4 To maximize fishing opportunities, the Board of
5 Directors may authorize the Executive Director to use
6 funding in the VDS Acquisition Fund to secure
7 additional fishing days from PNA members as provided
8 by the Palau Arrangement."

9 Section 6. Chapter 12 of title 24 of the Code of the
10 Federated States of Micronesia (Annotated), as amended, is
11 hereby amended by inserting a new section 1204 to read as
12 follows:

13 "Section 1204. Deposits.
14 All future appropriations for the Fund shall be
15 deposited in the Fund. The total amount of the fund
16 shall be limited to \$3,000,000. All revenues
17 generated and any unexpended moneys in excess of
18 \$3,000,000 shall be paid into the General Fund."

19 Section 7. Chapter 12 of title 24 of the Code of the
20 Federated States of Micronesia (Annotated), as amended, is
21 hereby amended by inserting a new section 1205 to chapter 12 to
22 read as follows:

23 "Section 1205. Administration.
24 The Fund shall be administered by the President of the
25 Federated States of Micronesia or his designee, who

1 shall establish procedures necessary and appropriate
2 for the effectuation and implementation of the
3 provisions of this chapter.”

4 Section 8. Chapter 12 of title 24 of the Code of the
5 Federated States of Micronesia (Annotated), as amended, is
6 hereby amended by inserting a new section 1206 to read as
7 follows:

8 “Section 1206. Annual Report.
9 The President or his designee shall report to the
10 Congress of the Federated States of Micronesia on the
11 status of the Fund at the close of each fiscal year.”

12 Section 9. Chapter 12 of title 24 of the Code of the
13 Federated States of Micronesia (Annotated), as amended, is
14 hereby amended by inserting a new section 1206 to read as
15 follows:

16 “Section 1206. Regulation. With the approval of the
17 President, the Authority shall promulgate appropriate
18 regulation in accordance with the Administrative
19 Procedures Act, providing for suitable policy
20 concerning the trading of vessel days and such
21 controls that shall govern the management of the
22 revolving fund in accordance with the Financial
23 Management Act.”

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1 Section 10. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its
3 becoming law without such approval.

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5 Date: 11/13/18 Introduced by: /s/ Florencio S. Harper
6 Florencio S. Harper
7 (by request)

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