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:

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

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

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

Section 4. Charter.

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

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

Section 5. Charter; Principal and branch offices.

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

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

Section 6. Charter; Corporation authority.

(1) Subject to any existing limitation or limitations hereafter enacted, the Corporation, through its officers and agents, is authorized to engage in all commercial activities which will further the development of the fishing and fisheries industry in the Federated States of
Micronesia.

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

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

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

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

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

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

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

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

(h) To invest in the expansion and improvement of the fishing and fisheries industry in the Federated States of Micronesia.
Section 7. Charter; Corporate powers. In addition to the authority granted under section 6 of this act, the Corporation shall possess and exercise all powers normally exercised by a corporation, including, but not limited to, the following:

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

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

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

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

(5) To acquire in any mode and take over the whole or any part of the business, property, goodwill, and liabilities of any other corporation or corporations, including debts, liabilities, and obligations incurred prior to the time of acquisition;

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

(7) To form or assist in forming any company for the purpose of carrying on any business which the corporation is authorized to carry on, or any other business which may enhance the fishing and fisheries industry;
(8) To issue corporate bonds from time to time for sale to the general public, or to other financial institutions, or Government agencies, upon such terms and under such conditions as the Board of Directors deem necessary and appropriate;

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

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

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

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

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

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

(15) To have and to exercise all powers necessary and proper to effectuate the purposes of this act and the Corporation's charter.
Section 8. Board of Directors. The affairs of the Corporation shall be managed and its corporate powers exercised by a Board of Directors, hereinafter referred to as the "Board."

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

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

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

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

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

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

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

Section 11. Terms of office of Board members. Those members of the Board appointed pursuant to section 9(3), (4), and (5) shall serve on the Board for the duration of their appointments to their respective agencies. Those members serving on the Board pursuant to section 9(1) and (2) shall serve on the Board at the pleasure of the appointing
officials and may be changed from time to time at the election of the
official.

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

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

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

Section 15. Quorum of the Board. A majority of the entire mem-
bership of the Board shall constitute a quorum. An affirmative vote of a
majority of the members present shall be required to transact the Board's
business. A majority of the entire membership of the Board shall be
required to adopt, amend, or repeal the bylaws. Unless otherwise
generated in the corporate bylaws or in this act, the Robert's Rules
of Parliamentary Procedure shall be used as the rules of procedure
governing the Board's proceedings.

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

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

Section 18. Employees of the Corporation.

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

(2) The Executive Director may hire, subject to the approval
of the Board, such supporting staff as he deems necessary and proper to
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
5 (3) No member of the Board at the same time shall become
6 an employee of the Corporation.
7
8 Section 19. Budget preparation. The Executive Director shall
9 prepare in advance of each fiscal year an annual budget for the Corpora-
10 tion, taking into consideration anticipated capital, anticipated revenue,
11 and operational expenditure. The Corporation shall use the same fiscal
12 year as that of the National Government of the Federated States of
13 Micronesia. The budget shall indicate the operational, capital, and
14 maintenance requirements of the Corporation that will be met with the
15 anticipated revenues of the Corporation and such essential requirements
16 as cannot be met without an increase in the rate of revenues or outside
17 financial assistance. The annual budget shall be reviewed and approved
18 by the Board.
19
20 Section 20. Budget request. The Corporation may seek appropria-
21 tions from the Congress of the Federated States of Micronesia and
22 from other lawful sources within or without the Federated States of Micro-
23 nesia, in such amount and under such terms and conditions as it deems neces-
24 sary and proper for the development of the fishing and fisheries industry.
25
26 Section 21. Records and reporting. The Executive Director shall
27 keep accurate records of the Corporation's business transactions. Such
28 records shall include, but not be limited to, accounting of all income
29 and expenditure, and assets, both tangible and intangible, and liabilities
of the Corporation. The Executive Director shall prepare and submit
a monthly report to the Board. That monthly report shall include, inter
alia, a monthly financial report. The Corporation, through its Board,
shall make a quarterly report to the President of the Federated States
of Micronesia, and to the Speaker of the Congress of the Federated States
of Micronesia. The quarterly report shall include, inter alia, a quarterly
financial statement.

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

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

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

Date: May 19, 1983

Introduction by: Faasao H. Gouland