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A BILL FOR AN ACT

To reorganize the Government 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. Section 203 of title 2 of the Code of the Federated  
2 States of Micronesia, as amended by Public Law No. 4-65, is hereby  
3 further amended to read as follows:

4               "Section 203. Departments.

5               (1) There shall be the following departments which  
6 shall be responsible for major programs or administrative  
7 support areas in the Government of the Federated States:

8               (a) Department of Finance;

9               ~~(b) Department of External Affairs;~~

10              ~~(c) Department of Resources and Development; and~~

11              ~~(d) Department of Transportation;~~

12              (b) Department of Foreign Affairs;

13              (c) Department of Justice;

14              (d) Department of Budget and Planning;

15              (e) Department of Economic Development;

16              (f) Department of Marine and Maritime Affairs;

17              (g) Department of Human Resources; and

18              (h) Department of Administrative Services.

19              (2) The administrative head of each department shall be  
20 designated as a ~~'Secretary'~~ 'Minister' except that the  
21 administrative head of the Department of Justice shall be  
22 designated as the 'Attorney General.'

23              (3) Succession.

24              (a) Any reference to the Department of External  
25 Affairs, the Department of Resources and Development, the

1 Department of Transportation, the Office of the Attorney  
2 General, the Office of Budget, the Office of Information, the  
3 Office of Personnel, the Office of Planning and Statistics,  
4 the Office of Education, or the Office of Health Services  
5 shall apply to the appropriate successor entity.

6 (b) Any reference to any official or employee of an  
7 entity referred to in subsection (3)(a) of this section shall  
8 be construed as applying to the person holding the same or  
9 most similar position in the appropriate successor entity."

10 Section 2. Section 204 of title 2 of the Code of the Federated  
11 States of Micronesia, as amended by Public Law No. 4-65, is hereby  
12 further amended to read as follows:

13 "Section 204. Other executive offices. There shall be the  
14 following executive offices:

- 15 (1) Office of the Attorney General,  
16 (2) Office of Budget,  
17 (3) Office of Information,  
18 (4) Office of Personnel,  
19 (5) Office of Planning and Statistics,  
20 (6) Office of the Public Defender,  
21 (7) Office of Education, and  
22 (8) Office of Health Services."

23 Section 3. Section 201 of title 22 of the Code of the Federated  
24 States of Micronesia is hereby repealed in its entirety and a new  
25 section 201 is hereby enacted to read as follows:

1           "Section 201. Definitions.

2                   (1) 'Board' means the Minister of Economic Development.

3                   (2) 'Coconut Development Authority' and 'Authority' mean  
4                   the Minister of Economic Development."

5           Section 4. Section 401 of title 22 of the Code of the Federated  
6 States of Micronesia is hereby amended to read as follows:

7           "Section 401. Purpose and definition.

8                   (1) In order to protect the agricultural and general  
9 well-being of the people of the Federated States of  
10 Micronesia, quarantines are promulgated as a means of  
11 preventing the introduction and further dissemination of  
12 injurious insects, pests, and diseases into and within the  
13 Federated States of Micronesia.

14                   (2) The term 'Secretary of Resources and Development'  
15 when used herein shall hereinafter mean the Minister of Human  
16 Resources."

17           Section 5. Section 102 of title 24 of the Code of the Federated  
18 States of Micronesia is hereby amended to read as follows:

19           "Section 102. Definitions. As used in this title, unless the  
20 context otherwise requires, the term:

21                   (1) 'Atoll' means a circular or oval coral reef forming  
22 a geographic and ecologic unity crowned by at least one  
23 island.

24                   (2) 'Authority' and 'Micronesian Maritime Authority'  
25 means the ~~Micronesian Maritime Authority established by~~

1 ~~section 301 of this title~~ Minister of Marine and Maritime Affairs.

2 (3) 'Congress' means the Congress of the Federated States  
3 of Micronesia.

4 (4) 'Executive director' and 'chairman' means the  
5 ~~executive director of the Micronesian Maritime Authority~~  
6 Director of the Division of Fisheries Licensing of the Depart-  
7 ment of Marine and Maritime Affairs.

8 (5) 'Fish' means any living resource.

9 (6) 'Fishery' means:

10 (a) one or more stocks of fish which can be  
11 treated as a unit for purposes of conservation and management  
12 and which are identified on the basis of geographical,  
13 scientific, technical, recreational, and economic characteris-  
14 tics; and

15 (b) any fishing for such stocks.

16 (7) 'Fishing' means:

17 (a) the actual or attempted catching, taking, or  
18 harvesting of fish;

19 (b) any other activity which can reasonably be ex-  
20 pected to result in the catching, taking, or harvesting of  
21 fish; or

22 (c) any operations at sea in support of or in  
23 preparation for any activity described in paragraphs (a) and  
24 (b) of this subsection.

25 (8) 'Fishing vessel' means any vessel, boat, ship, or

1 other craft which is used for, equipped to be used for, or of  
2 a type that is normally used for:

3 (a) fishing;

4 (b) aiding or assisting one or more vessels at sea  
5 in the performance of any activity related to fishing, includ-  
6 ing, but not limited to preparation, supply, storage, refrigera-  
7 tion, transportation, or processing.

8 (9) 'Foreign fishing' means fishing by vessels:

9 (a) not registered in Micronesia; or

10 (b) not wholly owned by citizens of Micronesia; or

11 (c) not wholly controlled by citizens of Micronesia;

12 or

13 (d) of foreign registry chartered by citizens of  
14 Micronesia.

15 (10) 'Foreign fishing agreement' means an agreement  
16 between the Authority on behalf of the Government of the  
17 Federated States of Micronesia and one or more foreign  
18 commercial fishing interests to permit foreign vessels to  
19 harvest fish within the extended fishery zone of the  
20 Federated States of Micronesia. A 'foreign party' is a  
21 party to such an agreement other than the authority.

22 (11) 'Island' means a naturally formed area of land,  
23 surrounded by water, which is above water at high tide.

24 (12) 'Living resource' means a finfish, mollusks,  
25 crustaceans, and all other forms of marine animal and plant life

1 other than marine birds.

2 (13) 'Micronesia' or 'Government of Micronesia' refers  
3 to the appropriate State government or the Government of the  
4 Federated States of Micronesia.

5 (14) 'Person' means any individual, corporation, partner-  
6 ship, association, or other entity, the Government of Micro-  
7 nesia or any of its subdivisions or any entity thereof, and  
8 any foreign government, subdivision of such government, or  
9 entity thereof.

10 (15) 'Reef fish' means any species of living resource  
11 which predominately inhabits reef areas or internal waters.

12 (16) 'State' means any of the States of the Federated  
13 States of Micronesia.

14 (17) 'Stock of fish' means a species, subspecies, geo-  
15 graphical grouping, or other category of fish capable of  
16 management as a unit.

17 (18) 'Submerged reef' means a coral reef forming a geo-  
18 graphic and ecologic unity which is wholly submerged at high  
19 tide."

20 Section 6. Section 201 of title 26 of the Code of the  
21 Federated States of Micronesia is hereby amended to read as follows:

22 "Section 201. Establishment Authorization. ~~The Institute~~  
23 ~~for Micronesian History and Culture (hereinafter referred~~  
24 ~~to as the 'Institute') is hereby established. The~~  
25 ~~Institute shall be staffed with professional and~~

1 ~~paraprofessional personnel trained in fields relevant to~~  
 2 The Minister of Administrative Services shall oversee  
 3 the identification, conservation, and protection of  
 4 historic properties and cultural attributes within the  
 5 Federated States of Micronesia through the effective  
 6 administration of funds from various sources. As used  
 7 herein, 'Institute' means the Minister of Administrative  
 8 Services or his designee.'

9 Section 7. Section 102 of title 29 of the Code of the  
 10 Federated States of Micronesia is hereby amended to read as follows:

11 "Section 102. Definitions. As used in this title, unless  
 12 it is otherwise provided or the context requires a different  
 13 construction, application, or meaning:

14 (1) 'Bank' means a stock or mutual corporation or  
 15 unincorporated association with sufficient capital,  
 16 authorized by law to receive deposits of money or  
 17 securities, to open credits, checking accounts, and  
 18 savings accounts, to make loans, and in general to  
 19 engage in all kinds of banking transactions, but  
 20 does not mean a National banking association established by  
 21 the Federated States of Micronesia. 'Bank' includes a savings  
 22 and loan association but does not include a credit union.

23 (2) 'Banking Board' means the ~~board established~~  
 24 ~~pursuant to section 201 of this title~~ Minister of  
 25 Finance.

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1                   (3) 'Branch' means an office of a bank at which  
2                   deposits are received or checks paid or money lent.

3                   (4) 'Demand deposit' means any deposit which is  
4                   repayable by its terms not more than three days after the  
5                   time it is made.

6                   (5) 'Deposits' means money or other property trans-  
7                   ferred or assigned to any person pursuant to an agreement,  
8                   expressed or implied, that the person shall repay such  
9                   moneys upon demand (whether in person or by written order)  
10                  or after a fixed or determinable period of time. Money  
11                  loaned to a bank which is to be repaid not sooner than  
12                  five years from the date of the loan, and pursuant to a  
13                  loan agreement under which the obligation to repay is  
14                  subordinate to the rights of depositors, shall not be  
15                  deemed to be a deposit. Money transferred to a credit  
16                  union as a purchase or its shares shall not be deemed to  
17                  be a deposit.

18                  (6) 'Domestic bank' means a bank organized under the  
19                  provisions of chapter 3 of this title.

20                  (7) 'Foreign bank' means a corporation or other  
21                  financial institution organized for the purpose of engaging  
22                  in the banking business under the laws of the United  
23                  States or of a territory or State of the United States, or  
24                  of a foreign country, operating a bank in its home  
25                  territory, State, or country.

1           (8) 'Legal reserve' means the sum which every  
2 domestic bank and foreign bank shall at all times have  
3 available for the payment of their deposit liabilities  
4 pursuant to the provisions of this title.

5           (9) 'Paid-in capital, surplus, and undistributed  
6 profits' means, in the case of a foreign bank, the  
7 aggregate paid-in capital, surplus, and undistributed  
8 profits of such bank and not merely that allocated to,  
9 located in, or arising out of its operations in the  
10 Federated States of Micronesia.

11          (10) 'Person' includes individuals, corporations,  
12 partnerships, and any other business entity.

13          (11) 'Public Auditor' means the Public Auditor  
14 appointed by the President of the Federated States of  
15 Micronesia with the advice and consent of the Congress  
16 pursuant to the Constitution.

17          (12) 'Registrar of Corporations' means the Registrar  
18 of Corporations of the National Government of the Federated  
19 States of Micronesia.

20          (13) 'Related person' with respect to any person  
21 means his spouse, child, parents, brothers, or sisters,  
22 or any partnership, corporation, or firm in which he owns more  
23 than a ten percent interest."

24          Section 8. Section 101 of title 32 of the Code of the Federated  
25 States of Micronesia is hereby amended to read as follows:

1 "Section 101. Business license required - Generally.

2 (1) Any person, partnership, corporation, or association  
3 engaging in the business of importing, exporting, selling of  
4 securities, or insurance, as a condition precedent to engaging  
5 or continuing in such business, shall obtain from the ~~Secretary~~  
6 ~~of Resources and Development~~ Minister of Economic Development  
7 a license to engage in or conduct such business. All references  
8 in this chapter to the Secretary of Resources and Development  
9 shall be deemed to refer to the Minister of Economic Development.

10 (2) Prior consultation with the ~~Secretary~~ Minister of Finance  
11 by the ~~Secretary of Resources and Development~~ Minister of Econo-  
12 mic Development shall be required prior to issuance of licenses  
13 to businesses engaged in selling of securities or importing."

14 Section 9. Section 202 of title 32 of the Code of the Federated  
15 States of Micronesia is hereby amended to read as follows:

16 "Section 202. Definitions. When words defined in this section  
17 are used in this chapter, unless otherwise required by the  
18 context, the following definitions shall govern:

19 (1) 'Board' means the Minister of Economic Development.

20 (2) 'Business' means any sole proprietorship, partnership,  
21 corporation, or any other association engaged in commerce.

22 (3) 'Citizen' means any person or business not included in  
23 the definition of noncitizen contained in this chapter.

24 (4) 'Licensee' means any noncitizen who has been issued a  
25 foreign-investment permit under this chapter, including agents

1 or employees of the noncitizen.

2 (A5) 'Noncitizen' means/

3 (a) until the termination of the Trusteeship for the  
4 Trust Territory of the Pacific Islands, any person who is not a  
5 Trust Territory citizen and any business in which any interest  
6 is owned by a person who is not a Trust Territory citizen; and

7 (b) upon termination of the Trusteeship, any person  
8 who is not a citizen of the Federated States of Micronesia,  
9 and any business in which any interest is owned by a person  
10 who is not a citizen of the Federated States of Micronesia.

11 (36) 'President' means the President of the Federated  
12 States of Micronesia.

13 (37) 'Secretary' means the ~~Secretary of Resources and~~  
14 ~~Development~~ Minister of Economic Development of the Federated  
15 States of Micronesia.

16 (78) 'State authority' means any official or entity  
17 designated by a State of the Federated States of Micronesia to  
18 consider foreign-investment applications under this chapter  
19 and, failing such designation, means the Governor of a State."

20 Section 10. Section 201 of title 36 of the Code of the Federated  
21 States of Micronesia is hereby amended to read as follows:

22 "Section 201. Registrar of Corporations - Office created;  
23 Duties. There shall be in the Department of ~~Resources and~~  
24 ~~Development~~ Economic Development a Registrar of Corporations  
25 appointed by the President of the Federated States of

1           Micronesia, who shall issue, receive, and hold as custodian  
2           all certificates, papers, statements, or other records of docu-  
3           ments required by the provisions of this chapter, or rules or  
4           regulations promulgated hereunder, to be distributed by or filed  
5           with the Government of the Federated States of Micronesia, and  
6           shall perform such other duties as may from time to time be  
7           assigned to him by the President of the Federated States of  
8           Micronesia or the ~~Secretary of Resources and Development~~  
9           Minister of Economic Development."

10          Section 11. Section 202 of title 36 of the Code of the Federated  
11 States of Micronesia is hereby amended to read as follows:

12           "Section 202. Authority to promulgate rules and regulations.  
13           The Registrar of Corporations, with the approval of the  
14           ~~Secretary of the Department of Resources and Development~~  
15           Minister of Economic Development and the President of the  
16           Federated States of Micronesia, shall have the power to  
17           prescribe such rules and regulations as are deemed advisable  
18           to administer and carry into effect the provisions of this  
19           chapter."

20          Section 12. Section 121 of title 40 of the Code of the  
21 Federated States of Micronesia is hereby amended to  
22 read as follows:

23           "Section 121. Definitions. As used herein, unless other-  
24           wise indicated by the context:

25           (1) 'Board' means the ~~Federated States of Micronesia~~

1 Board of Education Minister of Human Resources.

2 (2) 'Chief of education' means the ~~Chief of the~~  
3 ~~division of education within the Department of Social~~  
4 ~~Services~~ Minister of Human Resources of the Federated  
5 States of Micronesia.

6 (3) 'President' means the President of the Federated  
7 States of Micronesia.

8 (4) 'Secretary of Social Services' means the  
9 ~~Secretary of the Department of Social Services~~ Minister of  
10 Human Resources of the Federated States of Micronesia."

11 Section 13. Section 101 of title 41 of the Code of the Federated  
12 States of Micronesia is hereby amended to read as follows:

13 "Section 101. Duties of director of Health Services  
14 generally.

15 (1) The director of Health Services shall either  
16 personally or by his duly authorized representatives  
17 maintain and improve health and sanitary conditions, minimize and  
18 control communicable disease, establish standards of medical and  
19 dental care and practice, encourage scientific investigation in  
20 the field of health, and supervise and administer all Government-  
21 owned hospitals, sanitariums, clinics, dispensaries,  
22 and such other medical and dental facilities as are or may be  
23 established throughout the ~~Trust Territory~~ Federated States of  
24 Micronesia.

25 (2) As used in this title 'Director of Health Services'

1 means the Minister of Human Resources or his designee."

2 Section 14. Section 112 of title 51 of the Code of the Federated  
3 States of Micronesia is hereby amended to read as follows:

4 "Section 112. Definitions. For the purposes of this  
5 chapter, unless it is otherwise provided or the context  
6 requires a different construction, application, or meaning:

7 (1) 'Available' means able to be on the island on which  
8 the employer desires workers on the date the employer states  
9 the workers are desired.

10 (2) 'Chief' means the ~~chief of the Division of Labor~~  
11 ~~within the Department of Resources and Development~~ Minister of  
12 Economic Development or his designee.

13 (3) 'Department of Resources and Development' means the  
14 Department of Economic Development.

15 (34) 'District representative' means any ~~district~~  
16 ~~employment services officer, or any other person designated~~  
17 ~~by the chief to act on his behalf in any district in which~~  
18 ~~there is no district employment services officer~~ person  
19 designated by the Minister to act on his behalf.

20 (45) 'Employer' means any individual, partnership,  
21 association, or corporation hiring employees in the ~~Trust~~  
22 ~~Territory~~ Federated States of Micronesia and any individual  
23 who has in his employ a domestic servant, but does not  
24 include any branch or agency of the ~~Trust Territory Government~~  
25 ~~of the United States Government~~ Federated States of Micronesia.

1                   (§6) 'Employment service' means the ~~Trust Territory~~  
2                   Federated States of Micronesia Employment Service established  
3                   under section 151 of this chapter.

4                   (§7) 'Employment service officer' means the official who  
5                   is the head of the ~~Trust Territory~~ Federated States of Micronesia  
6                   Employment Service established under section 151 of this chapter.

7                   (78) 'Nonresident worker' means any person who is capable  
8                   of performing services or labor and who is not a citizen of the  
9                   ~~Trust Territory~~ Federated States of Micronesia or an immigrant  
10                  alien admitted to the ~~Trust Territory~~ Federated States of  
11                  Micronesia for permanent residence under the provisions of  
12                  title 50 of this code, including persons acting in a  
13                  professional, managerial, or executive capacity.

14                  (§9) 'Resident worker' means any person who is capable  
15                  of performing services or labor and who is a citizen of the ~~Trust~~  
16                  ~~Territory~~ Federated States of Micronesia or an immigrant alien admitted  
17                  to the ~~Trust Territory~~ Federated States of Micronesia for permanent  
18                  residence under the provisions of title 50 of this code, including persons  
19                  acting in a professional, managerial or executive capacity."

20                  Section 15. Section 112 of title 52 of the Code of the Federated  
21                  States of Micronesia is hereby amended to read as follows:

22                  "Section 112. Definitions. In this chapter, unless the context  
23                  requires otherwise, the following definitions shall apply:

24                  (1) 'Adjusted base salary' means the total of base  
25                  salary plus market place differential and foreign service

1 differential. If an employee is not entitled to either of these  
2 differentials, his adjusted base salary means his base salary.

3 (2) 'Base salary' means the specific rate of pay for a  
4 given pay level and step as contained within the base salary  
5 schedule established by law. 'Base salary' does not include  
6 differentials or allowances for night work, transfer, overtime,  
7 holiday work, travel per diem, or other similar ones.

8 (3) 'Class' or 'class of positions' means a group of  
9 positions sufficiently similar so that all can reasonably be  
10 identified by the same title, be filled by applying the same  
11 qualification standards, and be equitably compensated by the  
12 same salary level. A class may consist of only one position or  
13 of any greater number of positions.

14 (4) 'Eligible list' means a list of persons who have been  
15 found qualified for appointment to a position in a particular  
16 class. Such a list may be either reemployment, promotional, or  
17 open-competitive.

18 (5) 'Eligible person' or 'eligible' means a person whose  
19 name is on an active eligible list.

20 (6) 'Employee' means a person holding a position in the  
21 public service, whether permanently or otherwise.

22 (7) 'Management official' or 'management' means a person  
23 authorized to make appointments or changes in status of  
24 employees in the public service.

25 (8) 'Open-competitive examination' means an examination

1 for positions in a particular class, admission to which is  
2 not limited to persons employed in the public service.

3 (9) 'Open-competitive list' means a list of persons who  
4 have been found qualified by open-competitive examination for  
5 appointment to a position in a particular class.

6 (10) 'Personnel Officer' means ~~the head of the office of~~  
7 ~~Personnel of the central Government of the Federated States of~~  
8 ~~Micronesia~~ Director, Division of Personnel, Department of  
9 Administrative Services.

10 (11) 'Position' means a group of duties and  
11 responsibilities assigned by competent authority to be  
12 performed by one person, working full-time or part-time. A  
13 position may be either occupied or vacant.

14 (12) 'Position classification plan' means the  
15 arrangement in a systematic order of the titles of all  
16 classes existing in the public service, with a description  
17 of each class.

18 (13) 'Probation period' means a period of probationary  
19 employment status of not less than six months nor more than  
20 one year from the beginning of an employee's service in a  
21 particular position or class in the public service.

22 (14) 'Promotional examination' means an examination for  
23 positions in a particular class, admission to which is  
24 limited to regular employees in the public service.

25 (15) 'Promotional list' means a list of persons who

1 have been found qualified by a promotional examination for  
2 appointment to a position in a particular class.

3 (16) 'Public service' means all offices and other  
4 positions in the central Government of the Federated States  
5 of Micronesia not exempted by section 117 of this chapter.

6 (17) 'Reemployment list' means a list of persons who  
7 have been regular employees in the public service and who are  
8 entitled to have their names certified for appointment to a  
9 position in the class in which they last held permanent  
10 status, or in a related class in the same or a lower salary  
11 range for which they meet the qualification requirements.

12 (18) 'Regular employee' or 'permanent employee' means an  
13 employee who has been appointed to a position in the public  
14 service who has successfully completed a probation period."

15 Section 16. Section 117 of title 52 of the Code of the Federated  
16 States of Micronesia is hereby amended to read as follows:

17 "Section 117. Application of chapter; Exemptions. The  
18 National Public Service System shall apply to all employees  
19 of and positions in the central Government of the Federated  
20 States of Micronesia now existing or hereafter established and  
21 to all personnel services performed for that Government except  
22 the following, unless this chapter or provisions thereof are  
23 specifically made applicable to them:

24 (1) members of the Congress of the Federated States of  
25 Micronesia;

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- 1                   (2) the President and Vice President of the Federated
  - 2                   States of Micronesia;
  - 3                   (3) Justices and other Judges of the National Courts;
  - 4                   (4) the legislative counsel and the Clerk of the Congress;
  - 5                   (5) the Public Auditor;
  - 6                   (6) the administrative officer of the National Courts;
  - 7                   (7) the special assistants and secretaries to the President
  - 8                   and Vice President;
  - 9                   (8) persons appointed by the President to fill the following
  - 10                  positions: *Secretary of External Affairs, Secretary of Finance,*
  - 11                  *Secretary of Resources and Development, Secretary of Social*
  - 12                  *Services, Budget Officer, Minister of Foreign Affairs, Minister of*
  - 13                  Administrative Services, Minister of Finance, Minister of Budget
  - 14                  and Planning, Minister of Economic Development, Minister of Marine
  - 15                  and Maritime Affairs, Minister of Human Resources, Information
  - 16                  Officer, *Personnel Officer, National Planner,* Attorney
  - 17                  General, and Public Defender, and their deputies, if any;
  - 18                  (9) persons appointed to any other positions by the
  - 19                  President with the advice and consent of the Congress;
  - 20                  (10) the Liaison Officer in Washington and all ambassadors;
  - 21                  (11) persons or organizations retained by contract when the
  - 22                  Personnel Officer has certified that the service to be performed
  - 23                  is special or unique and nonpermanent and is essential to the
  - 24                  public interest, and that, because of the degree of
  - 25                  expertise or special knowledge required and the

1 nature of the services to be performed, it would not be  
2 practical to obtain personnel to perform such services  
3 through normal public service recruitment procedures;

4 (12) persons presently under contract of employment not  
5 included in subsection (11) of this section, during the life  
6 of such contract. No contract of employment shall be entered  
7 into, renewed, or amended after the effective date of this  
8 chapter, except in accordance with the provisions of this  
9 chapter;

10 (13) temporary positions, required in the public  
11 interest, for which the need does not exceed six months;

12 (14) positions requiring part-time or intermittent work  
13 which does not exceed sixty hours in any calendar month;

14 (15) positions filled by inmates, patients, and students  
15 of institutions of the Federated States of Micronesia;

16 (16) members of any board, public corporation,  
17 commission, or similar body, in their capacity as such;

18 (17) officers, faculty, and employees of the Board of  
19 Regents and the College of Micronesia; ~~and~~

20 (18) positions specifically exempted by any other law  
21 of the Federated States of Micronesia/; and

22 (19) Heads of all Divisions established pursuant to  
23 Presidential Order Number 1."

24 Section 17. Section 123 of title 52 of the  
25 Code of the Federated States of Micronesia is hereby

1 amended to read as follows:

2 "Section 123. Personnel Officer - Functional duties. The  
3 Personnel Officer shall:

4 (1) ~~be directly responsible to the President and~~ serve as  
5 a principal adviser to the President and his staff on all matters  
6 concerning personnel administration and employee training;

7 (2) administer the system of personnel administration for  
8 the central Government of the Federated States of Micronesia;

9 (3) prepare proposed policies and regulations to carry out  
10 the provisions of this chapter;

11 (4) cooperate fully with and attend, or assign a qualified  
12 representative to attend, all meetings of the ad hoc committees  
13 organized under section 153, and provide the committee with  
14 such technical advice as it may require;

15 (5) appoint other employees of the ~~Office~~ Division of  
16 Personnel, in accordance with all other applicable provisions  
17 of law;

18 (6) establish and maintain a current roster of all officers  
19 and employees in the public services, indicating for each the  
20 class of position held, the salary, and any other appropriate  
21 data;

22 (7) develop and maintain a system of performance  
23 evaluation for the purpose of appraising the productivity of  
24 employees in the public service;

25 (8) develop and maintain a position classification plan

1 and a pay plan in accordance with this chapter and other appli-  
2 cable laws;

3 (9) develop and utilize recruitment and selection  
4 procedures and methods;

5 (10) develop training programs for the improvement of  
6 employee skills and for the development of a systematic career  
7 program for employees who are citizens of the Federated States  
8 of Micronesia; and

9 (11) perform any other lawful acts assigned to him by the  
10 President or otherwise required to carry out the provisions and  
11 purposes of this chapter."

12 Section 18. Section 2 of Public Law No. 2-60, as amended by  
13 Public Law No. 3-64, is hereby further amended to read as follows:

14 "Section 2. Purpose. The purpose of this act is to establish  
15 ~~five~~ four ongoing imprest revolving funds to provide,  
16 subject to the provisions of section 4 of this act, sources  
17 of advanced funding for authorized operations expenses  
18 of the Guam and Honolulu Liaison Offices, the Federated  
19 States of Micronesia Representative Office, and the Japan  
20 Economic Liaison Office and authorized expenses incurred  
21 during official travel by qualified Community College of  
22 Micronesia employees and officials, National and State  
23 Government employees and officials, and medical referral  
24 patients and their attendants."

25 Section 19. Section 3 of Public Law No. 2-60, as amended by

1 Public Law No. 3-64, is hereby further amended to read as  
2 follows:

3 "Section 3. Establishment.

4 (1) There is hereby established an ongoing imprest  
5 revolving fund within the General Fund for each of the  
6 following offices of the National Government of the  
7 Federated States of Micronesia:

8 (a) Guam Liaison Office;

9 (b) Honolulu Liaison Office;

10 ~~(c) San Francisco Supply Office;~~

11 (d) Federated States of Micronesia Representative  
12 Office; and

13 (e) Japan Economic Liaison Office."

14 Section 20. Section 4 of Public Law No. 2-60, as amended by  
15 Public Law No. 3-64, is hereby further amended to read as  
16 follows:

17 "Section 4. Authorized uses of the funds.

18 (1) The fund established pursuant to section 3 of this  
19 act for the Guam Liaison Office may be utilized as a source  
20 of advanced funding for authorized expenses incurred in the  
21 operation of that office.

22 (2) The fund established pursuant to section 3 of  
23 this act for the Honolulu Liaison Office may be utilized  
24 as a source of advanced funding for authorized expenses  
25 incurred in the operation of that office.

1                   (3) The fund established pursuant to section 3 of  
2                   this act for the Federated States of Micronesia  
3                   Representative Office may be utilized as a source of  
4                   advanced funding for authorized expenses incurred in the  
5                   operation of that office.

6                   (4) The fund established pursuant to section 3 of this  
7                   act for the Japan Economic Liaison Office may be utilized  
8                   as a source of advanced funding for authorized expenses  
9                   incurred in the operation of that office.

10                  (5) All of the funds established pursuant to section 3  
11                  of this act for the Federated States of Micronesia  
12                  Representative Office and the Japan Economic Liaison Office  
13                  may be utilized as sources of advanced funding for  
14                  authorized expenses incurred during travel by/

15                  ~~(a)~~ Employees and officials of the Community College  
16                  of Micronesia and employees and officials of any branch,  
17                  department, office, board, bureau, commission, committee,  
18                  institution, corporation, or statutory authority of the  
19                  National or State Governments of the Federated States of  
20                  Micronesia who have been issued valid travel authorizations/\_.  
21                  ~~and~~

22                  (6) All of the funds established pursuant to  
23                  section 3 of this act may be utilized as sources of  
24                  advanced funding for authorized expenses incurred during  
25                  travel by

1                    ~~(b)~~ Medical referral patients and their  
 2                    attendants who have been issued valid travel authorizations.

3                    ~~(67)~~ The ~~Secretary~~ Minister of Finance of the National  
 4                    Government of the Federated States of Micronesia shall  
 5                    determine 'authorized expenses' for the purposes of  
 6                    subsections (1) through ~~(36)~~ of this section through the  
 7                    establishment of policies and procedures.

8                    ~~(78)~~ The funds shall not be utilized for any purpose  
 9                    other than as permitted by this section."

10                  Section 21. Section 8 of Public Law No. 2-60, as amended by  
 11                  Public Law No. 3-64, is hereby further amended to read as follows:

12                  "Section 8. Authorization.

13                    (1) The sum of ~~\$87,000~~80,000, or so much thereof as  
 14                    may be necessary, is hereby authorized to be used within  
 15                    the General Fund of the Federated States of Micronesia for  
 16                    the purpose of funding the imprest revolving funds. The  
 17                    sums authorized by this subsection shall be apportioned as  
 18                    follows:

|    |  |                  |
|----|--|------------------|
| 19 | (a) Guam Liaison Office .....                        | \$ 20,000        |
| 20 | (b) Honolulu Liaison Office .....                    | 20,000           |
| 21 | <del>(c) San Francisco Supply Office .....</del>     | <del>7,000</del> |
| 22 | ( <del>d</del> ) Federated States of Micronesia      |                  |
| 23 | Representative Office .....                          | 20,000           |
| 24 | ( <del>d</del> ) Japan Economic Liaison Office ..... | 20,000           |

25                    (2) All funds authorized by this act shall be

1           allotted, managed, administered, and accounted for in  
2           accordance with applicable law, including, but not limited  
3           to, the Financial Management Act of 1979. The allottee  
4           shall be responsible for ensuring that these funds, or so  
5           much thereof as may be necessary, are used solely for the  
6           purpose specified in this act, and that no obligations are  
7           incurred in excess of the sum authorized."

8           Section 22. Section 103 of Public Law No. 2-74 is hereby  
9 amended to read as follows:

10           "Section 103. Definitions. In this act, unless the  
11           context otherwise requires, the following definitions shall  
12           be applicable:

13                 (1) 'Became disabled' means the first month in which  
14           an individual is under a disability and is both fully and  
15           currently insured.

16                 (2) 'Board' means the *Federated States of Micronesia*  
17           *Social Security Board provided for by section 201 of this*  
18           ~~act~~ Minister of Administrative Services.

19                 (3) 'Child or spouse' means that an applicant is  
20           the child or spouse of an individual if the court of the  
21           State in which the individual was domiciled at the time of  
22           his death has or would find the applicant to be the  
23           individual's child or spouse in determining the  
24           devolution of intestate personal property.

25                 (4) 'Contributions' means the tax imposed upon income

1 of covered employees and the tax imposed upon employers on  
2 account of wages paid to a covered employee.

3 (5) 'Disability' means inability to engage in any  
4 substantial gainful employment by reason of any medically  
5 determinable physical or mental impairment which can be  
6 expected to result in death or which has lasted or can  
7 be expected to last for a continuous period of not less than  
8 12 months.

9 (6) 'Earning test' means that an individual who  
10 receives a retirement, disability, or survivor benefit and  
11 who works in covered or noncovered employment shall have  
12 his quarterly benefit reduced by \$1 for each \$2 earned in  
13 a quarter, except there shall be no reduction for the  
14 first \$200 earned in a quarter. The reduction shall be  
15 applied in one of the subsequent two quarters immediately  
16 after the quarter in which the earnings were made, or as  
17 soon as possible thereafter.

18 (7) 'Employee' means:

19 (a) Any officer of a corporation; or

20 (b) Any individual who, under the usual  
21 common law rules applicable in determining the employer-  
22 employee relationship, has the status of an employee; or

23 (c) Any self-employed person who has at least  
24 one employee for whom he is required to report in a given  
25 quarter; or

1 (d) Any self-employed person who had more than  
2 \$10,000 of annual gross revenue in the preceding calendar  
3 year.

4 (8) 'Employment' means any service by an employee for  
5 an employer incorporated or doing business within the  
6 Federated States of Micronesia employing him, irrespective  
7 of where such employment shall be performed, except family  
8 employment.

9 (9) 'Family employment' means employment of a worker  
10 by a member of the household, a parent or a son or  
11 daughter except that the worker may apply to the Board  
12 for a determination that such employment is bona fide  
13 covered employment subject to this act.

14 (10) Insured status can mean any of the following:

15 (a) 'Fully insured individual' means any  
16 individual who has not less than one quarter of coverage  
17 for each year beginning after June 30, 1968, or for each year  
18 after attaining the age of 21, whichever is later, and up  
19 to but excluding the year in which he attained retirement  
20 age, became disabled, or died, whichever first occurred,  
21 except that in no case shall an individual be a fully  
22 insured individual unless he has at least 12 quarters of  
23 coverage.

24 (b) 'Currently insured individual' means any  
25 individual who has had not less than 8 quarters of coverage

1 during the 13 quarter period ending with:

2 (i) The quarter in which he died, or

3 (ii) The quarter in which he became entitled  
4 to old age insurance benefits, or

5 (iii) The quarter in which he became disabled,  
6 whichever first occurs.

7 (11) 'Quarter' and 'calendar quarter' mean a period  
8 of three calendar months ending on March 31, June 30,  
9 September 30, or December 31. 'Quarter of coverage' means  
10 a quarter in which the individual has been paid \$50 or  
11 more in wages in employment subject to this act.

12 (12) 'Wages' means remuneration paid subject to the  
13 provisions of this act, including the cash value of all  
14 remuneration paid in any medium other than cash and  
15 remuneration accruing to a self-employed person. Remuner-  
16 ation accruing to a self-employed person shall be deemed  
17 to be twice the amount paid to the highest paid employee  
18 reported by the self-employed person in a quarter, \$1,500  
19 maximum per quarter. Remuneration accruing to a self-  
20 employed person who has no covered employees shall, for  
21 each quarter of a year, be deemed to be 2.5 percent of  
22 the gross revenue of the business for the previous  
23 calendar year, subject to \$1,500 maximum. Remuneration  
24 paid for any service which is more or less than a whole  
25 dollar shall, as may be prescribed by regulations,

1 be computed to the nearest dollar. Wages shall not  
2 include:

3 (a) That part of remuneration in excess of  
4 \$1,500 paid in a quarterly reporting period by one  
5 employer;

6 (b) Any payment on account of sickness or  
7 accident disability, or medical or hospitalization  
8 expenses made by an employer to or on behalf of an  
9 employee;

10 (c) Any payment made to or on behalf of an  
11 employee or to his beneficiary from a trust or annuity;

12 (d) Remuneration paid in any medium other than  
13 cash to an employee for service not in the course of the  
14 employer's trade or business or for domestic service in a  
15 private home of an employer;

16 (e) Remuneration paid for casual or intermittent  
17 labor not performed in the course of the employer's trade  
18 or business when such employment does not exceed employment  
19 in more than one week in each calendar month of each  
20 quarterly reporting period; and

21 (f) Remuneration from family employment subject  
22 to the provisions of this act."

23 Section 23. Section 1 of Public Law No. 3-13 is hereby amended  
24 to read as follows:

25 "Section 1. Short title. This act is known and may be

1 cited as the 'National Postal Service Act.' 'Postmaster  
2 General' means Minister of Administrative Services."

3 Section 24. Section 2 of Public Law No. 3-13 is hereby amended to  
4 read as follows:

5 "Section 2. National Postal Service. There is hereby  
6 established, ~~as an independent agency of the National Government of the~~  
7 ~~Federated States of Micronesia,~~ the National Postal Service of the  
8 Federated States of Micronesia."

9 Section 25. Section 3 of Public Law No. 3-83 is hereby amended  
10 to read as follows:

11 "Section 3. Definitions. The following words, for the purpose  
12 of this act, shall have the following meanings:

13 (1) 'Board' means the ~~Federated States of Micronesia~~  
14 ~~Environmental Protection Board~~ Minister of Human Resources;

15 (2) 'Chairman of the ~~Environmental Protection Board~~'  
16 or 'chairman' means ~~the chairman personally or his duly~~  
17 ~~authorized representative~~ the Minister of Human Resources or  
18 his designee;

19 (3) 'Person' means the Federated States of Micronesia,  
20 a State, municipality, political subdivision, a public or private  
21 institution, corporation, partnership, joint venture, association,  
22 firm, or company organized or existing under the laws of the  
23 Federated States of Micronesia or any State or country,  
24 lessee or other occupant of property, or individual, acting  
25 singly or as a group;

1                   (4) 'Pollutant' means one or more substances or forms of  
2                   energy which, when present in the air, land, or water, are or  
3                   may be harmful or injurious to human health, welfare, or  
4                   safety, to animal or plant life, or to property, or which  
5                   unreasonably interfere with the enjoyment by the people of life  
6                   or property.

7                   (5) 'Primary drinking water regulation' means a regulation  
8                   which:

9                               (a) Applies to public water systems;

10                              (b) Specifies contaminants which, in the judgment  
11                   of the Board, may have any adverse effect on the health of  
12                   persons; and

13                              (c) Specifies for each such contaminant either:

14                                      (i) A maximum contaminant level, if, in the  
15                   judgment of the Board, it is economically and technologically  
16                   feasible to ascertain the level of such contaminant in water in  
17                   public water systems; or

18                                      (ii) If, in the judgment of the Board, it is not  
19                   economically or technologically possible to so ascertain the  
20                   level of such contaminant, each treatment technique known to  
21                   the Board which leads to a reduction in the level of such  
22                   contaminant;

23                              (d) Contains criteria and procedures to assure a  
24                   supply of drinking water which dependably complies with such  
25                   maximum contaminant levels, including quality control and

1 testing procedures to ensure compliance with such levels and to  
2 ensure proper operation and maintenance of the system and  
3 requirements as to:

4 (i) The minimum quality of water which may be  
5 taken into the system; and

6 (ii) Siting for new facilities for public water  
7 systems.

8 (6) 'Secondary drinking water regulation' means a regula-  
9 tion which applies to public water systems and which specifies  
10 the maximum contaminant level which in the judgment of the Board  
11 is requisite to protect the public welfare. Such regulations  
12 may apply to any contaminant in drinking water:

13 (a) Which may adversely affect the odor or  
14 appearance of such water and consequently may cause a  
15 substantial number of persons served by the public water system  
16 providing such water to discontinue its use; or

17 (b) Which may otherwise adversely affect the public  
18 welfare. Such regulations may vary according to geographic or  
19 other circumstances.

20 (7) 'Trust Territory Environmental Protection Board'  
21 means the board established pursuant to 25 F.S.M.C. 201."

22 Section 26. Section 2 of Public Law No. 4-41, as amended by  
23 Public Law No. 4-102, is hereby further amended to read as follows:

24 "Section 2. Definitions. As used herein unless otherwise  
25 indicated by the context:

1 (1) 'Board' means the *Federated States of Micronesia*  
2 *Medical Health Care Licensing Board* Minister of Human  
3 Resources.

4 (2) 'Practice of medical health care' includes  
5 activities as a doctor, nurse, optometrist, dentist or  
6 pharmacist, as those activities may be described by the  
7 President or the Board pursuant to this act or amendments  
8 hereto.

9 (3) 'President' means the President of the Federated  
10 States of Micronesia."

11 Section 27. Sections 101 through 112 of title 8 of the Code of  
12 the Federated States of Micronesia, which established the Commission  
13 on Future Political Status and Transition, are hereby repealed in  
14 their entirety.

15 Section 28. Section 503(3) of title 10 of the Code of the  
16 Federated States of Micronesia, as established by Public Law No.  
17 4-104, is hereby repealed in its entirety and subsection (4) is  
18 hereby renumbered as subsection (3).

19 Section 29. Sections 203 through 206 and 209 through 213 of  
20 title 22 of the Code of the Federated States of Micronesia are hereby  
21 repealed in their entirety. Sections 207, 208 and 214 through 217 are  
22 hereby renumbered as sections 203 through 208, respectively.

23 Section 30. Sections 105, 301, 304, 305 and 306 of title 24 of  
24 the Code of the Federated States of Micronesia are hereby repealed  
25 in their entirety. Sections 302 and 303 are hereby renumbered as

1 sections 301 and 302, respectively.

2 Section 31. Sections 202 and 203 of title 26 of the Code of the  
3 Federated States of Micronesia are hereby repealed in their entirety.  
4 Sections 204 and 205 are hereby renumbered as sections 202 and 203,  
5 respectively.

6 Section 32. Chapter 2 of title 29 of the Code of the Federated  
7 States of Micronesia is hereby repealed in its entirety.

8 Section 33. Sections 206, 207, and 208 of title 32 of the Code of  
9 the Federated States of Micronesia are hereby repealed in  
10 their entirety. Sections 209 through 232 are hereby renumbered as  
11 sections 206 through 229, respectively.

12 Section 34. Sections 123, 124, 125, 126 and 127 of title  
13 40 of the Code of the Federated States of Micronesia are hereby repealed  
14 in their entirety. Section 128 is hereby renumbered as section 123.

15 Section 35. Section 122(1) of title 52 of the Code of the Federated  
16 States of Micronesia is hereby repealed in its entirety. Subsections (2)  
17 and (3) are hereby renumbered as subsections (1) and (2), respectively.

18 Section 36. Public Law No. 3-14, as amended by Public Law No. 3-25,  
19 which established the National Fisheries Corporation of the Federated  
20 States of Micronesia, is hereby repealed in its entirety.

21 Section 37. Sections 4, 5 and 6 and subsection 8(2) of  
22 Public Law No. 3-83 are hereby repealed in their entirety. Sections 7  
23 through 21 are hereby renumbered as sections 4 through 18, respectively.

24 Section 38. Sections 4 and 8 of Public Law No. 4-41  
25 are hereby repealed in their entirety. Sections 5 through 7 are

1 hereby renumbered as sections 4 through 6, respectively. Sections 9  
2 through 14 are hereby renumbered as sections 7 through 12, respectively.

3 Section 39. Section 3 of Public Law No. 4-65 is hereby repealed in  
4 its entirety.

5 Section 40. Public Law No. 4-101, which established the Federated  
6 States of Micronesia Airline Corporation, is hereby repealed in its  
7 entirety.

8 Section 41. This act shall become law 30 days after its approval  
9 by the President of the Federated States of Micronesia or 30 days  
10 after its becoming law without such approval.

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Date: 5/28/87

Introduced by: Claude Phillip  
Claude Phillip  
(by request)