EIGHTH CONGRESS OF THE FEDERATED STATES OF MICRONESIA
FIRST REGULAR SESSION, 1993
C. B. NO. 8-14

A BILL FOR AN ACT

To further amend Public Law No. 5-122, as amended by Public Laws Nos. 6-21, 6-109, and 7-106, by amending section 5 to enlarge the class of potential recipients of Investment Development Fund loans, and for other purposes.

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

Section 1. Section 5 of Public Law No. 5-122 is hereby amended to read as follows:

"Section 5. Purposes and guidelines.

(1) Investment Development Fund moneys shall be used only:

(a) To finance projects which will:

(i) Have their operations located primarily within the Federated States of Micronesia;

(ii) Improve the balance of payments position of the Federated States of Micronesia;

(iii) Increase the value of visible and invisible exports or result in import substitution;

(iv) Demonstrably result in positive economic return; and

(v) Contribute to the furtherance of close economic and commercial relations between the United States of America and the Federated States of Micronesia, encourage the productive presence of citizens and commercial enterprises of the United States in the Federated States of Micronesia or otherwise compensate the Federated States of Micronesia for the loss of the tax and trade incentives affected by Title IV of United States Public Law 99-239 as provided for in the Investment Development Fund Agreement and as further defined by the Federated
(b) To finance projects which will provide direct services to projects identified in paragraph (a) of this subsection and are in compliance with the conditions in subparagraphs (iv) and (v) of such paragraph; or

(c) For the expenses specified in section 15 of this act.

(2) The qualified recipients of financings from the Investment Development Fund are as follows:

(a) Private citizens of the Federated States of Micronesia and corporations, partnerships, joint ventures, or other business entities with a minimum of 20 percent ownership by citizens or by the National or State Governments of the Federated States of Micronesia and public corporations thereof having an interest, and

(b) The National and State Governments of the Federated States of Micronesia and public corporations thereof; PROVIDED that, any project which involves direct participation by the National or State Governments of the Federated States of Micronesia, including public corporations thereof, shall include an evaluation by such government of the desirability of future divestiture of the project to the private sector.
and, if appropriate, identification of possible strategies and estimated timetables for accomplishing such divestiture; and

(c) Private citizens of the United States or corporations, partnerships, joint ventures, or other business entities with a minimum of 20 percent U.S. citizen ownership interest, but only if said recipient is the purchaser/lessor in a sale/leaseback transaction in which the lessee has an option to purchase and is itself a person or entity of the type described in subsections (2)(a) or (2)(b) of this section."

Section 2. 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: 5/13/83

Introducing: Joseph J. Urusmal
(by request)
A RESOLUTION

To ratify the extension of the Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States, as amended.

1. WHEREAS, the Treaty on Fisheries between the Governments of
2. Certain Pacific Island States and the Government of the United States
3. (hereinafter referred to as the Multilateral Fisheries Treaty), was
4. ratified by the Congress of the Federated States of Micronesia on
5. May 29, 1987; and
6. WHEREAS, the parties met in December of 1991 and May of 1992
7. and agreed to extend the financial and licensing arrangements
8. of the Multilateral Fisheries Treaty for a period of 10 years,
9. starting from June 15, 1993, with a review before the fifth year;
10. and
11. WHEREAS, the Multilateral Fisheries Treaty itself was not
12. amended but its annexes and schedules; and
13. WHEREAS, the United States Government has agreed to make
14. annual cash payments to the Forum Fisheries Agency (FFA) in an
15. average amount of $18,000,000, an increase over the current
16. $10,000,000; and
17. WHEREAS, the fee schedule as amended may not be in the best
18. interests of the parties, particularly the Federated States of
19. Micronesia; and
20. WHEREAS, the amendments to the Annexes of the Multilateral
21. Fisheries Treaty include among others the following: a new Part
22. 4 regarding transshipment of fish; a new subpart under Part 7
entitled "Observers," which imposes upon the operators of U.S.
vessels the responsibility for the cost of observers, including full
travel costs, salary and allowances, full insurance coverage, and
the cost of training observers; a new subpart under Part 8 entitled
"Miscellaneous Requirements," which establishes a region-wide vessel
tracking system which shall be applicable to all U.S. vessels licensed
to fish in the treaty area; a new paragraph 4 and subparagraph
5(c)(i)(D) in Annex II regarding suspension of good standing of a
vessel when a violation has occurred; and a new paragraph 6 in Annex
II, where the Pacific Island Parties consider notifying the Government
of the United States of any alleged infringements of the Treaty by
vessels of the United States 30 days prior to requesting an
investigation under paragraph 4 of Article 4 of the Treaty; and
WHEREAS, the Multilateral Fisheries Treaty as amended was to
have entered into force on June 15, 1993, and is scheduled to remain
in force for 10 years unless amended or terminated; and
WHEREAS, it may not be in the best interests of the parties,
particularly the Federated States of Micronesia, to continue the
Multilateral Fisheries Treaty in force for more than five years;
and
WHEREAS, the parties meet annually to review the operation and
effects of the Multilateral Fisheries Treaty; now, therefore,
BE IT RESOLVED by the Eighth Congress of the Federated States of
Micronesia, Second Regular Session, 1993, that pursuant to section
2(b) of article IX of the Constitution of the Federated States of

CONGRESSIONAL RESOLUTION NO. 8-14, C.D.1, C.D.2

1 Micronesia the Congress hereby ratifies the Amendment to the Articles
2 of Agreement establishing the Treaty on Fisheries between the Govern-
3 ments of Certain Pacific Island States and the Government of the
4 United States, which agreement shall be good for a period of five years
5 only; and
6
7 BE IT FURTHER RESOLVED that Congress directs the Department of
8 External Affairs, during its annual meetings with the parties to the
9 Multilateral Fisheries Treaty, to review the operation and effects of
10 that Treaty, to review particularly the adequacy of the fee schedule
11 and the wisdom of continued participation in the Treaty, and to report
12 to Congress annually its conclusions regarding these issues; and
13
14 BE IT FURTHER RESOLVED that if Congress determines within the
15 next five years that continued participation in the Multilateral
16 Fisheries Treaty from the date of this resolution is not in the best
17 interests of the Federated States of Micronesia, it will direct the
18 Department of External Affairs to withdraw from that Treaty; and
19
20 BE IT FURTHER RESOLVED that a certified copy of this
21 resolution be transmitted to the President of the Federated States
22 of Micronesia.

23
24 ADOPTED: November 9, 1993

25

Jack Fritz
Speaker
FSM Congress

Henry C. Asugar
Chief Clerk
FSM Congress

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