

AN ACT

To establish the Joint Committee on Compact Economic Negotiations and its Secretariat for the purpose of coordinating the nation's preparation efforts towards effectively renegotiating the Compact of Free Association with the United States of America, and for other purposes.

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

Section 1. Purpose. In preparation for the Compact of Free Association negotiations scheduled to commence in November 1999, there is hereby established a joint committee.

Section 2. Establishment of the Joint Committee on Compact Economic Negotiation. There is hereby created and established a joint committee to be known as the Joint Committee on Compact Economic Negotiations (JCN), comprising nine members as follows: one representative from each of the four States, as appointed by the President in consultation with the leadership of each State, and four representatives from the Congress of the Federated States of Micronesia, one from each congressional delegation. One member shall be the Secretary of External Affairs. He shall chair the Joint Committee's first meeting, and organize the election of its Chairman and Vice Chairman. Six of the members shall constitute a quorum for the transaction of business. Decisions shall be made within the Committee by at least five concurring votes, with each participating member casting a single vote.

Section 3. Meetings. The Joint Committee on Economic Negotiations shall hold its first meeting at the call of the acting Chairman. Subsequent meetings shall be held in accordance with a schedule set by the Joint Committee covering the entire period between the first meeting and the commencement of the Compact economic negotiations in November 1999.

Section 4. Mandate. The Joint Committee on Economic Negotiations shall carry out the following responsibilities and obligations:

- (1) In consultation with the Congress, set goals and objectives for the Compact of Free Association negotiations;
- (2) Conduct a thorough analysis of all factors relating to the Compact of Free Association negotiations;
- (3) Develop all necessary strategies and approaches to enable the Federated States of Micronesia to commence negotiating with the United States in November 1999;
- (4) Direct its Secretariat in preparing the documentation necessary to accomplish its responsibilities hereunder;
- (5) Analyze all economic information available on the Federated States of Micronesia, with the aim of identifying the FSM's continuing requirement for reasonable, fair, and effective financial assistance from the United States of America from the year 2001 onward;
- (6) Provide reports periodically to the Congress at each regular session, and to the Office of the President, on all developments, actual or potential, positive or negative, that may be related to the renegotiation of the Compact of Free Association, including but not limited to new information, actions, communications, domestic and foreign policies, bilateral and multilateral plans, as well as periodic surveys exploring the value of net benefits to a foreign nation from an exclusive security prerogative; and
- (7) Collaborate with the State governments, the Department of External Affairs, the Congress, and the Office of the President in identifying the nominees for the team of negotiators whose selection will be subject to Congress's express approval; approved nominees will represent the FSM in the bilateral Compact of Free Association negotiations; and
- (8) Use funds for each separate category of expense only up to the aggregate amount of the line-items of the corresponding expense category set out in the associated appropriations bill or bills approved by Congress, and select and hire the personnel needed to staff the Secretariat, as specified in section 5 below.

Section 5. Establishment of the Secretariat. There is hereby created and established a full-time Secretariat for the Joint Committee on Compact Economic Negotiations. The Secretariat shall

consist of an Executive Director, an Administrative Officer, a staff Counsel, and a secretary, all based in Pohnpei. In addition to the Secretariat, the work of the Joint Committee shall also be supported by existing Washington D.C. based legal counsel. The Secretariat shall have the following responsibilities.

(1) Provide all administrative and logistical support to the Joint Committee on Compact Economic Negotiations, and shall (a) prepare an annual budget for approval by the Joint Committee, (b) transmit an approved budget to the President to submit it, with comments, to the Congress of the Federated States of Micronesia for approval at least ten days in advance of the first regular session of each fiscal year;

(2) Carry out research on relevant Compact of Free Association issues;

(3) Coordinate with the various departments, offices and agencies of the FSM and State Governments to collect all information and technical input necessary for satisfying its responsibilities and for establishing negotiating objectives as to provisions of the Compact of Free Association and the Related agreements that bear upon their respective areas of responsibilities; and

(4) As directed by the Joint Committee on Compact Economic Negotiations, hire professionals including an outside developmental economist and other consultants with expertise in security or defense policy to assist the Joint Committee with any aspect of its responsibilities, particularly that provided under section 4(5) above.

Section 6. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

July 8 \_\_\_\_\_, 1997

/s/ Jacob Nena  
Jacob Nena

President  
Federated States of Micronesia