

A BILL FOR AN ACT

To further amend title 10 of the Code of the Federated States of Micronesia, as amended, by enacting a new chapter 7 to create a Compact Economic Management Committee, and for other purposes.

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

1 Section 1. Title 10 of the Code of the Federated States of
2 Micronesia, as amended, is hereby further amended by enacting a
3 new chapter 7 entitled "Compact Economic Management Committee".

4 Section 2. Title 10 of the Code of the Federated States of
5 Micronesia, as amended, is hereby further amended by enacting a
6 new section 701 of chapter 7 to read as follows:

7 "Section 701. Definitions. When used in this chapter:

8 (1) 'Appointing Authority' means the entity given the
9 right to appoint a member of CEMC pursuant to section
10 703 of this chapter.

11 (2) 'CEMC' shall have the meaning ascribed thereto in
12 section 702 of this chapter.

13 (3) The 'Compact' means the Compact of Free
14 Association, as amended, and its related agreements,
15 entered into by and between the Government of the
16 Federated States of Micronesia and the Government of the
17 United States, as ratified on May 26, 2004.

18 (4) 'Compact Budget Requests' means the annual Compact
19 funding requests that are to be submitted to the United

1 States and JEMCO pursuant to the terms of the Compact.

2 (5) 'JEMCO' means the Joint Economic Management
3 Committee established pursuant to the Compact.

4 (6) 'JEMCO Representative' means a voting member
5 representing the Federated States of Micronesia on
6 JEMCO.

7 (7) 'National Government' means the National
8 Government of the Federated States of Micronesia.

9 (8) 'State' means a state of the Federated States of
10 Micronesia.

11 (9) 'Trust Fund Representative' means a member
12 appointed by the Federated States of Micronesia to serve
13 as a member of the Joint Trust Fund Committee created
14 pursuant to the Compact."

15 Section 3. Title 10 of the Code of the Federated States of
16 Micronesia, as amended, is hereby further amended by enacting a
17 new section 702 of chapter 7 to read as follows:

18 "Section 702. Compact Economic Management Committee.
19 There shall be created a Compact Economic Management
20 Committee (CEMC) under the authority of the Department
21 of Foreign Affairs."

22 Section 4. Title 10 of the Code of the Federated States of
23 Micronesia, as amended, is hereby further amended by enacting a
24 new section 703 of chapter 7 to read as follows:

25 "Section 703. Number and Appointment of Members.

26 (1) CEMC shall consist of the following members,

1 initially totaling eleven (11):

2 (a) The Secretary of the Department of Foreign
3 Affairs, or his designee, who shall serve as the
4 director of the CEMC;

5 (b) One member appointed by the President;

6 (c) One member appointed by the Congress;

7 (d) One member appointed by each State Governor;

8 and

9 (e) One member appointed by each State
10 Legislature.

11 (2) Appointment of members shall be made in writing by
12 the Appointing Authority.

13 (3) Members shall be appointed with consideration
14 given to their knowledge of finance, accounting,
15 budgeting and economic principles and written and verbal
16 communication skills.

17 (4) With the exception of the director, each member
18 shall serve at the pleasure of his or her Appointing
19 Authority.

20 (5) Members shall not be entitled to compensation.

21 (6) All travel-related expenses incurred by the
22 members shall be the responsibility of the Appointing
23 Authority."

24 Section 5. Title 10 of the Code of the Federated States of
25 Micronesia, as amended, is hereby further amended by enacting a
26 new section 704 of chapter 7 to read as follows:

1 "Section 704. Purpose and responsibilities of CEMC.

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1 (1) To elect the JEMCO Representatives.

2 (2) To formulate guidelines to be followed and policy
3 direction to be taken by the JEMCO Representatives in
4 their presentation of the Compact Budget Requests at
5 JEMCO meetings by the Trust Fund Representatives in the
6 meetings of the Joint Trust Fund Committee and in other
7 communications with the U.S. Government or U.S. members
8 of JEMCO or the Joint Trust Fund Committee relating to
9 the economic provisions of the Compact.

10 (3) To gather and compile additional supporting
11 documentation to be used by the JEMCO Representatives to
12 justify the Compact Budget Request.

13 (4) To provide advice, guidelines, and assistance to
14 the State Governments and National Government in the
15 formulation of the Compact Budget Requests.

16 (5) To assist in the coordination of Compact Budget
17 Requests and reports required under the Compact;

18 (6) To use its best efforts to ensure that the
19 obligations of the FSM relating to the economic
20 provisions of the Compact and under the Compact Sector
21 Grants are satisfied.

22 (7) To use its best efforts to ensure that the rights
23 of the FSM under the Compact are preserved and upheld.

24 (8) To represent the best interests of the Federated
25 States of Micronesia in all dealings with the United

1 States in connection with the economic provisions of the
2 Compact of Free Association."

3 Section 6. Title 10 of the Code of the Federated States of
4 Micronesia, as amended, is hereby further amended by enacting a
5 new section 705 of chapter 7 to read as follows:

6 "Section 705. Meetings.

7 (1) CEMC shall meet at such time and in such place as
8 designated by the CEMC director or as called for by a
9 majority of members, but no less than once per year.

10 (2) The director shall give all members reasonable
11 prior notice of each meeting.

12 (3) If a member is unable to attend a meeting, such
13 member shall designate, in writing, an alternate, who
14 shall have the authority to vote on such member's
15 behalf.

16 (4) Members may participate in meetings by telephone,
17 provided that each participating member is able to hear
18 each and every other participating member."

19 Section 7. Title 10 of the Code of the Federated States of
20 Micronesia, as amended, is hereby further amended by enacting a
21 new section 706 of chapter 7 to read as follows:

22 "Section 706. Voting. A quorum shall consist of nine
23 members of CEMC. No action shall be taken by the CEMC
24 unless a quorum is present. Except as set forth in
25 section 708 below, with respect to removal of JEMCO
26 Representatives, all decisions of CEMC shall be made by

1 majority vote of the members, provided however, that the
2 director of CEMC shall not vote except to settle a tie."

3 Section 8. Title 10 of the Code of the Federated States of
4 Micronesia, as amended, is hereby further amended by enacting a
5 new section 707 of chapter 7 to read as follows:

6 "Section 707. Election of JEMCO members.

7 (1) CEMC shall elect, from among its members, the two
8 JEMCO Representatives who shall each serve for a term of
9 two years, or such other term as is specified by the
10 Compact.

11 (2) At no time shall the two serving JEMCO
12 Representatives be from the same State.

13 (3) The director shall be eligible to serve as the
14 JEMCO Representative.

15 (3) JEMCO Representatives may be re-elected.

16 (4) If a JEMCO Representative is unable to attend a
17 meeting, he or she may designate another member of CEMC
18 to serve as an alternate JEMCO Representative.

19 (5) In the event a JEMCO Representative position
20 becomes vacant for any reason, the CEMC director shall
21 appoint a CEMC member to serve as the JEMCO
22 Representative until such vacancy is filled by a vote of
23 the members of CEMC as provided in this chapter.

24 (6) The members elected as JEMCO Representatives shall
25 also serve as the Trust Fund Representatives."

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1 Section 9. Title 10 of the Code of the Federated States of
2 Micronesia, as amended, is hereby further amended by enacting a
3 new section 708 of chapter 7 to read as follows:

4 "Section 708. Removal of JEMCO members.

5 (1) CEMC may remove any JEMCO Representative by two-
6 thirds vote of the members. CEMC shall endeavor to
7 promptly elect a replacement JEMCO Representative for the
8 remainder of the term.

9 (2) A person's removal as a JEMCO Representative shall
10 not affect his or her status as a CEMC member.

11 (3) A JEMCO Representative may not be removed from
12 CEMC membership by his or her Appointing Authority until
13 the expiration of his or her term as JEMCO
14 Representative."

15 Section 10. Title 10 of the Code of the Federated States of
16 Micronesia, as amended, is hereby further amended by enacting a
17 new section 709 of chapter 7 to read as follows:

18 "Section 709. Utilization of State and National
19 personnel by CEMC. Technical assistance to CEMC shall
20 be provided by the Office of Economic Management and
21 Statistics. The director of CEMC may also request staff
22 from other departments or offices of the National
23 Government or the State Governments for temporary
24 assignment with CEMC, with the cost allocation of such
25 assignment to be arranged by the director."

26 Section 11. Title 10 of the Code of the Federated States of
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1 Micronesia, as amended, is hereby further amended by enacting a
2 new section 710 of chapter 7 to read as follows:

3 "Section 710. Conflict. In the event of a conflict
4 between this chapter and the Compact, the Compact shall
5 control."

6 Section 12. This act sh all become law upon approval by the
7 President of the Federated States of Micronesia or upon its
8 becoming law without such approval.

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10 Date: 11/02/04 Introduced by: /s/ Henry C. Asugar
11 Henry C. Asugar
12 (by request)

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