

A RESOLUTION

Authorizing the President of the Federated States of Micronesia to negotiate with, and take a short-term credit loan of up to \$2,500,000 under the best terms and conditions available from the Federated States of Micronesia Development Bank on behalf of the National Government of the Federated States of Micronesia, for the purpose of assisting the State of Pohnpei in dealing with the ongoing power utility crisis.

1 WHEREAS, Pohnpei State is currently experiencing a power
2 crisis due to the breaking down of power generators which result
3 in frequent outages throughout the main island of Pohnpei State;
4 and

5 WHEREAS, being the seat of the National Government the
6 State of Pohnpei is a regular host of tourists, foreign
7 dignitaries and other important visitors to the island, yet its
8 business image as the capital of the Nation is negatively
9 impacted by power outages, resulting in less productivity; and

10 WHEREAS, the power crisis becomes a matter of urgency which
11 the National Government should address quickly and effectively by
12 extending financial assistance to Pohnpei State, considering that
13 the Pohnpei Utility Corporation is currently under financial
14 hardship; and

15 WHEREAS, in the past, the National Government had responded
16 to similar crises involving other state governments by extending
17 financial assistance; now, therefore,

18 BE IT RESOLVED by the Seventeenth Congress of the Federated

1 States of Micronesia, Third Special Session, 2012, that Congress
2 hereby authorizes the President of the Federated States of
3 Micronesia to negotiate with, and take a short-term credit loan,
4 from Federated States of Micronesia Development Bank of up to
5 \$2,500,000 under the best terms and conditions available; and

6 BE IT FURTHER RESOLVED that, notwithstanding the authority
7 granted to the President to negotiate, Congress reserves the
8 authority to approve contractual arrangements with the Federated
9 States of Micronesia Development Bank and with the State of
10 Pohnpei, including in particular the loan repayment; and

11 BE IT FURTHER RESOLVED that certified copies of this
12 resolution be transmitted to the President of the Federated
13 States of Micronesia, the President and CEO of the Federated
14 States of Micronesia Development Bank and the Governor of the
15 State of Pohnpei.

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17 Date: 3/31/12

Introduced by: /s/ Florencio S. Harper
Florencio S. Harper
(by request)

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