

AN ACT

To further amend title 24 of the Code of the Federated States of Micronesia (Annotated), as amended, by creating a new chapter 12 to establish the Vessel Day Scheme Acquisition Fund, and for other purposes.

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

1           Section 1. Policy statement. It is the intent of this act  
2 to strengthen the mandate of the National Oceanic Resources  
3 Management Authority (NORMA) to manage, administer and exploit  
4 fisheries resources. At the same time, mindful of the potential  
5 revenue associated with favorable and unpredictable fishing  
6 conditions under the Vessel Day Scheme (VDS), it is the sense of  
7 the Congress of the Federated States of Micronesia that a VDS  
8 Revolving Fund established by this act could leverage the further  
9 maximization of revenue from fisheries through the trading of  
10 vessel days in the manner consistent with the prevailing practices  
11 among the PNA members.

12           Section 2. Title 24 of the Code of the Federated States of  
13 Micronesia (Annotated), as amended, is hereby further amended by  
14 creating a new chapter 12 entitled:

15                   "Chapter 12. Vessel Day Scheme Acquisition Fund".

16           Section 3. Chapter 12 of title 24 of the Code of the  
17 Federated States of Micronesia (Annotated), as amended, is hereby  
18 amended by inserting a new section 1201 to read as follows:

19                   "Section 1201. Establishment. There is hereby created

1           and established the Vessel Day Scheme (VDS) Acquisition  
2           Fund, hereinafter referred to as the "VDS Acquisition  
3           Fund", separate from the General Fund of the Federated  
4           States of Micronesia and all other funds."

5           Section 4. Chapter 12 of title 24 of the Code of the  
6 Federated States of Micronesia (Annotated), as amended, is hereby  
7 amended by inserting a new section 1202 to read as follows:

8           "Section 1202. Purpose.

9           To provide the legal and financial authority of the  
10          National Oceanic Resources Management Authority to  
11          purchase vessel days from members of the Parties to the  
12          Nauru Agreement (PNA) who are Parties to the Palau  
13          Arrangement Vessel Day Scheme (VDS Participants) for the  
14          purpose of re-selling the vessel days to interested  
15          parties who hold valid fishing access agreements with  
16          the National Oceanic Resource Management Authority for  
17          the purpose of generating revenue or maximizing economic  
18          benefit for the Federated States of Micronesia. The  
19          Fund shall be used exclusively to purchase vessel days."

20          Section 5. Chapter 12 of title 24 of the Code of the  
21 Federated States of Micronesia (Annotated), as amended, is hereby  
22 amended by inserting a new section 1203 to read as follow:

23          "Section 1203. Acquisition of vessel days

24          To maximize fishing opportunities, the Board of  
25          Directors may authorize the Executive Director to use

1 funding in the VDS Acquisition Fund to secure additional  
2 fishing days from PNA members as provided by the Palau  
3 Arrangement.”

4 Section 6. Chapter 12 of title 24 of the Code of the  
5 Federated States of Micronesia (Annotated), as amended, is hereby  
6 amended by inserting a new section 1204 to read as follows:

7 “Section 1204. Deposits.

8 All future appropriations for the Fund shall be  
9 deposited in the Fund. The total amount of the fund  
10 shall be limited to \$3,000,000. All revenues generated  
11 and any unexpended moneys in excess of \$3,000,000 shall  
12 be paid into the General Fund.”

13 Section 7. Chapter 12 of title 24 of the Code of the  
14 Federated States of Micronesia (Annotated), as amended, is hereby  
15 amended by inserting a new section 1205 to chapter 12 to read as  
16 follows:

17 “Section 1205. Administration.

18 The Fund shall be administered by the President of the  
19 Federated States of Micronesia or his designee, who  
20 shall establish procedures necessary and appropriate for  
21 the effectuation and implementation of the provisions of  
22 this chapter.”

23 Section 8. Chapter 12 of title 24 of the Code of the  
24 Federated States of Micronesia (Annotated), as amended, is hereby  
25 amended by inserting a new section 1206 to read as follows:

1           “Section 1206. Annual Report.

2           The President or his designee shall report to the  
3           Congress of the Federated States of Micronesia on the  
4           status of the Fund at the close of each fiscal year.”

5           Section 9. Chapter 12 of title 24 of the Code of the  
6 Federated States of Micronesia (Annotated), as amended, is hereby  
7 amended by inserting a new section 1207 to read as follows:

8           “Section 1207. Regulation. With the approval of the  
9           President, the Authority shall promulgate appropriate  
10          regulation in accordance with the Administrative  
11          Procedures Act, providing for suitable policy concerning  
12          the trading of vessel days and such controls that shall  
13          govern the management of the revolving fund in  
14          accordance with the Financial Management Act.”

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1           Section 10. This act shall become law upon approval by the  
2 President of the Federated States of Micronesia or upon its  
3 becoming law without such approval.

4

5

6

7

8

\_\_\_\_\_ May 10, 2019

9

10

11

12

\_\_\_\_\_  
/s/ Peter M. Christian  
Peter M. Christian  
President  
Federated States of Micronesia

13

14

15

16

17

18

19

20

21

22

23

24

25