

A RESOLUTION

Calling upon all of the States of the Federated States of Micronesia to authorize agreements necessary for the acquisition of fuel supply facilities currently owned by Mobil Oil Micronesia by the Federated States of Micronesia Petroleum Corporation and for a five-year fuel supply for all of the States.

1           WHEREAS, the terms of a Sale and Purchase Agreement for  
2 the acquisition of the fuel terminal assets of Mobil Oil  
3 Micronesia (MOMI) located in the States of Pohnpei, Chuuk and  
4 Yap and a five year Fuel Supply Agreement between the  
5 Federated States of Micronesia Petroleum Corporation and MOMI  
6 have been settled; and,

7           WHEREAS, such Agreements require certain undertakings by the  
8 Governments of the Federated States of Micronesia and of each of  
9 the States; and,

10          WHEREAS, the National Government, pursuant to C.R. No. 15-39,  
11 approved the said Agreements and authorized the undertakings  
12 required of it by the terms thereof; and,

13          WHEREAS, the Congress of the FSM now has passed C.B. No. 15-  
14 80, C.D.1 authorizing a full faith and credit guarantee of the  
15 financing necessary for the Petroleum Corporation to take control  
16 of the fuel distribution facilities from MOMI and assume their  
17 operations, such Bill requiring only the signature of the  
18 President to become law; and,

19          WHEREAS, such Agreements in their present form require the  
20 approval and participation of all of the four states to become

---

1 enforceable and for the control and operation of the fuel  
2 distribution facilities in three of the States to be transferred  
3 from MOMI ownership; and,

4 WHEREAS, approval and authorization has not been received  
5 from all of the States due in part to concerns with certain  
6 provisions of Public Law No. 15-08 establishing the FSM Petroleum  
7 Corporation; and,

8 WHEREAS, it has never been the intention of Congress by  
9 any action to reject the goal of the States to ultimately own  
10 and operate the fuel facilities located within their  
11 boundaries but merely to create the necessary mechanism by  
12 which such facilities could be acquired; and,

13 WHEREAS, Congress has repeatedly confirmed through its  
14 adoption of S.C.R. No. 15-23, S.C.R. No. 15-42 and S.C.R. No. 15-  
15 50 its commitment to the vision of the States wanting such  
16 ownership and control and its own vision that the adoption of the  
17 Corporation statute, the approval of the purchase and fuel supply  
18 agreement and the approval of the National Guaranty of the  
19 necessary financing are first steps in the process to accomplish  
20 that final result; and,

21 WHEREAS, Congress has also now passed C.B. No. 15-82 which  
22 awaits only the signature of the President to become law to  
23 modify terms of Public Law No. 15-08 relating to an  
24 alternative procedure allowing for divestment or transfer of  
25 assets and operations from the Corporation to any State; and,

---

1           WHEREAS, the Standing Committee Report recommending adoption  
2 of such Bill, S.C.R. No. 15-50, as adopted by Congress on  
3 November 22, 2007, specifically states that the Bill, in addition  
4 to its stated purpose, is intended to confirm the willingness of  
5 Congress to address all visions and concerns of individual States  
6 on a more deliberate basis once fuel facilities are under  
7 Micronesian control; and

8           WHEREAS, the process leading to the outcome desired by the  
9 people of all of the states cannot begin without the approval  
10 and authorization of the Agreements and the cooperation of  
11 each of them; now therefore

12           BE IT RESOLVED by the Fifteenth Congress of the Federated  
13 States of Micronesia, Third Special Session, 2007, that each  
14 of the States of the Nation are called upon to take such  
15 actions as may be required to authorize and approve the  
16 Agreements between the FSM Petroleum Corporation and Mobil Oil  
17 Micronesia and the undertakings as required thereby to permit  
18 the beginning of the process necessary to assume local control  
19 of fuel supply and distribution within the Nation and each of  
20 the States.

21

22

23

24

25

1           BE IT FURTHER RESOLVED that certified copies of this  
2 resolution be transmitted to the President of the Federated States  
3 of Micronesia, the Governor and Legislature of each State, and FSM  
4 Petroleum Corporation.

5

6 Date: 11/23/07

Introduced by: /s/ Joseph J. Urusemal  
Joseph J. Urusemal

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25