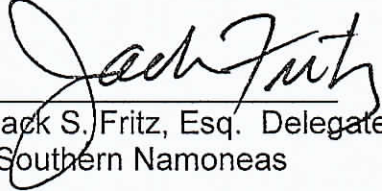


A PROPOSAL TO AMEND THE CONSTITUTION

To amend section 2(m) of Article IX of the Constitution of the Federated States of Micronesia to provide that all Revenues derived from this provision shall be shared on an equitable bases between the four the states and municipalities or local governments and the national government;

“ (m) to regulate the ownership, exploration, and exploitation of natural resources within the marine space of the Federated States of Micronesia beyond 12 miles from island baselines; All Revenues derived under this provision shall be shared on an equitable bases between the four the states and local governments and the national government; Such funds or revenues shall be used for local, state, and national governments for uses identified in approved plans of the local, state and national governments. “

Sponsor:


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Purpose and intent: The Constitution recognizes three levels of governments, local, state and national. FSM Const. art. VII, § 1. However, there are no means provided in the Constitution for the local government to raise revenues on its own. It was perhaps envisioned that the states would share their revenues to the local governments, which are provided in some state constitutions but such means are inadequate to raise revenues badly needed by the local governments to carry out their duties and responsibilities to the people in FSM who reside in the municipalities. If the local or municipal governments which are the foundations of the state and national governments are doing well, it follows that the state and national governments would also be doing well as both states and national governments are the sum total of the municipalities. Develop the local governments and the states and nation will equally be developed for the reasons stated above. Recently, the national government has been taking in lots of revenues from licensing of fishing boats and businesses (MRA). These new sources of revenues were not known to our forefathers who drafted the constitution and so they did not provide a means to share such revenues. FSM is comprised of the states who are in turn comprised of the municipalities. The newly found revenues should be shared on an equitable bases to all the three levels of governments as the revenues should belong people of this country and thus to all levels of government. It can be argued that perhaps this proposal is not needed as the national government through the Congress could by way of appropriations provide for the needs of the state and local governments as explained above. However, as already happened, the states had to go to court to seek financial assistances from these two major sources of revenues to the nation. To guarantee some sharing, it would be more preferable to make it a requirement and not discretionary. However, it should be made clear that such sharing must not jeopardize the current and existing duties and responsibilities of the national government. Perhaps, a formula could be developed that would achieve as close as possible the concept of "equitable sharing", and that such formula is to be used for a period of time subject to changes as circumstances warrant. The meaning of "Equitable sharing" should include considerations accounting for population, availability of lands or waters for such proposed uses, and, long term goals as outlined in some approved master plans or strategic development plans. In other words, set a formula for every five years or so and allow representatives of the governments in the future to meet and agree on new formula, if necessary, as may be required in the future. Flexibility should be a key factor in such allocation so that no one is left behind. All levels of governments must receive some funds from these common properties but they must not be wasted. Hence, the limitations are needed to ensure the common properties are used effectively to advance an improve the livelihood of the people of this nation,

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to improve the economies of all. Existing plans should be reviewed for changes if necessary or maybe new ones created when none exist. The national government should take lead in helping the local governments develop or align their plans so that such plans would be consistent with the overall intent and purposes of any state and national plans. "Experts" should be hired to work with the local governments for effective plan uses of their funds.

1/9/20