

AN ACT

To further amend title 19 of the Code of the Federated States of Micronesia, as amended by Public Laws Nos. 7-9, 7-114 and 8-49, by repealing title 19 in its entirety, and enacting a new title 19 in lieu thereof, to establish a National Maritime Code, and for other purposes.

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

Section 1. Title 19 of the Code of the Federated States of Micronesia is hereby further amended by repealing the title in its entirety.

Section 2. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 1 entitled "General Provisions".

Section 3. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 101 to chapter 1 to read as follows:

"Section 101. Short title. This Act is known and may be cited as the 'National Maritime Act, 1997'."

Section 4. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 102 to chapter 1 to read as follows:

"Section 102. Application.

(1) Unless otherwise stated in specific sections, this title shall apply to:

(a) all vessels required to be registered in the Federated States of Micronesia, wherever located, and their owners;

(b) all other vessels and small craft which operate outside of lagoons in the waters of the Federated States of Micronesia or engage in interstate or foreign commerce, and their owners;

(c) all foreign vessels which enter, operate in, or are located in waters of the Federated States of Micronesia; and

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(d) all seamen employed on vessels which are registered in the Federated States of Micronesia and any citizens or nationals of the Federated States of Micronesia employed on any foreign vessel.

(2) Nothing in this title shall permit any lien or authorize proceedings in rem against any Government Vessel engaged in non-commercial services."

Section 5. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 103 to chapter 1 to read as follows:

"Section 103. Regulations. The Secretary may promulgate regulations, including fees, to implement this title, which regulations shall have the force and effect of law."

Section 6. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 104 to chapter 1 to read as follows:

"Section 104. Delegation of authority. The Secretary, Registrar, Principal Surveyor, Principal Shipping Officer, Aids to Navigation Officer, and Receiver of Wreck may delegate in writing all or any of their powers under this title, except this power of delegation."

Section 7. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 105 to chapter 1 to read as follows:

"Section 105. Admiralty jurisdiction. The Supreme Court of the Federated States of Micronesia shall have exclusive, original jurisdiction in maritime and admiralty matters and in all matters pertaining to this title and regulations."

Section 8. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 106 to chapter 1 to read as follows:

"Section 106. Definitions. As used in this title:

(1) 'Authorized officer' means any officer of the Division of Security and Investigation of the Government of the Federated States of Micronesia or any other person authorized in writing by the Attorney General to be an authorized officer.

(2) 'Authorized Pilot' means a person who has a current, valid Pilotage Certificate issued by the Principal Shipping Officer certifying that the person is competent to provide pilotage services for a specified pilotage area.

(3) 'Collisions Convention' means the Convention on the International Regulations for Preventing Collisions at Sea, 1972, as modified by its protocols, and as amended from time to time.

(4) 'Crew' means those persons employed on board a vessel, but does not include a master, pilot,

supercargo, or a person temporarily employed on board the vessel while it is in port.

(5) 'Dangerous goods' means any goods classified as dangerous goods in the International Maritime Dangerous Goods Code, 1965, ("IMDG Code") published by the International Maritime Organization, London, as amended from time to time.

(6) 'Department' means the Department of Transportation and Communications of the Federated States of Micronesia.

(7) 'Fishing vessel', for the purposes of this title only, means any vessel used commercially for catching fish or other living resources of the sea, except vessels exclusively used:

- (a) for sport or recreation; or
- (b) for research and training.

(8) 'Government' means the National Government of the Federated States of Micronesia, or a state government, or any agency or instrumentality of either.

(9) 'Government Vessel' means a vessel or a class of vessel that:

- (a) belongs to or is chartered and controlled by the Government; or
- (b) is held by any person on behalf of, or for the benefit of, the Government.

(10) 'The Hague-Visby Rules' means the International Convention for the Unification of Certain Rules of Law Relating to Bills of Lading, signed at Brussels on August 25, 1924, as modified by its protocols and as amended from time to time.

(11) 'Limitation of Liability Convention' means the Convention on Limitation of Liability for Maritime Claims done at London on November 19, 1976, as modified by its protocols and as amended from time to time.

(12) 'Load Line Convention' means the International Convention on Load Lines, 1966, as modified by its protocols and as amended from time to time.

(13) 'The MLM Convention' means the International Convention on Maritime Liens and Mortgages, 1993, as modified by its protocols and as amended from time to time.

(14) 'Marine aid to navigation' means any structure, device, or apparatus the principal purpose of which is to assist in the navigation of vessels and small craft, and includes lights, radio beacons, electronic position fixing devices, buoys, fixed structures, illuminating and reflective devices and any other such apparatus.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(15) 'Master' means the person having lawful command or charge of the vessel but does not include a pilot.

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

(17) 'Owner' means the owner, managing owner, demise charterer or operator of a vessel, except where the word is specifically defined differently in a chapter or section, and includes all owners, if there is more than one.

(18) 'Passenger' means a person carried on board a vessel with the knowledge and consent of the owner or master, other than a person engaged in the business of the vessel.

(19) 'Passenger vessel' means a vessel which is carrying or capable of carrying more than 12 passengers.

(20) 'Person' means any natural person and any sole proprietorship, partnership, corporation, or any other business or commercial entity or association.

(21) 'Port Authority' means that instrumentality or agency designated by the state to manage and administer the state's port facilities.

(22) 'Principal Shipping Officer' means an employee of the National Government of the Federated States of Micronesia, Department of Transportation and

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Communications, appointed by the Secretary, to oversee the implementation and enforcement of the provisions of this title relating to qualifications, training, certification, welfare and employment of seamen and the qualifications, training and certification of pilots.

(23) 'Principal Surveyor' means an employee of the National Government of the Federated States of Micronesia, Department of Transportation and Communications, appointed by the Secretary, to oversee the implementation and enforcement of the provisions of this title relating to vessel safety.

(24) 'Proper return port' means the port, named in the Shipping Articles, which is agreed upon by the employer and a seaman to which the seaman should be returned.

(25) 'Qualified Person' means a person, or entity meeting the qualification requirements to register a vessel in the Federated States of Micronesia.

(26) 'Receiver' means the Receiver of Wreck.

(27) 'Register' means the official written record of vessels which are registered or have been registered in the Federated States of Micronesia.

(28) 'Registered Vessel' means a vessel registered under this title which is entitled to fly the flag of the Federated States of Micronesia.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(29) 'Registrar' means an employee of the National Government of the Federated States of Micronesia, Department of Transportation and Communications, appointed by the Secretary, to maintain the Register and implement and enforce the provisions of this title relating to the registration of vessels in the Federated States of Micronesia.

(30) 'Safety Convention' means the International Convention for the Safety of Life at Sea, 1974, as modified by its protocols and as amended from time to time.

(31) 'Salvage Convention' means the International Convention on Salvage, 1989, as modified by its protocols and as amended from time to time.

(32) 'Seaman' means a person engaged or employed in any capacity on board a vessel other than a pilot, supercargo, or a person temporarily employed on board the vessel while it is in port, and includes the master and officers.

(33) 'Secretary' means the Secretary of the Department of Transportation and Communications of the Federated States of Micronesia.

(34) 'Shipping Articles' means the written employment contract between the owner or master of a

vessel and a seaman to be employed on board the vessel setting forth the terms and conditions of employment.

(35) 'Small craft' means vessels of less than 12 meters in length of any kind or type used or capable of being used as a means of transportation on water, vessels of any length used exclusively for private, non-commercial recreation and pleasure, and traditional canoes of any length, but not including:

(a) craft belonging to the defense forces of any nation; and

(b) fishing vessels.

(36) 'STCW Convention' means the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers, 1978, as modified by its protocols and as amended from time to time.

(37) 'Stowaway' means a person carried to sea without the knowledge and consent of the master or other authorized person.

(38) 'Supreme Court' or 'Court' means the Supreme Court of the Federated States of Micronesia.

(39) 'Tonnage Measurement Convention' means the International Convention on Tonnage Measurement of Ships, 1969, as modified by its protocols and as amended from time to time.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(40) 'Vessel' means every type or kind of watercraft used or capable of being used as a means of transportation on water, including fishing vessels, but not including:

(a) any craft belonging to the defense forces of any nation;

(b) watercraft used exclusively for private, non-commercial recreation and pleasure; or

(c) any small craft operated solely within lagoons or on lakes and rivers.

(41) 'Waters of the Federated States of Micronesia' means the internal waters, Territorial Sea, and Exclusive Economic Zone as defined in title 18 of the Code of the Federated States of Micronesia.

(42) 'Wreck' means a vessel or any portion thereof which has sustained a casualty causing damage to the vessel to the extent that the seaworthiness of the vessel is threatened or destroyed, and also includes the vessel's cargo, and any jetsam, flotsam, lagan and derelict."

Section 9. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 2 entitled "National Flag and Nationality".

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 10. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 201 to chapter 2 to read as follows:

"Section 201. National flag.

(1) A Registered Vessel shall fly the national flag of the Federated States of Micronesia during daylight hours when:

(a) in the Territorial Sea of the Federated States of Micronesia;

(b) in the Territorial Sea of any other nation;

(c) outside the Territorial Sea of the Federated States of Micronesia or any other nation on the approach of any other vessel; or

(d) in port.

(2) No national colors other than the national flag of the Federated States of Micronesia shall be flown on board a Registered Vessel except as a courtesy ensign.

(3) The master of a Registered Vessel shall ensure compliance with subsections (1) and (2).

(4) A master of a Registered Vessel commits a civil offense if the master knowingly violates this section, and shall be liable to a fine not exceeding \$50,000."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 11. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 202 to chapter 2 to read as follows:

"Section 202. Falsely assuming nationality of the Federated States of Micronesia.

(1) It shall be a national offense to knowingly fly the national flag of the Federated States of Micronesia so as to falsely appear to be a Registered Vessel, punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both.

(2) In addition to any other penalties, flying the national flag of the Federated States of Micronesia in violation of subsection (1) shall be sufficient grounds for the vessel to be forfeited to the National Government."

Section 12. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 203 to chapter 2 to read as follows:

"Section 203. Concealment of nationality.

(1) The name and port of registry shall be clearly marked on the hull of a vessel.

(2) An owner or master of a vessel shall not conceal the nationality of the vessel.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(3) It shall be a national offense to violate this section, punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both.

(4) In addition to any other penalties, violation of this section shall be grounds for the vessel to be forfeited to the National Government."

Section 13. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 204 to chapter 2 to read as follows:

"Section 204. Authentication of nationality. A vessel about to leave for a foreign port, may be detained until the master or person in charge has authenticated the nationality of the vessel to the relevant Government authorities by the production of the Certificate of Registry."

Section 14. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 3 entitled "Registration of Vessels, Mortgages and Liens".

Section 15. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 301 to chapter 3 to read as follows:

"Section 301. Obligation to register.

(1) All vessels 12 meters and over which are wholly owned by Qualified Persons, if not registered

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

under the laws of another nation, shall be registered in the Federated States of Micronesia.

(2) All vessels 12 meters and over entering or operating within the waters of the Federated States of Micronesia shall be duly registered either in accordance with the laws of the Federated States of Micronesia or another nation.

(3) An owner or master of any vessel who knowingly allows the vessel to enter the waters of the Federated States of Micronesia or operate within such waters, unless the vessel is duly registered in accordance with the laws of the Federated States of Micronesia or another nation, commits a civil offense and shall be liable to a fine not exceeding \$50,000. The burden of proof shall lie on the owner or master of the vessel to demonstrate that the vessel is duly registered.

(4) A vessel may be detained until the master of the vessel produces its Certificate of Registry.

(5) In addition to any other penalties, continued violation of this section shall be grounds for the vessel to be forfeited to the National Government."

Section 16. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 302 to chapter 3 to read as follows:

"Section 302. Qualifications for vessel registration.

(1) For the purposes of this title, a Qualified Person is:

(a) a person who is a citizen of the Federated States of Micronesia or which is established in accordance with the laws of the Federated States of Micronesia or any of its states, wholly owned by citizens, whose principal place of business is in the Federated States of Micronesia;

(b) a person holding a current and valid foreign investment permit duly issued by the National Government to operate a vessel in interstate or international commerce who or which has its principal place of business in the Federated States of Micronesia; or

(c) the national and state governments of the Federated States of Micronesia and their instrumentalities.

(2) Every vessel which is owned by a Qualified Person as defined under subsection (1)(b) shall only be registered in the Federated States of Micronesia if it operates from, and the majority of its voyages begin or end, in the Federated States of Micronesia.

(3) The Registrar shall require the production of satisfactory documentary evidence demonstrating that the

owner is a Qualified Person and the vessel meets the requirements for registration.

(4) Ownership of any share of a vessel by a person who is not a Qualified Person shall constitute cause for removal of the vessel from the Registry and forfeiture to the National Government.

(5) A vessel which has ceased to meet the requirements for registration under this chapter shall be struck off the Registry.

(6) Any person who is not a Qualified Person who purports to be a Qualified Person for the purpose of registering a vessel under this title, commits a national offense punishable by a fine not exceeding \$100,000 or imprisonment of not more than 1 year, or both."

Section 17. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 303 to chapter 3 to read as follows:

"Section 303. Declaration of Qualified Person. A person shall not be registered as owner of a vessel unless the person has filed a Declaration of Qualified Person with the Registrar, declaring:

- (1) that the person is a Qualified Person;
- (2) that no person other than a Qualified Person has any interest in the vessel; and

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(3) in the case of a vessel to be purchased, that the person to be named as the transferee in the bill of sale is a Qualified Person."

Section 18. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 304 to chapter 3 to read as follows:

"Section 304. Status of ownership if not a Qualified Person.

(1) If a person who is not a Qualified Person:

(a) acquires any ownership interest in a Registered Vessel other than by purchase and does not transfer that interest to a Qualified Person or become a Qualified Person within 90 days, that interest shall be struck off the Registry;

(b) purchases any ownership interest in a Registered Vessel, and within 90 days does not remove the vessel from the Registry or become a Qualified Person that interest shall be null and void and shall not be registered under this title.

(2) Where equity demands, the Secretary shall have discretion to extend any time period set forth in this section."

Section 19. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 305 to chapter 3 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 305. Voluntary registration of other vessels wholly owned by Qualified Person(s). Vessels which are not required by this title to be registered in the Federated States of Micronesia, but are wholly owned by Qualified Persons and not registered in any other nation, may be registered in accordance with this title."

Section 20. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 306 to chapter 3 to read as follows:

"Section 306. Continuation of registration. Vessels which were duly registered in the Federated States of Micronesia before the date on which this Act became law shall be deemed to be registered under this title."

Section 21. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 307 to chapter 3 to read as follows:

"Section 307. Liability of owners.

(1) Where a person has an undisclosed and unregistered ownership interest in a Registered Vessel and another person is registered as owner, both shall be subject to all pecuniary penalties imposed on the owners of vessels, and proceedings may be taken against either or both of them, with or without joining the other of them.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) This section does not apply to holders of maritime liens or to a mortgagee, except a mortgagee in possession or control of a vessel."

Section 22. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 308 to chapter 3 to read as follows:

"Section 308. Ports of Registry. The Secretary may designate Ports of Registry by regulation."

Section 23. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 309 to chapter 3 to read as follows:

"Section 309. Registrar and Register.

(1) The Registrar shall be appointed by the Secretary, and shall keep the Register and any instruments required to be deposited with the Registrar.

(2) The Register shall be open to public inspection during normal business hours.

(3) Extracts from the Register and copies of the instruments shall be obtainable from the Registrar upon payment of the fee prescribed in regulations."

Section 24. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 310 to chapter 3 to read as follows:

"Section 310. Recording of particulars in Register.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) A bill of sale, conveyance, mortgage, assignment of mortgage, or the transfer of any interest in any Registered Vessel shall not be valid with respect to such vessel against any person other than the grantor or mortgagor, his or her heirs or devisees and persons having actual notice thereof, until the instrument evidencing such transaction is recorded in the Register.

(2) The Registrar shall record in the Register the particulars contained in the instruments as soon as they are received.

(3) The Registrar shall also record in the Register:

- (a) the name of the vessel;
- (b) the names and addresses of the parties;
- (c) the time and date of receipt of the instrument;
- (d) the interest in the vessel transferred or affected;
- (e) the amount and date of maturity of any mortgage; and
- (f) any other information prescribed by regulation.

(4) After the Registrar has recorded the particulars of the instruments deposited in the

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Registry, the Registrar shall file the original documents in a separate file for each vessel."

Section 25. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 311 to chapter 3 to read as follows:

"Section 311. Application for Registration. An Application for Registration under this title shall be made by the owner in accordance with the regulations."

Section 26. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 312 to chapter 3 to read as follows:

"Section 312. Tonnage Certificate.

(1) Before registration under this title, a vessel must be inspected by a qualified Surveyor appointed by the Secretary, who shall be authorized to ascertain the tonnage of the vessel and issue a tonnage survey report.

(2) On receipt of a tonnage survey report the Principal Surveyor shall, on payment of the prescribed fee, issue a Tonnage Certificate."

Section 27. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 313 to chapter 3 to read as follows:

"Section 313. Marking.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) A vessel shall not be registered under this title unless it is marked permanently and in accordance with the regulations.

(2) Any person who conceals, removes, alters, defaces or obliterates any mark on any vessel commits a civil offense, and shall be liable to a fine not exceeding \$10,000."

Section 28. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 314 to chapter 3 to read as follows:

"Section 314. Improper description of vessel in required documentation or marking. An owner or master of a Registered Vessel who permits the vessel to be described by a name other than its registered name in required documentation or marking, commits a civil offense, and shall be liable to a fine not exceeding \$50,000."

Section 29. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 315 to chapter 3 to read as follows:

"Section 315. Entries in the Register.

(1) Entries in the Register shall be made in accordance with the regulations.

(2) No vessel may be registered under this title by the same name as a vessel already registered."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 30. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 316 to chapter 3 to read as follows:

"Section 316. Change of ownership.

(1) Where a Registered Vessel is sold, conveyed or otherwise transferred to a Qualified Person, the vessel shall be transferred by a bill of sale in the prescribed form and executed by the transferor and the transferee and, in the case of a corporation, by affixing the corporate seal.

(2) Where an interest in a Registered Vessel changes ownership, the owner shall, within ten days after such change, register the vessel in accordance with the Vessel Registration Regulations, and a new Certificate of Registry shall be issued, provided the vessel still qualifies for registration."

Section 31. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 317 to chapter 3 to read as follows:

"Section 317. Recording of bills of sale.

(1) A bill of sale or related document transferring an interest in a Registered Vessel or any other instrument related thereto shall not be recorded in the Register unless it states the interest of the grantor in the vessel and the interest sold or conveyed.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) Upon payment of the prescribed fee, the Registrar shall record the documents in subsection (1) in the order of their receipt and sign each document stating the time and date that each was received."

Section 32. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 318 to chapter 3 to read as follows:

"Section 318. Certificate of Registry.

(1) When all the prescribed requirements for registration have been met with respect to a vessel, the Registrar shall issue a Certificate of Registry.

(2) The Certificate of Registry shall contain an accurate description of the vessel and list any and all ownership interests in the vessel.

(3) The Certificate of Registry shall be kept on board the vessel.

(4) The Certificate of Registry is not a document which transfers title in a vessel and shall not be subject to detention except as is provided in subsection (6).

(5) Any owner or master who knowingly uses or allows the use of a Certificate of Registry for any purpose which would mislead or deceive or have the tendency to mislead or deceive any other person, commits

a civil offense and shall be liable to a fine not exceeding \$50,000.

(6) Surrender of certificate.

(a) Any person who holds a Certificate of Registry shall surrender it on demand to the person entitled to its custody for the lawful navigation of the vessel, to the Registrar, or to any other person entitled by law to require its delivery.

(b) Any person who fails to comply with this subsection commits a civil offense and shall be liable to a fine not exceeding \$50,000."

Section 33. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 319 to chapter 3 to read as follows:

"Section 319. Provisional Certificate of Registry.

(1) Where a vessel is acquired outside the Federated States of Micronesia by a Qualified Person, the Registrar may issue a Provisional Certificate of Registry.

(2) The owner or master of a provisionally Registered Vessel shall, within 10 days after the arrival of the vessel in the Federated States of Micronesia, deliver the Provisional Certificate of Registry to the Registrar.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(3) The Registrar may only issue a Certificate of Registry after the vessel has fully complied with all the requirements of the Vessel Registration Regulations."

Section 34. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 320 to chapter 3 to read as follows:

"Section 320. Alterations. Where a Registered Vessel is so altered that the Tonnage Certificate or the description of the vessel contained in the Register is no longer accurate, the owner shall register the alteration within 7 days after completion of the alteration."

Section 35. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 321 to chapter 3 to read as follows:

"Section 321. Duty to provide information to Registrar. The owner of any Registered Vessel who is directed in writing by the Registrar to provide information concerning the vessel or its owners shall comply within 10 days."

Section 36. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 322 to chapter 3 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 322. Notification of vessel loss or destruction. The owner of a Registered Vessel shall immediately notify the Registrar in writing if the vessel is lost or destroyed, or any owner ceases to be a Qualified Person."

Section 37. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 323 to chapter 3 to read as follows:

"Section 323. Liabilities of unregistered vessels.

Where a vessel is required to be registered but is not, the vessel, its owners and master shall:

(1) not be entitled to any benefits, privileges, advantages or protections enjoyed by Registered Vessels;

(2) not be relieved of obligations under this title and regulations by reason of the fact that the vessel is not registered;

(3) remain liable for the payment of all dues, fees, fines or other charges, for forfeiture, and for punishment for offenses in the same manner as if the vessel were registered."

Section 38. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 324 to chapter 3 to read as follows:

"Section 324. Recording of mortgages.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) A Registered Vessel may be made security for a loan or other financial obligation by way of a mortgage in the prescribed form.

(2) A mortgage shall not be recorded in the Registrar unless it states the interest of the mortgagor in the vessel and the term and conditions of the mortgage on the vessel.

(3) Upon payment of the prescribed fee, the Register shall record mortgages in the order of their receipt and sign each mortgage stating the time and date that each was received.

(4) The Registrar shall endorse on the Certificate of Registry of the vessel covered by the mortgage:

- (a) the names of the mortgagor and mortgagee;
- (b) the amount and date of maturity of the mortgage; and
- (c) the time and date the mortgage was recorded."

Section 39. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 325 to chapter 3 to read as follows:

"Section 325. Recording of notices of claim of lien.

(1) The Registrar shall upon the request of any person record in the Register notice of such person's claim to a lien on a Registered Vessel, supported by

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

credible documentary evidence, together with the nature, date of creation, and amount of the lien and the name and address of the person.

(2) Any person who has caused notice of a claim of lien to be so recorded shall, upon discharge of the indebtedness, forthwith file a certificate of such discharge with the Registrar, who shall record the discharge of the indebtedness giving rise to the lien."

Section 40. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 326 to chapter 3 to read as follows:

"Section 326. Priority of maritime liens and mortgages.

(1) All claims secured by maritime liens on any Registered Vessel shall take priority over all registered mortgages and charges which have been duly recorded by the Registrar in the Register, and no other claim shall take priority over such maritime liens or over such mortgages or charges.

(2) Each of the following claims against the owner, demise charterer, manager or operator of a Registered Vessel shall be secured by a maritime lien on the vessel:

(a) claims for wages and other sums due to the master, officers and other members of the crew in respect of their employment on the vessel, including

costs of repatriation and social insurance contributions payable on their behalf;

(b) claims in respect of loss of life or personal injury occurring, whether on land or on water, in direct connection with the operation of the vessel;

(c) claims for reward for the salvage of the vessel;

(d) claims for port, canal, and other waterway dues and pilotage dues;

(e) claims based on tort arising out of physical loss or damage caused by the operation of the vessel other than loss of or damage to cargo, containers and passengers' effects carried on the vessel.

(3) (a) The maritime liens set out in subsection (2) shall rank in the order listed, PROVIDED HOWEVER, that maritime liens securing claims for reward for the salvage of a vessel shall take priority over all other maritime liens which have attached to the vessel prior to the time when the salvage operations giving rise to the salvage claims were performed;

(b) Where a claim for reward for the salvage of a vessel is recorded in the Register, the maritime liens set out in each of subsections (a), (b), (d) and (e) of subsection (2) shall rank *pari passu* as among themselves.

(4) The maritime liens securing claims for reward for the salvage of a vessel shall rank in the inverse order of the time when the claims secured thereby accrued. Such claims shall be deemed to have accrued on the date on which each salvage operation was terminated.

(5) (a) The assignment of or subrogation to a claim secured by a maritime lien entails the simultaneous assignment of or subrogation to such a maritime lien;

(b) Claimants holding maritime liens may not be subrogated to the compensation payable to the owner of the vessel under an insurance contract.

(6) A maritime lien shall be extinguished after a period of 1 year, unless extended by an order of the Supreme Court.

(7) Where there is more than one mortgage recorded in the Register in respect of the same vessel, the mortgagees shall, notwithstanding any expressed, implied, or constructive notice, be entitled in priority one over the other according to the time and date on which each mortgage was recorded in the Register and not according to the date of each mortgage itself.

(8) A registered mortgage shall not be affected by any act of bankruptcy or insolvency committed by the mortgagor after the date of recording of the mortgage,

notwithstanding that the bankrupt or insolvent mortgagor had, at the time of the insolvency, the vessel in his possession, order or disposition.

(9) Any such registered mortgage shall have priority over any right, claim, or interest in the vessel of the other creditors of the bankrupt or any trustee or assignee on their behalf."

Section 41. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 327 to chapter 3 to read as follows:

"Section 327. Mortgages in default.

(1) A mortgagee of a Registered Vessel shall not by reason of the mortgage be deemed to be the owner of the vessel, nor shall the mortgagor be deemed to have ceased to be the owner of the vessel.

(2) On default of any term of a mortgage, a mortgagee may enforce a claim for outstanding indebtedness secured by the mortgaged vessel in a civil action in personam in the Supreme Court against the mortgagor, maker, co-maker, or guarantor for the amount of the outstanding indebtedness or any deficiency in full payment of that indebtedness.

(3) In the event of default of the mortgage, the registered mortgagee shall be entitled to recover the amount due under the mortgage by applying to the Supreme

Court for an order, directing that the mortgaged vessel, or any share therein, be sold by tender or at a public auction, and that the proceeds of the sale be used to satisfy:

- (a) the expenses of conducting the sale;
- (b) the amount outstanding to the mortgagee under the mortgage; and
- (c) the amount outstanding to subsequent mortgagees, with the balance being distributed to the mortgagor.

(4) Upon receiving an application from the mortgagee for the order mentioned in subsection (3), the Supreme Court may set a date for a hearing concerning the default of mortgage.

(5) The mortgagee shall cause notice to be personally served on the mortgagor and any subsequent mortgagees, but if such required notice cannot be personally served, then an application may be made to the Supreme Court providing or the date of the hearing to be publicized on at least one radio station at the location of mortgagor and subsequent mortgagees and by any other means having wider circulation, and such shall be considered to be service of adequate notice on the parties.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(6) Where the Supreme Court has found the mortgage to be in default, it may order the forced sale of the vessel, or any share therein, and for this purpose the Supreme Court shall appoint a person as an Officer of the Court to conduct the sale and distribute the proceeds in accordance with the order.

(7) An Officer of the Court shall not be liable for any act or omission in conducting the sale or distributing the proceeds if acting in good faith.

(8) Where more than one person is registered as mortgagee of the same vessel, a subsequent mortgagee shall not make an application to sell the vessel without the concurrence of every prior mortgagee, except under an order of the Supreme Court.

(9) Where a vessel has been sold in accordance with subsection (6), the Supreme Court shall, by order, vest ownership of the vessel in the purchaser, which order shall be recorded in the Register by the Registrar."

Section 42. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 328 to chapter 3 to read as follows:

"Section 328. Notice of action to enforce mortgage.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) Actual notice of a civil action brought in the Supreme Court to enforce a mortgage shall be personally served on:

(a) the owner, master or individual in charge of the vessel or his agent for service of process;

(b) a subsequent mortgagee of an undischarged mortgage recorded under this chapter; and

(c) any person who has recorded a maritime lien on the vessel.

(2) Personal service of notice is not required if, after search satisfactory to the Supreme Court, persons entitled to such notice have not been found in the Federated States of Micronesia."

Section 43. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 329 to chapter 3 to read as follows:

"Section 329. Operation of vessel pending disposition. When a civil action has been commenced in the Supreme Court:

(1) the Court may appoint and authorize a person to manage and operate the mortgaged vessel but shall retain in rem jurisdiction over the vessel even if the vessel operates outside the Federated States of Micronesia; and

(2) the Court may request the Attorney General to direct the national police or other authorized officer to take possession of a mortgaged vessel even if the vessel is in the possession of or under the control of a person claiming a possessory lien."

Section 44. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 330 to chapter 3 to read as follows:

"Section 330. Continuation of mortgagee's interest.

(1) The interest of a mortgagee in a Registered Vessel shall not be terminated by a forfeiture of the vessel for a violation of any of the laws of the Federated States of Micronesia, unless the mortgagee authorized, consented or conspired to effect the illegal act, failure, or omission which constituted such violation.

(2) In the event of forfeiture resulting in a forced sale of the vessel by tender or public auction, the proceeds of the sale shall be used to satisfy:

- (a) the expenses of conducting the sale;
- (b) the amount outstanding to the mortgagee under the mortgage; and
- (c) the amount outstanding to subsequent mortgagees.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(3) Any remaining balance from the proceeds of the sale shall not be paid to the mortgagor, but shall be paid into the General Fund of the Federated States of Micronesia."

Section 45. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 331 to chapter 3 to read as follows:

"Section 331. Transfer of mortgage.

(1) A registered mortgage of a vessel may be transferred to any person by registration of an instrument of transfer of that mortgage in the prescribed form.

(2) On the production to the Registrar of an instrument of transfer of a registered mortgage and of the mortgage to which the instrument relates, the Registrar shall register the transfer by making an entry of the transfer in the Register, and endorse and sign the mortgage and the instrument of transfer to the effect that the entry has been made and stating the date and time of making the entry."

Section 46. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 332 to chapter 3 to read as follows:

"Section 332. Discharge of mortgage. The mortgagee, upon a complete discharge of the mortgage indebtedness,

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

shall forthwith file a Certificate of Discharge of Mortgage duly executed by the mortgagee, his successors or assigns, with the Registrar, who shall forthwith record the discharge of the mortgage."

Section 47. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 333 to chapter 3 to read as follows:

"Section 333. Status of mortgage on foreign vessel. In addition to a mortgage made under this chapter, any mortgage or similar charge created as security on any foreign vessel duly and validly executed and registered in accordance with the laws of the nation where the vessel is registered, may be enforced in the Supreme Court if the vessel is in the waters of the Federated States of Micronesia."

Section 48. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 334 to chapter 3 to read as follows:

"Section 334. Disclosure of liens and priority.

(1) Where the owner of a Registered Vessel has received a service or the vessel has caused loss of life or personal injury giving rise to a claim which creates a maritime lien against the vessel, the lien holder may require the Registrar to record the lien against the vessel in the Register.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) Irrespective of whether the maritime lien is registered in accordance with subsection (1), the person who provided the service or who has suffered injury, or the next of kin or executor of the estate of the person who has lost his or her life as a result of the action of the vessel or any other lien holder having a claim against a vessel can exercise that lien against the vessel while it is owned by the original debtor.

(3) A maritime lien against a Registered Vessel shall not be enforceable against the vessel subsequently purchased by a bona fide purchaser for value without notice unless it has been recorded in the Register.

(4) The failure of a lien holder to register a maritime lien against a Registered Vessel shall not prejudice the claim against the vessel owner who received services or whose vessel caused damage giving rise to the lien in the first instance.

(5) A mortgagor, before executing a mortgage in respect of a Registered Vessel, shall disclose to the mortgagee in writing the existence of any maritime lien, prior mortgage, or other obligation or liability upon the vessel to be mortgaged, which is known to the mortgagor.

(6) After the execution of such mortgage and before the mortgagee has had a reasonable time to record

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

it and have proper endorsements made upon the Certificate of Registry of the vessel, the mortgagor, without the consent of the mortgagee, shall not incur any contractual obligation creating a lien upon the vessel, having priority over a mortgage other than liens for wages of the crew of the vessel or for salvage.

(7) A mortgagor, including an officer, director, agent or employee of a company which owns a vessel the financing of which is secured by a mortgage, who, with intent to defraud:

(a) fails to disclose the existence of any prior mortgage, maritime lien, or other obligation or liability upon the vessel; or

(b) incurs any contractual obligation giving rise to a lien before the mortgagee has had a reasonable time to record the mortgage, commits a civil offense, liable to a fine not exceeding \$200,000.

(8) Upon commission of any civil offense set forth in subsection (7) the mortgage indebtedness shall become immediately due and payable at the election of the mortgagee."

Section 49. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 335 to chapter 3 to read as follows:

"Section 335. Necessaries.

(1) Any person who furnishes stores, provisions, fuel, towage, repairs, use of dry dock or marine railway, or other necessaries, to any foreign or domestic vessel upon the order of the owner or person authorized by the owner, shall have a maritime lien on the vessel which shall:

(a) subject to sections 334 and 338, follow the vessel notwithstanding any change of ownership, registration or flag;

(b) in case of assignment or subrogation of the claim secured by a maritime lien on the vessel, entail the simultaneous assignment of or subrogation to such a maritime lien;

(c) be extinguished at the expiration of the lesser period of either:

(i) six months from the time when the claims secured thereby arose unless, prior to the expiration of such period, the vessel has been arrested or seized, such arrest or seizure leading to a forced sale; or

(ii) sixty days following a sale to a bona fide purchaser of the vessel, such period to commence on the date on which the sale is made in accordance with this chapter;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(d) rank after the maritime liens set out in section 326 and also after registered mortgages or charges recorded in accordance with this chapter.

(2) The owner, owner's agent, master or any person to whom the management of the vessel is entrusted, shall be presumed to have authority from the owner to procure such necessaries.

(3) This section shall not confer a lien when persons providing the services referred to in subsection (1) know, or by exercise of reasonable diligence should have ascertained, that because of the terms of a charter party, agreement of sale of the vessel, or for any other reason, the person ordering necessaries was without authority to bind the vessel."

Section 50. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 336 to chapter 3 to read as follows:

"Section 336. Waiver of maritime lien for necessaries. This chapter shall not prevent a person who holds a maritime lien for necessaries for stores, provisions, fuel, towage, repairs, use of dry dock or marine railway, or other necessaries, from waiving the right to a lien against the vessel at any time, by agreement or otherwise."

Section 51. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 337 to chapter 3 to read as follows:

"Section 337. Arrest of vessels.

(1) A Registered Vessel may be arrested in respect of default in payment on claims secured by maritime liens or mortgages against the vessel recorded in the Register.

(2) Where sufficient evidence is provided to the Supreme Court to warrant the arrest of a Registered Vessel, the Court may issue an order for the arrest of the vessel.

(3) A vessel which has been arrested may only be released by an order of the Court if sufficient security has been provided in the amount and form satisfactory to the claimant; or, if the sufficiency and form is disputed, the Supreme Court may order that security be provided in an amount which shall not exceed the value of the vessel.

(4) Upon application of the owner the Court may, in its discretion, as a condition for the arrest of the vessel, impose upon the claimant the obligation to provide security of a kind and for an amount on such terms as the Court deems appropriate and for any loss

which may be incurred by the owner or defendant as a result of the arrest.

(5) Where sufficient security cannot be obtained by the owner as guarantee for the payment of the maritime lien or mortgage, the lien holder or mortgagee shall file an application with the Supreme Court for an order for the forced sale of the vessel."

Section 52. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 338 to chapter 3 to read as follows:

"Section 338. Forced sale of vessels.

(1) In the event of a forced sale of a Registered Vessel or a foreign vessel, the claimant shall, prior to the forced sale of the vessel, ensure that notice is provided to:

- (a) the Registrar or the registrar in the nation of the vessel's registration;
- (b) all holders of registered mortgages or charges;
- (c) all holders of maritime liens; and
- (d) the registered owner of the vessel.

(2) Such notice shall be provided at least 30 days prior to the forced sale, and shall contain the particulars concerning the forced sale as well as the proceeding leading to the forced sale.

(3) All registered mortgages or charges, except those assumed by the purchaser with the consent of the holders, and all maritime liens and other encumbrances of whatsoever nature attached to the vessel at the time of the forced sale shall cease to be attached to the vessel provided that:

(a) at the time of the sale, the vessel is within the jurisdiction of the Supreme Court; and

(b) the sale has been effected in accordance with this chapter.

(4) The costs and expenses arising out of the arrest or seizure and subsequent sale of the vessel shall be paid first out of the proceeds of the sale. Such costs and expenses include the costs for the upkeep of the vessel, the master and crew as well as wages, repatriation, social insurance contributions payable on behalf of the master and crew, and other sums and costs referred to in section 326 incurred from the time of arrest or seizure. The balance of the proceeds shall be distributed in accordance with this chapter to the extent necessary to satisfy the respective claims. Upon satisfaction of all claimants, any residue of the proceeds shall be paid to the owner and shall be freely transferable.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(5) If at the time of the forced sale the vessel is in the possession of a builder or of a repairer who, under the laws of the Federated States of Micronesia enjoys a right of retention, such builder or repairer shall surrender possession of the vessel to the purchaser, but shall be entitled to obtain satisfaction of his claim out of the proceeds of the sale after the satisfaction of the claims of holders of maritime liens.

(6) When a vessel has been the object of a forced sale, the Registrar shall, in accordance with the order of the Supreme Court and at the request of the purchaser, issue a certificate to the effect that the vessel is sold free of all registered mortgages or charges, except those assumed by the purchaser, and of all liens and other encumbrances, provided that the requirements set out in subsections (3)(a) and (b) have been complied with.

(7) Where the vessel is a Registered Vessel, the Registrar shall delete all registered mortgages or charges except those assumed by the purchaser, issue a Certificate of Deletion for the purpose of new registration, and shall, if the purchaser is a Qualified Person and wishes to register the vessel in the Federated States of Micronesia, proceed in accordance with the requirements of the Vessel Registration

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Regulations to have the vessel registered in the Register under the name of the purchaser as the new owner.

(8) The order of the Supreme Court shall provide that any proceeds of the forced sale are actually available and freely transferable."

Section 53. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 339 to chapter 3 to read as follows:

"Section 339. Designation of owner; communications and service of process.

(1) Where a Registered Vessel is owned by more than one person, one owner shall be designated owner.

(2) Communications from the Government may be sent to and service of legal process may be made on the owner at the address on file with the Registrar. Any communication to the owner shall be deemed to be a communication to all owners."

Section 54. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 340 to chapter 3 to read as follows:

"Section 340. Regulations governing maritime liens and mortgages. The Secretary may promulgate regulations relating to maritime liens and mortgages, taking into account the provisions of the MLM Convention."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 55. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 4 entitled "Safety of Vessels".

Section 56. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 401 to chapter 4 to read as follows:

"Section 401. Application of chapter.

(1) Unless otherwise specified herein, this chapter applies to:

(a) Registered Vessels (including Government Vessels) wherever located;

(b) non-registered small craft which navigate outside lagoons, or navigate within lagoons in such a way as to affect interstate or international commerce;

(c) foreign vessels at a port or within the waters of the Federated States of Micronesia.

(2) This chapter does not apply to vessels which are compelled by stress of weather or force majeure to enter any of the ports or waters of the Federated States of Micronesia to take refuge."

Section 57. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 402 to chapter 4 to read as follows:

"Section 402. Regulations relating to international maritime safety conventions. The Secretary may

promulgate regulations for maritime safety taking into account international maritime safety conventions, including without limitation, the Collisions Convention, the Load Line Convention, the Safety Convention, the Tonnage Measurement Convention, and the IMDG Code which regulations shall have the force and effect of law."

Section 58. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 403 to chapter 4 to read as follows:

"Section 403. Regulations for small craft. The Secretary may promulgate regulations necessary to provide for the safety and control of foreign and domestic small craft including those used for fishing."

Section 59. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 404 to chapter 4 to read as follows:

"Section 404. Principal Surveyor and Surveyors.

(1) The Secretary may appoint the Principal Surveyor who shall oversee the implementation and enforcement of this chapter.

(2) The Principal Surveyor shall be responsible for the issuing of Safety Certificates.

(3) The Secretary may also appoint any qualified surveyor or classification society to be a Surveyor of vessels.

(4) The Secretary shall determine by regulation the credentials and experience necessary to qualify for the position of Principal Surveyor or Surveyor."

Section 60. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 405 to chapter 4 to read as follows:

"Section 405. Powers of Surveyors.

(1) A Surveyor may at any reasonable time:

(a) go on board and inspect any vessel or small craft, its equipment, cargo or articles on board and any document required to be carried;

(b) upon reasonable notice to the owner or master, require the production of books, papers and documents relating to the vessel;

(c) conduct other surveys and inspections of the vessel; and

(d) require repairs be made to the vessel.

(2) The Principal Surveyor may direct any owner or master to move or otherwise prepare a vessel for survey or inspection.

(3) The Principal Surveyor may order that a vessel be detained pursuant to section 422.

(4) A Surveyor shall not unreasonably detain or delay a vessel."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 61. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 406 to chapter 4 to read as follows:

"Section 406. Survey prior to registration. It shall be a condition precedent to registration that all vessels be surveyed and issued all required Safety Certificates prescribed by regulations."

Section 62. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 407 to chapter 4 to read as follows:

"Section 407. Safety Certificates.

(1) Every Registered Vessel shall display in a prominent and accessible place all current Safety Certificates required to be carried under this title or regulations or a certified copy thereof.

(2) No Registered Vessel may go to sea without the required Safety Certificates displayed in accordance with subsection (1).

(3) Every vessel in the waters of the Federated States of Micronesia which is required to carry a certificate issued under any international maritime convention or law of the Federates States of Micronesia shall produce those certificates on the request of any duly authorized Surveyor.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(4) No foreign vessel may go to sea in the waters of the Federated States of Micronesia without producing the certificates in accordance with subsection (3).

(5) Any master, owner or person in charge of a vessel who violates subsections (2) or (4) commits a civil offense, and shall be liable to a fine not exceeding \$50,000."

Section 63. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 408 to chapter 4 to read as follows:

"Section 408. Certificates to be produced before vessel goes to sea. Before a vessel goes to sea, the master must produce for inspection all required certificates or the statement referred to in section 409(2)."

Section 64. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 409 to chapter 4 to read as follows:

"Section 409. Vessel may go to sea without Safety Certificate in certain circumstances.

(1) The Principal Surveyor may allow a vessel to go to sea without a required Safety Certificate if the Principal Surveyor is satisfied that it may proceed without danger to the vessel, crew, or its passengers.

(2) If a vessel is allowed to proceed under subsection (1), the Principal Surveyor shall give to the

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

master a written statement of the circumstances and conditions under which the vessel is allowed to go to sea, and the master shall comply with the circumstances and conditions so specified.

(3) This section does not apply to vessels which are not required to have Safety Certificates."

Section 65. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 410 to chapter 4 to read as follows:

"Section 410. Suspension or revocation of Safety Certificate.

(1) The Principal Surveyor shall suspend or revoke any Safety Certificate issued upon false or erroneous information, or issued to a vessel which has become unseaworthy, and shall notify the owner or master of the revocation or period of suspension.

(2) An owner or master notified of the suspension or revocation of a Safety Certificate shall immediately surrender it to the Principal Surveyor.

(3) The Principal Surveyor may resurvey a vessel before issuing a new certificate or removing a suspension."

Section 66. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 411 to chapter 4 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 411. Change in the condition of the vessel. Where a Registered Vessel has undergone a significant modification to its hull or superstructure or where the operation or safety of a Registered Vessel is impaired because of a change in its condition, the owner or master shall notify the Principal Surveyor within 7 days."

Section 67. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 412 to chapter 4 to read as follows:

"Section 412. Requirement to carry certain safety equipment.

(1) All vessels and small craft shall be equipped with and carry all safety equipment required by applicable regulations, in good order and ready for use.

(2) Any person who takes a vessel to sea without all of the safety equipment required by regulations, in good order and ready for use, commits a national offense, punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both.

(3) Any person who takes a small craft to sea without all of the safety equipment required by regulations, in good order and ready for use, commits a national offense, punishable by a fine not exceeding

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

\$10,000 or imprisonment for not more than 1 year, or both."

Section 68. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 413 to chapter 4 to read as follows:

"Section 413. Equivalentents. The Principal Surveyor may allow any fitting, material, appliance or apparatus to be fitted or carried or any other provision to be made, if the Principal Surveyor is satisfied that it is at least as effective as that required by the applicable regulations."

Section 69. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 414 to chapter 4 to read as follows:

"Section 414. Manning of vessels.

(1) A vessel at sea shall carry at least the number of qualified seamen required by regulations for a vessel of that size and type.

(2) A vessel at sea which does not carry the number of qualified seamen prescribed by regulations shall be deemed to be an unsafe vessel.

(3) No vessel shall proceed to sea without the minimum number of qualified seamen prescribed by regulations.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(4) An owner and master of a vessel which proceeds to sea without the minimum number of qualified seamen prescribed by regulations commits a national offense, punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both."

Section 70. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 415 to chapter 4 to read as follows:

"Section 415. Vessels to carry qualified radio personnel.

(1) All vessels at sea shall be required to carry qualified radio personnel.

(2) The Secretary shall prescribe by regulations the specific requirements for radio personnel according to type of vessel, and shall prescribe the delimitation of mandatory radio reporting areas in which each vessel shall be required to report its movements."

Section 71. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 416 to chapter 4 to read as follows:

"Section 416. Carriage of dangerous goods.

(1) Dangerous goods shall be loaded, unloaded, stowed, carried or used in a vessel in a safe manner, as determined by regulations.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) Where the Principal Surveyor believes that dangerous goods would endanger a vessel or constitute a danger to human life, property, or the environment, the Principal Surveyor may:

- (a) detain the vessel;
- (b) prohibit the loading, unloading, stowage, carriage or use of any dangerous goods;
- (c) order the removal from the vessel of any dangerous goods; and
- (d) direct the manner of stowage of any dangerous goods."

Section 72. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 417 to chapter 4 to read as follows:

"Section 417. Powers of the master in relation to dangerous goods. Without liability, a master may refuse to take on board or open and inspect any package which the master reasonably suspects may contain dangerous goods, and may destroy or otherwise dispose of goods which appear to be dangerous goods, and which have been shipped on board the vessel without the master's consent."

Section 73. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 418 to chapter 4 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 418. Offenses regarding carriage of goods in a dangerous manner.

(1) Anyone who loads, unloads, stows, carries or uses any cargo, goods or substances in an unsafe manner so as to endanger a vessel or constitute a danger to human life, property or the environment commits a civil offense and shall be liable on conviction to a fine not exceeding \$500,000.

(2) Anyone who falsely describes any dangerous goods, with the intent to conceal their character commits a national offense, punishable by a fine not exceeding \$500,000 or imprisonment for a term not exceeding 2 years, or both."

Section 74. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 419 to chapter 4 to read as follows:

"Section 419. Forfeiture of dangerous goods. Any dangerous goods consigned to a vessel for interstate or foreign commerce, or shipped, carried, or used in a vessel in violation of this title or the regulations shall be subject to forfeiture to the National Government."

Section 75. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 420 to chapter 4 to read as follows:

"Section 420. Carriage and safety of passengers.

(1) This section applies to passenger vessels, and the Secretary may promulgate regulations to implement this section. This section shall not apply to fishing vessels.

(2) No vessel may carry more persons than the maximum number stated in its Safety Certificate.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Anyone who violates this subsection commits a civil offense and shall be liable to a fine not exceeding \$100,000.

(3) No small craft may carry more persons than the maximum number stated in the regulations. Anyone who violates this subsection commits a civil offense and shall be liable to a fine not exceeding \$50,000.

(4) The Principal Surveyor shall notify the master in writing if he finds any danger or potential danger to the safety, comfort, health or well-being of passengers on the vessel.

(5) After such notice, passengers may not be carried on the vessel until the Principal Surveyor determines and notifies the master in writing that passengers may be carried without danger to their safety, comfort, health or well-being. Anyone who violates this subsection commits a civil offense and shall be liable to a fine not exceeding \$100,000."

Section 76. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 421 to chapter 4 to read as follows:

"Section 421. Submerged load line.

(1) Vessels shall not be so loaded that when they are in salt water the subdivision load line mark

appropriate to the particular voyage and condition of service is submerged.

(2) A vessel so loaded is an unsafe vessel subject to the provisions of section 422."

Section 77. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 422 to chapter 4 to read as follows:

"Section 422. Unsafe vessels.

(1) A vessel that is unfit to go to sea without danger to the vessel, human life, property or the environment is an unsafe vessel.

(2) Unsafe vessels shall not be sent or taken to sea or allowed to operate within the waters of the Federated States of Micronesia.

(3) The Principal Surveyor may detain an unsafe vessel, PROVIDED, however, written notice of the reasons for detention shall be immediately provided to the owner or master.

(4) Unsafe small craft may be detained by Government authorities until such time as the small craft is made safe.

(5) Any person who takes a vessel, which the Principal Surveyor has found to be unsafe, to sea commits a civil offense and shall be liable to a fine not exceeding \$500,000."

Section 78. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 423 to chapter 4 to read as follows:

"Section 423. Port State control relating to safety certificates.

(1) While in one of the ports of the Federated States of Micronesia, every foreign vessel shall be subject to control by a Surveyor in so far as this control is directed toward verifying that the Safety Certificates required to be carried by the vessel are valid.

(2) Such certificates, if valid, shall be accepted unless there are clear grounds for believing that the condition of the vessel or of its equipment does not correspond substantially with the particulars of any of the certificates or that the vessel and its equipment are not in compliance with the provisions of the Safety Convention.

(3) In the circumstances given in subsection (2) or where a certificate has expired or ceased to be valid, the Principal Surveyor shall take steps to ensure that the vessel shall not sail until it can proceed to sea or leave the port for the purpose of proceeding to the appropriate repair yard without danger to the vessel or persons on board.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(4) In the event of this control giving rise to an intervention of any kind, the Secretary shall forthwith inform in writing, through diplomatic channels, the maritime authority of the nation whose flag the vessel is entitled to fly of all the circumstances in which intervention was deemed necessary. In addition, nominated surveyors or recognized organizations responsible for the issue of the certificates shall also be notified.

(5) The Principal Surveyor shall relay all relevant information about the vessel to the authorities of the next port of call, in addition to the parties mentioned in subsection (4) above, if it is unable to take action as specified in subsections (3) and (4) above or if the vessel has been allowed to proceed to the next port of call.

(6) When exercising control under this section all possible efforts shall be made to avoid unduly detaining or delaying a vessel. If a vessel is unduly detained or delayed it shall be entitled to compensation for any loss or damage suffered."

Section 79. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 424 to chapter 4 to read as follows:

"Section 424. Duty to report dangers to navigation.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) When any vessel is within the waters of the Federated States of Micronesia and the master has sighted or otherwise becomes aware of a danger to navigation, the master shall immediately communicate information about such danger to navigation by all means at his or her disposal to vessels in the vicinity and also to the competent authorities at the first point on the coast with which he or she can communicate.

(2) Any person who fails to act as required by subsection (1) commits a civil offense and shall be liable to a fine not exceeding \$10,000."

Section 80. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 425 to chapter 4 to read as follows:

"Section 425. Assistance to persons in danger at sea; false distress signal.

(1) A master shall render assistance to any person found at sea and in distress or in danger of being lost if this assistance can be rendered without endangering the vessel, crew or passengers.

(2) Failure to render assistance in violation of subsection (1) shall be a national offense punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(3) The use or exhibition of any distress signal except for the purpose of indicating distress and need of assistance, and the use of any other signals which may be easily confused with a distress signal shall be a national offense punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both.

(4) This section shall not affect the right to salvage."

Section 81. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 426 to chapter 4 to read as follows:

"Section 426. Duty of vessel to assist in case of collision.

(1) Where two or more vessels are involved in a collision, the master or person in charge of each vessel shall, if possible without serious danger to the vessel, crew or passengers:

(a) render such assistance as is necessary;

(b) stay by the other vessel until it has no need of further assistance; and

(c) give to the master or person in charge of the other vessel its own name and home port, and the ports from and to which it is bound.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) Violation of this section shall be a national offense punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both."

Section 82. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 427 to chapter 4 to read as follows:

"Section 427. Reporting of marine incidents and casualties. The master of a vessel shall immediately report to the Secretary whenever the vessel:

(1) is involved in an accident, marine incident, or casualty resulting in damage of any kind to the vessel, property or the environment, or any personal injury or loss of life;

(2) receives damage which may render it unsafe;

(3) has been in a position of great peril;

(4) fouls or does damage to a pipeline, submarine cable or marine aid to navigation; or

(5) is in difficulty and is required to put back into a port in the Federated States of Micronesia."

Section 83. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 428 to chapter 4 to read as follows:

"Section 428. Investigation of marine casualties. Upon the occurrence of any event or incident set forth in

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

section 427 the Secretary may order a preliminary investigation or a Marine Inquiry, or both."

Section 84. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 429 to chapter 4 to read as follows:

"Section 429. Preliminary investigations.

(1) The Secretary may appoint a person to conduct a Preliminary Investigation who may go on board any vessel involved in the casualty, make any and all inquiries, and require the production of any document or certificate relating to any vessel involved in the casualty.

(2) On receipt of the investigator's report, or pending the outcome of a Marine Inquiry, the Secretary may order the suspension of any certificate issued by the Department, including a certificate issued to a qualified seaman."

Section 85. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 430 to chapter 4 to read as follows:

"Section 430. Marine Inquiries.

(1) The Secretary may appoint a Board of Marine Inquiry, which shall consist of a chairperson and two other members, and which shall conduct an inquiry in

accordance with regulations promulgated by the Secretary.

(2) The Board may:

- (a) go on board any vessel;
- (b) subpoena witnesses and documents;
- (c) examine witnesses and producers of documents under oath; and
- (d) call upon the advice of experts.

(3) Decisions and recommendations of the Board shall be made by the majority of the members and shall be in writing, but any member may dissent."

Section 86. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 431 to chapter 4 to read as follows:

"Section 431. Conditions for Preliminary Investigations and Marine Inquiries.

(1) The primary purpose of any Preliminary Investigation or Marine Inquiry is to ascertain the whole truth of the events leading up to and the causes of a marine incident or casualty for the purpose of avoiding future danger, and not for the purpose of assigning fault or determining liability.

(2) For the purposes of the sections in this chapter dealing with Preliminary Investigations and Marine Inquiries, and any regulations made in respect

thereto, the word 'confidence' shall mean that the recipient of information has a duty to ensure it is not disseminated generally, whereas if information is 'privileged' a person who provided it has the right that the information will not be used to his or her disadvantage.

(3) Information gathered or provided during the course of a Preliminary Investigation or Marine Inquiry, other than physical evidence, shall be privileged and shall not be used as evidence in a court or private litigation, but shall be used only for the purpose of advancing maritime safety.

(4) No report or any part of a report of a Preliminary Investigation or Marine Inquiry shall be used in a court or private litigation.

(5) No safety advisory, safety information, hazard notification or other publication issued by the Department on the advice or recommendation of any Preliminary Investigation or Marine Inquiry shall be used in a court or private litigation.

(6) No officer conducting a Preliminary Investigation or a member of a Board of Marine Inquiry shall offer a guarantee of confidentiality to a witness in return for the witness's testifying as to the events leading up to and the cause of the casualty.

(7) An officer conducting a Preliminary Investigation or a member of a Board of Marine Inquiry shall advise a witness of the manner in which the information he or she provides will be treated as privileged under this section.

(8) An officer conducting a Preliminary Investigation or a member of a Board of Marine Inquiry shall not grant any witness immunity from prosecution; PROVIDED HOWEVER, that the Secretary, on the advice of the Attorney General, on being satisfied that the enhancement of safety would be advanced, may grant immunity to a witness from civil, criminal or regulatory proceedings resulting from the occurrence being investigated.

(9) Notwithstanding anything contained in this section, the Chairman of the Board of Marine Inquiry or the Secretary may release any type of information obtained during a Preliminary Investigation or Marine Inquiry at any time under such circumstances where an immediate perceived danger to life or public safety is involved, and the person releasing such information shall be relieved of any liability for any action taken in good faith under this section."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 87. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 432 to chapter 4 to read as follows:

"Section 432. Powers of the Board as to certificates.

(1) The Board may recommend the suspension or revocation of any certificate issued by the Department or may censure a seaman, where the Board finds that the seaman:

(a) is unfit because of incompetence or misconduct or for any other reason which caused or contributed to the casualty; or

(b) has been seriously negligent in the discharge of duty thereby causing or contributing to the casualty.

(2) Where the Board has recommended the suspension or revocation of a certificate issued by the Department, the Secretary may suspend or revoke such certificate under procedures set forth in title 17 of the Code of the Federated States of Micronesia and order the master or seaman to deliver such certificate to the Principal Shipping Officer within 15 days.

(3) When a certificate is suspended or revoked by the Secretary, the adversely affected person may appeal that decision pursuant to title 17 of the Code of the Federated States of Micronesia."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 88. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 5 entitled "Certification of Seamen".

Section 89. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 501 to chapter 5 to read as follows:

"Section 501. Application of chapter. Except for section 511 which shall apply to foreign seamen of any nationality employed on foreign vessels, this chapter applies to citizens and nationals of the Federated States of Micronesia employed on any vessel, whether or not such vessel is registered, and includes citizens of the Federated States of Micronesia employed on foreign vessels."

Section 90. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 502 to chapter 5 to read as follows:

"Section 502. Regulations for certification of seamen.

(1) The Secretary shall promulgate regulations relating to the certification of seaman, taking into account the standards of training, certification and watchkeeping contained in the STCW Convention, and these regulations shall have the force and effect of law.

(2) Where the STCW Convention requires education and training arrangements, the Secretary may provide for equivalent arrangements."

Section 91. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 503 to chapter 5 to read as follows:

"Section 503. Appointment of Principal Shipping Officer and Shipping Officers.

(1) The Secretary shall appoint a Principal Shipping Officer who shall oversee the implementation and enforcement of the provisions of this chapter relating to training, qualifications, and certification of seamen.

(2) The Secretary shall also appoint other Shipping Officers to assist the Principal Shipping Officer in matters relating to training, qualifications and certification of seamen.

(3) The Secretary shall by regulation determine the credentials and experience necessary to qualify as a Shipping Officer."

Section 92. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 504 to chapter 5 to read as follows:

"Section 504. Certificates of Competency.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) The Secretary shall determine by regulation the requirements for the issuance of Certificates of Competency for each class and designation of qualified seamen and the procedures to be followed in order to meet the requirements.

(2) The Principal Shipping Officer shall issue Certificates of Competency to seamen who meet the requirements prescribed by regulation.

(3) A Certificate of Competency is valid evidence that the holder has met all requirements for seamen in the class and designation specified on the certificate and that the holder is competent to perform all duties of seamen in such class and designation, subject to any condition which may be specified on the certificate.

(4) Upon request, a qualified seaman shall produce the seaman's Certificate of Competency to any Shipping Officer or to the owner or master of a vessel on which the seaman is employed.

(5) A person who goes to sea falsely purporting to be a seaman qualified in a class or designation for which the person has not been issued a Certificate of Competency commits a civil offense and shall be liable to a fine not exceeding \$50,000."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 93. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 505 to chapter 5 to read as follows:

"Section 505. Certificates of Sea Service.

(1) The master of all vessels to which this chapter applies shall issue to seamen upon discharge from the vessel a Certificate of Sea Service in a form approved by the Secretary, specifying:

- (a) the name of the seaman;
- (b) the name, official number, nationality and type of vessel on which the seaman was employed;
- (c) the capacity in which the seaman was employed;
- (d) the period of the seaman's service on the vessel;
- (e) the date and place of the seaman's engagement and discharge; and
- (f) conduct and performance evaluations of the seaman during the period of service on the vessel.

(2) Anyone who fraudulently alters or forges a Certificate of Sea Service commits a civil offense and shall be liable to a fine not exceeding \$10,000."

Section 94. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 506 to chapter 5 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 506. Identity cards and record books. The Principal Shipping Officer may issue and require seamen to carry a seaman's identity card and keep a seaman's employment record book in the form prescribed in the regulations."

Section 95. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 507 to chapter 5 to read as follows:

"Section 507. Register of Seamen. The Principal Shipping Officer shall keep a Register of Seamen at the Department, which shall be available and open for inspection by the public during normal business hours."

Section 96. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 508 to chapter 5 to read as follows:

"Section 508. Requirement for Certified Seamen.

(1) All Registered Vessels shall carry the proper number of certificated seamen required by regulations.

(2) No vessel shall proceed to sea without carrying the number of certificated seamen prescribed for that type and size of vessel.

(3) An owner or master who fails to comply with subsections (1) and (2) commits a national offense, punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 97. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 509 to chapter 5 to read as follows:

"Section 509. Suspension or revocation of Certificates of Competency.

(1) Where there are reasonable grounds to believe that the holder of a Certificate of Competency is unfit for duty for any reason, the Principal Shipping Officer may immediately suspend the seaman's certificate after notice to the seaman, PROVIDED HOWEVER, that a hearing shall be set within 10 days on the action to be taken against the seaman who shall be given written notice of such hearing.

(2) The notice of hearing shall state:

- (a) the time, date and place of hearing;
- (b) the facts upon which the finding of unfitness was based;
- (c) that the seaman's Certificate of Competency may be suspended or revoked; and
- (d) that the seaman has the right to contest any action to be taken against him.

(3) The hearing shall be conducted in accordance with title 17 of the Code of the Federated States of Micronesia.

(4) A seaman may waive his right to a hearing under this section and agree to the proposed suspension or revocation, PROVIDED HOWEVER, such waiver shall be in writing, and shall contain a statement that the seaman has had the opportunity to discuss the matter with the seaman's own attorney.

(5) At the hearing, unless the hearing is waived by the seaman under subsection (4), if the finding of unfitness is sustained, and the evidence so warrants, the Secretary may suspend or revoke the seaman's Certificate of Competency, or issue a public or private reprimand to the seaman.

(6) Where the decision is to suspend or revoke a Certificate of Competency, the written notice of decision shall:

(a) state the reasons for the suspension or the revocation;

(b) state the dates of suspension or the date of revocation; and

(c) require delivery of the certificate to the Principal Shipping Officer.

(7) A seaman whose Certificate of Competency has been revoked or suspended shall deliver the certificate to the Principal Shipping Officer within 15 days."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 98. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 510 to chapter 5 to read as follows:

"Section 510. Appeals.

(1) Where a Certificate of Competency is revoked or suspended or a seaman is issued a reprimand, the seaman may seek judicial review in the Trial Division of the Supreme Court, pursuant to title 17 of the Code of the Federated States of Micronesia.

(2) If an appeal is not filed within 60 days of the date on which the decision of the Secretary was made, the decision of the Secretary shall become final and may not be appealed.

(3) The decision of the Secretary shall remain in effect pending final outcome of any appeal."

Section 99. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 511 to chapter 5 to read as follows:

"Section 511. Port State control regarding certification of foreign seamen.

(1) While in any of the ports of the Federated States of Micronesia, every foreign vessel shall be subject to inspection by a Shipping Officer to verify that all seamen serving on board who are required to hold a Certificate of Competency or its equivalent are

so certificated or hold an appropriate dispensation. Certificates of Competency or their equivalents issued to foreign seamen shall be accepted unless there are clear grounds for believing that a certificate has been fraudulently obtained or that the holder of a certificate is not the person to whom the certificate was originally issued.

(2) Inspections conducted by a Shipping Officer under subsection (1) shall be limited to the following:

(a) verification that all seamen serving on board who are required by the STCW Convention to be certificated hold a valid Certificate of Competency or its equivalent, or a valid dispensation;

(b) assessment of the ability of the seamen on board the vessel to maintain watchkeeping standards as required by the STCW Convention if there are clear grounds for believing that such standards are not being maintained because, while in any of the ports or waters of the Federated States of Micronesia, any of the following has occurred:

(i) the vessel has been involved in a collision, grounding, or stranding;

(ii) there has been a discharge of any substance from the vessel when underway, at anchor or at berth, which discharge may violate the laws of the

Federated States of Micronesia or any of its states, or violate an international convention to which the Federated States of Micronesia is a party, or international customary law; or

(iii) the vessel has been maneuvered in an erratic or unsafe manner, or navigational course markers or traffic separation schemes have not been followed.

(3) In the event that any deficiencies are found under subsection (1) or under the inspection procedures conducted under subsection (2), the Secretary shall inform the master of the vessel in writing and, through appropriate diplomatic channels, the maritime authority of the nation whose flag the vessel is entitled to fly, so that appropriate action may be taken. Such notification shall specify the details of the deficiencies found and the grounds on which the Shipping Officer has determined that the deficiencies pose a danger to persons, property or the environment.

(4) Any of the following shall constitute deficiencies as set forth in subsection (3):

(a) failure of seamen employed on the vessel to have any certificate required under the STCW Convention, or a valid dispensation therefor;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(b) failure of navigational or engineering watch arrangements to conform to the requirements specified for the vessel by the flag nation;

(c) absence in a watch of a person qualified to operate equipment essential to safe navigation or the prevention of pollution; or

(d) inability of the master to provide rested persons for the first watch at the commencement of a voyage and subsequent relieving watches.

(5) If, taking into account the size and type of the vessel and the length and nature of the voyage, the deficiencies referred to in subsection (4) are not corrected and it is determined that any such deficiency poses a danger to persons, property or the environment, the Secretary shall direct the Principal Shipping Officer to take steps to ensure that the vessel does not sail unless and until these deficiencies have been corrected to the extent that the danger has been removed.

(6) Failure to correct the deficiencies referred to in subsection (4) shall be grounds for detaining the vessel."

Section 100. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 6 entitled "Employment and Welfare of Seamen".

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 101. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 601 to chapter 6 to read as follows:

"Section 601. Application of chapter. This chapter applies to all seamen employed on vessels registered in the Federated States of Micronesia, and to citizens and nationals of the Federated States of Micronesia employed on any foreign vessel."

Section 102. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 602 to chapter 6 to read as follows:

"Section 602. Shipping Officers.

(1) The Principal Shipping Officer shall oversee the implementation and enforcement of the provisions of this chapter relating to employment and welfare of seamen.

(2) Other Shipping Officers appointed by the Secretary shall assist the Principal Shipping Officer in matters relating to employment and welfare of seamen."

Section 103. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 603 to chapter 6 to read as follows:

"Section 603. Exemption of vessels. The Secretary may by regulation exempt a vessel or class of vessels from

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

any requirement of this chapter for a specified period or for one or more voyages."

Section 104. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 604 to chapter 6 to read as follows:

"Section 604. Employment of seamen. The Secretary may promulgate regulations prescribing:

(1) the condition of employment of seamen on vessels; and

(2) that a certain proportion of the crew of a Registered Vessel be citizens of the Federated States of Micronesia."

Section 105. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 605 to chapter 6 to read as follows:

"Section 605. Freedom of association. Seamen shall have the right to establish and to become members of any lawful organization."

Section 106. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 606 to chapter 6 to read as follows:

"Section 606. Shipping Articles.

(1) The owner or master of a vessel shall enter into a written employment agreement with each and every

seaman employed on board, which agreement shall be called Shipping Articles.

(2) All Shipping Articles shall provide adequate protection for the interests of the seamen, shall comply with the law, and shall be approved by the Principal Shipping Officer before they are signed by the seamen.

(3) The Principal Shipping Officer shall ensure that each seaman has read the Shipping Articles or has had them read to the seaman, and that each seaman understands the terms and conditions of employment set forth in the Shipping Articles.

(4) The term of such Shipping Articles may be for one or more voyages on a particular vessel or on one or more vessels of the same owner, but such term shall not exceed a period of 1 year.

(5) The owner or master shall file a copy of the Shipping Articles with the Principal Shipping Officer before a vessel goes to sea.

(6) A master shall not take a vessel to sea unless each and every seaman employed on board has signed the approved Shipping Articles.

(7) A master who takes a vessel to sea without complying with the terms of this section commits a civil offense and shall be liable to a fine not exceeding \$100,000."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 107. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 607 to chapter 6 to read as follows:

"Section 607. Seaman prohibited from waiving protection of this chapter.

(1) The Principal Shipping Officer shall not approve the Shipping Articles if they purport to modify any rights under this chapter.

(2) Shipping Articles shall not contain a provision to waive a seaman's right to salvage unless the vessel is primarily engaged in salvage operations.

(3) The Shipping Articles shall contain a provision specifying that any vessel on which the seaman is to be employed is, and shall remain, seaworthy."

Section 108. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 608 to chapter 6 to read as follows:

"Section 608. Termination of Shipping Articles.

(1) Shipping Articles may be terminated by:

- (a) mutual consent;
- (b) the total loss or inoperability of the vessel;
- (c) deregistration or deletion of the vessel from the Register;
- (d) the lawful discharge of the seaman; or

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(e) the suspension of the seaman; PROVIDED that the termination shall be only for the term of the suspension.

(2) Shipping Articles may not be terminated at a place away from the proper return port of the seaman without the consent of the Principal Shipping Officer."

Section 109. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 609 to chapter 6 to read as follows:

"Section 609. Minimum age for employment.

(1) Persons under the age of 16 years shall not be employed on vessels engaged in foreign trade, except on school ships, training vessels, or vessels on which only members of the person's family are employed.

(2) The master of a vessel shall keep a register of all persons under the age of 18 years employed on board the vessel which shall be filed with the Principal Shipping Officer before the commencement of each voyage."

Section 110. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 610 to chapter 6 to read as follows:

"Section 610. Working hours and overtime.

(1) This section does not apply to seamen employed on fishing vessels.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) The normal hours of work for seamen in port and at sea shall be 8 per day; PROVIDED, that Saturdays and Sundays shall be included as regular workdays.

(3) A seaman who, in any 24 hour period, works more than 8 hours shall be compensated at the overtime rate of one and one-half times the rate of basic pay for any period of time worked over 8 hours.

(4) The number of seamen to be employed on each vessel, to ensure safety of life at sea and to avoid excessive work burdens, shall be in accordance with the manning requirements set out in the appropriate certificate of the vessel."

Section 111. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 611 to chapter 6 to read as follows:

"Section 611. Vacation and public holidays. Every master and seaman employed on a vessel other than a fishing vessel shall be entitled to vacation and public holidays as set forth in regulations promulgated by the Secretary."

Section 112. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 612 to chapter 6 to read as follows:

"Section 612. Stowaways.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) A stowaway is not entitled to wages, nor to maintenance and cure as provided in this chapter.

(2) Stowaways shall be provided with, and may be required to work for, accommodation and subsistence.

(3) The master shall discharge stowaways at the first convenient port of call.

(4) It shall be a national offense to stowaway on a vessel or to aid and abet a stowaway, punishable by a fine not exceeding \$50,000 or imprisonment for not more than 2 years, or both."

Section 113. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 613 to chapter 6 to read as follows:

"Section 613. Seamen's wages.

(1) Each seaman's wages shall commence on the day specified and agreed to in the Shipping Articles or at the time the seaman reports on board the vessel for the purpose of commencing work, whichever first occurs, and shall terminate on the day of the seaman's discharge or upon expiration of the Shipping Articles.

(2) In the absence of any agreement to the contrary, the owner or master of the vessel shall pay to every seaman the seaman's wages, overtime and any unpaid leave entitlement within 2 days after the expiration of

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

the Shipping Articles or at the time when the seaman is discharged, whichever first occurs.

(3) Before the seaman is discharged or the Shipping Articles expire, every master shall deliver to the seaman a full and true account in the prescribed form of the seaman's wages, including any and all deductions made therefrom."

Section 114. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 614 to chapter 6 to read as follows:

"Section 614. Advances and allotment of wages.

(1) Upon request to the master a seaman is entitled to receive one-half of the seaman's wages actually earned in local currency, less allotments and previous advances of wages, payable at every intermediate port but not more than once in any 10-day period. In case of failure to pay a seaman his wages on demand, the seaman shall be entitled to file a complaint with the Principal Shipping Officer who shall investigate the complaint. If the complaint is upheld, the seaman may terminate the Shipping Articles and be entitled to payment of the balance of wages, overtime and leave earned.

(2) No master shall pay any seaman's wages before they are actually earned, or pay unearned wages or make

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

any order, note or other evidence of indebtedness against future wages to any other person.

(3) The owner, master and any seaman may agree to make an allotment of a portion of the seaman's wages payable to a spouse, children, grandchildren, parents, grandparents, brothers, or sisters, or to a bank account in the name of the seaman."

Section 115. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 615 to chapter 6 to read as follows:

"Section 615. Assignment of wages or salvage. Except for allotments, assignment of wages or salvage made prior to the accruing thereof shall not bind the seaman."

Section 116. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 616 to chapter 6 to read as follows:

"Section 616. Wages, personal effects and equipment exempt from attachment. The wages, personal effects and equipment of a seaman shall not be subject to attachment or arrest by any court."

Section 117. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 617 to chapter 6 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 617. Agreements void as to loss of lien or right to wages. Any agreement is null and void in which a seaman purports to:

(1) forfeit the seaman's lien upon the vessel or be deprived of any remedy for the recovery of wages to which the seaman would otherwise have been entitled;

(2) abandon the seaman's right to wages in the case of the loss of the vessel or any right to salvage."

Section 118. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 618 to chapter 6 to read as follows:

"Section 618. Wages not dependent on freight earned. A seaman's right to wages shall not depend on the earning of freight by the vessel; PROVIDED, that nothing in this section shall be construed to prevent profit-sharing by seamen in addition to their established wages."

Section 119. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 619 to chapter 6 to read as follows:

"Section 619. Wages, maintenance, and benefits for sick and injured seamen.

(1) When a seaman becomes unable to work as a result of illness or injury and is under Shipping Articles with an owner or master of a vessel, the seaman shall be entitled to:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(a) full wages, as long as he is sick or injured and remains on board the vessel;

(b) reasonable medical and surgical treatment and supply of proper and sufficient medicines and therapeutic appliances as are reasonably available, up to a period of 30 weeks, or until declared by a physician to have reached a maximum cure or to be incurable;

(c) where it is necessary to put the seaman ashore:

(i) board and lodging of equivalent quality to that received on board the vessel up to a maximum period of 30 weeks; PROVIDED that such entitlements shall terminate prior thereto when the seaman is declared by a physician to be fit to work and return to the vessel, to have reached maximum cure, or to be incurable; and

(ii) one-third of his base wages during any portion of such period subsequent to his landing from the vessel but not to exceed a maximum period of sixteen weeks commencing from the day of injury or commencement of the sickness;

(d) repatriation to the seaman's proper return port including all expenses for transportation, accommodation, and food;

(e) other benefits as listed in the disability schedule set forth in regulations promulgated by the Secretary.

(2) The master shall take adequate measures for safeguarding property left on board by a sick, injured, or deceased seaman, and shall deliver all property of a deceased seaman to a Shipping Officer.

(3) The seaman shall not be entitled to any of the benefits of this section:

(a) if such illness or injury resulted from the seaman's intentional act or failure to act, or misconduct;

(b) if such illness or injury developed from a condition which the seaman intentionally concealed from the owner or master at or during the seaman's engagement under the Shipping Articles;

(c) if the seaman refuses or fails to avail himself of medical treatment for such illness or injury or is denied such treatment because of misconduct or default;

(d) if, at the time of the seaman's engagement, he refused to be medically examined when requested by the owner or master.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(4) The seaman shall have a maritime lien against the vessel for any wages due the seaman under this section.

(5) The master shall take adequate measures for safeguarding property left on board by a sick, injured, or deceased seaman and shall deliver all property of a deceased seaman to a Shipping Officer."

Section 120. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 620 to chapter 6 to read as follows:

"Section 620. Death of seaman on board a vessel or on shore. If a seaman who is under Shipping Articles dies on board the vessel or on shore, the employer shall:

- (1) forthwith return the seaman's remains to the seaman's proper return port;
- (2) defray reasonable local burial expenses;
- (3) be liable for and pay the base wages of the deceased seaman through the end of the month in which the death occurs;
- (4) pay the wages, maintenance and benefits due the seaman to his estate; and
- (5) pay the death benefit in the amount listed in the payment schedule set forth in regulations promulgated by the Secretary."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 121. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 621 to chapter 6 to read as follows:

"Section 621. Procedures in respect of death on board a vessel.

(1) In the event of a death on board a vessel, the master shall make an entry in the official logbook witnessed by an officer.

(2) The logbook entry shall contain the deceased's full name, gender, citizenship, date and place of birth, cause of death, place of death (latitude, longitude), date and time of death, place of address, and the names of next-of-kin, if known.

(3) If the deceased person is a seaman, the entry shall also contain the seaman's rank or rating and the number and date of issuance of the seaman's certificate.

(4) The master shall report the death to the appropriate authorities at the next port of arrival.

(5) Where an attending physician is aboard the vessel when a death occurs the physician shall also complete a written report on the cause of death.

(6) The master shall forthwith submit to the Principal Shipping Officer a signed statement containing all relevant information and copies of entries, reports and documents produced, attaching a list of personal

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

effects and amounts of money left on board the vessel,
and an account of wages for deceased seamen."

Section 122. Title 19 of the Code of the Federated States of
Micronesia is hereby enacted by adding a new section 622 to
chapter 6 to read as follows:

"Section 622. Exclusiveness of remedy.

(1) If a seaman sustains a disabling injury or
illness while employed on board a vessel, he shall be
entitled to recover from his employer the compensation
and benefits set forth in this chapter.

(2) The right to recover such benefits and
compensation shall exclude all other liability of the
employer to the seaman, his spouse, next of kin,
dependents, legal representative, or anyone else who
would otherwise be entitled to recover damages from the
employer on account of the disabling injury, illness, or
death.

(3) This section shall not apply if the employer
has failed to provide the seaman with the benefits and
compensation to which he is entitled under this
chapter."

Section 123. Title 19 of the Code of the Federated States of
Micronesia is hereby enacted by adding a new section

623 to chapter 6 to read as follows:

"Section 623. Liability of persons other than the employer.

(1) When a seaman sustains a work-related injury, illness or death for which benefits and compensation are payable pursuant to this chapter under circumstances creating in some person other than the employer a legal liability to pay damages on account thereof, the seaman or the seaman's estate may bring an action to recover damages from such third person.

(2) If the seaman or the seaman's estate commences an action as provided for in subsection (1), the seaman's employer shall be served with a copy of the complaint by personal service or registered mail without delay and may join the action as a party plaintiff at any time before commencement of trial.

(3) If the seaman or the seaman's estate recovers damages in a suit against a third person brought under subsection (1), the employer is entitled to reimbursement of the benefits or compensation paid to the seaman under this chapter up to the amount of the damages recovered by the seaman against the third person.

(4) If an action has not been brought against a third person by the seaman or his estate within 1 year

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

after the date of the work-related injury, illness or death for which benefits and compensation are payable under this chapter, the employer shall be subrogated to the rights of the seaman or his estate, and may bring an action against such third person. The seaman or his estate may at any time commence an action or join in any action commenced by the employer against such third person.

(5) No release or settlement of any claim or action under this section is valid without the written consent of the employer and the seaman or the seaman's estate. Any settlement payment or judgment obtained from a third person is subject to the employer's right of reimbursement of compensation payments made under this chapter."

Section 124. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 624 to chapter 6 to read as follows:

"Section 624. Wrongful death of seamen. Whenever the death of a seaman is caused by gross negligence, misconduct, or intentional act, notwithstanding section 623, the personal representative of the deceased seaman may bring an action for wrongful death, for the benefit of the deceased's spouse, parent, child, or dependent relative, against the vessel, owner, employer, master,

or any other party which would have been liable had death not occurred."

Section 125. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 625 to chapter 6 to read as follows:

"Section 625. Wages after wreck or loss of vessel. A seaman whose employment is terminated because a vessel is wrecked, lost or unable to proceed is entitled to wages for 30 days after the employment is terminated."

Section 126. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 626 to chapter 6 to read as follows:

"Section 626. Repatriation.

(1) Any seaman who is put ashore at a port other than the proper return port, for reasons for which the seaman is not responsible, shall be returned at no expense to the seaman to:

(a) the proper return port; or
(b) another port, agreed to between the seaman and the owner or master, if the seaman does not wish to return to the proper return port.

(2) Any seaman whose period of employment is not terminated shall continue to receive wages and benefits until the seaman has arrived at the proper return port.

(3) Any seaman whose period of employment is terminated by reason of completion of the voyage for which the seaman was engaged or by expiration of the Shipping Articles or other employment contract, shall be entitled to repatriation, at no expense to the seaman to:

- (a) the proper return port; or
- (b) another port, agreed to between the seaman and the owner or master.

(4) The seaman shall lose his right to repatriation if within 1 week from the time the seaman is in a condition to be repatriated:

- (a) he fails to comply with any arrangement made for his repatriation; or
- (b) he refuses to be repatriated.

(5) A seaman shall forfeit the right of repatriation under the seaman's Shipping Articles if the seaman enters into a new employment agreement or Shipping Articles with:

- (a) the same owner after his discharge; or
- (b) a new owner within 1 week after his discharge.

(6) A seaman shall forfeit the seaman's right of repatriation if the seaman commits any national offense or civil offense under this chapter."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 127. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 627 to chapter 6 to read as follows:

"Section 627. Abandonment of seamen.

(1) No master or person in charge of a vessel in any foreign port or place may, without justifiable cause, refuse to bring any seaman to the seaman's proper return port if the seaman is physically able to proceed when the master is ready to proceed.

(2) An abandoned seaman shall retain his right to repatriation."

Section 128. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 628 to chapter 6 to read as follows:

"Section 628. Seaman left behind. A master shall notify a Shipping Officer by the quickest possible means as soon as it is learned that a seaman has been or must be left behind somewhere other than the seaman's proper return port."

Section 129. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 629 to chapter 6 to read as follows:

"Section 629. Grounds for discharge. The master may discharge a seaman for justifiable cause, including any of the following grounds:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

- (1) unjustified failure to report on board at such times and dates as may be specified by the master;
- (2) incompetence to perform duties for which the seaman has represented himself as qualified;
- (3) theft, embezzlement, or willful destruction of any part of the vessel, its cargo, or stores;
- (4) serious insubordination, willful disobedience or willful refusal to perform assigned duties;
- (5) mutiny or desertion;
- (6) habitual intoxication, quarreling, or fighting;
- (7) possession of dangerous weapons, narcotics, prohibited drugs, other illicit substances or contraband articles;
- (8) smuggling;
- (9) intentional concealment of a condition which resulted in illness or injury;
- (10) assistance to stowaways; or
- (11) violation of the laws of the Federated States of Micronesia."

Section 130. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 630 to chapter 6 to read as follows:

"Section 630. Compensation for unjustifiable discharge before completing one month of employment. Any seaman

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

who has signed Shipping Articles and is unjustifiably discharged before the commencement of the voyage or before 1 month's wages are earned, shall be entitled to receive in addition to wages already earned, compensation amounting to 1 month's wages."

Section 131. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 631 to chapter 6 to read as follows:

"Section 631. Offenses against the internal order of the vessel.

(1) Any seaman on a vessel who does any of the following acts commits an offense against the internal order of the vessel and may, in addition to any criminal penalties provided under this title, incur civil penalties as follows:

(a) forfeiture of up to 2 days' wages for any of the following offenses:

(i) failure, without reasonable cause, to join the vessel or to proceed to sea;

(ii) absence without leave at any time within 24 hours of the vessel's sailing from any port;

(iii) absence from the vessel at any time, without permission or justifiable cause;

(iv) absence from the seaman's duty station when assigned to keep watch;

(b) forfeiture of up to 4 days' wages and physical restraint for any of the following offenses:

(i) intoxication from alcohol or drugs while the vessel is at sea;

(ii) willful disobedience to any lawful command;

(c) forfeiture of up to 6 days' wages for every 24 hours continuation of the behavior and physical restraint until cessation of the behavior which forms the basis of the offense, for any of the following offenses:

(i) intoxication from alcohol or drugs which impairs ability to perform duties;

(ii) willful disobedience to any lawful command;

(iii) willful neglect of duty;

(d) forfeiture of up to 12 days' wages for any of the following offenses:

(i) willfully damaging the vessel;

(ii) embezzling ship's funds or property, or wrongfully converting, or willfully damaging any part of the stores or cargo, whether on board the vessel, in boats, or ashore;

(iii) for any act of smuggling;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(e) forfeiture of up to 90 days" wages for any of the following offenses:

(i) assaulting any master, pilot, or officer;

(ii) mutiny or desertion.

(2) All wages forfeited as a result of penalties imposed by the master pursuant to this section shall be subject to review by the Principal Shipping Officer, and shall not be unreasonable under the prevailing circumstances. Forfeited wages shall first be applied to reimburse the master or owner for any loss or damage resulting from the act for which the forfeiture was imposed. Any remaining balance shall be transferred to the Principal Shipping Officer for deposit into a charitable fund for the benefit of seamen and their families. A full accounting of forfeited wages shall be provided by the master to the Principal Shipping Officer within 30 days."

Section 132. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 632 to chapter 6 to read as follows:

"Section 632. Endangering vessel, cargo, or persons aboard. It shall be a national offense, punishable by a fine not exceeding \$500,000 or imprisonment for not more than 2 years, or both, for a seaman or other person on

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

any vessel to knowingly or while under the influence of alcohol or drugs to:

(1) commit any act which causes or could cause the immediate loss or destruction of, or serious damage to, the vessel or its cargo;

(2) commit any act which endangers or could endanger life or body or the life or body of any person belonging to or on board such vessel;

(3) refuse or omit to do any lawful act which is necessary for the preservation of the vessel or the cargo from immediate loss, destruction, or serious damage; or

(4) refuse or omit to do any lawful act which is necessary to protect any person on such vessel from immediate danger to life or body."

Section 133. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 633 to chapter 6 to read as follows:

"Section 633. Desertion.

(1) Any seaman who leaves a vessel before the expiration of the seaman's Shipping Articles, and without permission, or intentionally fails to return to the vessel before its scheduled sailing time commits the national offense of desertion, punishable by a fine not

exceeding \$10,000 or imprisonment for not more than 1 year, or both.

(2) The master shall make an entry of all desertions in the Official Logbook and file a report thereof with the Principal Shipping Officer. The master shall notify the local authorities of the port or place of desertion and request assistance in the apprehension and return of the seaman to the vessel."

Section 134. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 634 to chapter 6 to read as follows:

"Section 634. Mutiny; incitement to mutiny.

(1) It shall be a national offense, punishable by a fine not exceeding \$50,000 or imprisonment for not more than 10 years, or both, for a seaman other than the master of a vessel to:

(a) unlawfully and with force, or by fraud or intimidation, usurp command of the vessel from the master or other lawful officer in command;

(b) deprive the master or a lawful officer in command of authority and command on board the vessel;

(c) resist or prevent the master or a lawful officer in command in the free and lawful exercise of his authority and command;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(d) transfer the authority and command of the master to another not lawfully entitled thereto; or

(e) physically restrain or confine the master without the master's consent.

(2) Any seaman other than the master who conspires with, solicits, or incites another to do any of the acts set forth in subsection (1) above, commits a national offense, punishable by a fine not exceeding \$50,000 or imprisonment for not more than 10 years, or both."

Section 135. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 635 to chapter 6 to read as follows:

"Section 635. Riot. It shall be a national offense, punishable by a fine not exceeding \$50,000 or imprisonment for not more than 5 years, or both, for a seaman other than the master of a vessel to assemble with others in a tumultuous and mutinous manner while on the vessel."

Section 136. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 636 to chapter 6 to read as follows:

"Section 636. Entry in Official Logbook.

(1) Every Registered Vessel shall carry an Official Logbook, Deck Logbook, Engine Logbook, and Oil

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Record Book; PROVIDED that the Principal Surveyor may waive this requirement for certain classes of vessels.

(2) The master of a Registered Vessel shall enter in the Official Log Book all events relating to the operation of the vessel and affairs of the crew as prescribed in regulations.

(3) The master of a Registered Vessel shall cause to be kept and accurately maintained a Deck Logbook, Engine Logbook, and Oil Record Book.

(4) Upon the commission of any offense, the master shall enter the offense in the Official Logbook, together with any penalty or forfeiture of pay imposed, on the day on which the offense was committed. The entry shall be signed by the master and witnessed by the mate or one of the crew.

(5) The offender, if still on the vessel, shall immediately be provided with a copy of the entry and have it read to him. The offender may make any reply he or she thinks fit which shall be recorded in the Official Logbook.

(6) The master shall record in the Official Logbook that the requirements of this section have been met."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 137. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 637 to chapter 6 to read as follows:

"Section 637. Disciplinary Reports.

(1) Where a disciplinary offense has occurred on board a vessel, the master, upon reaching a port in the Federated States of Micronesia, shall make a Disciplinary Report to the Principal Shipping Officer of all findings of disciplinary offenses or discharges for justifiable cause since the last report. The Disciplinary Report shall include the text of the Official Logbook entry, including the seaman's reply, if any, and any other relevant facts and documents.

(2) The Principal Shipping Officer shall notify the seaman by personal service or registered mail sent to the seaman's last known address, of the seaman's right to file a written explanation or defense."

Section 138. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 638 to chapter 6 to read as follows:

"Section 638. Principal Shipping Officer's review of disciplinary action.

(1) The Principal Shipping Officer shall conduct a review of each Disciplinary Report and the seaman's explanation, if any, filed under section 637 and within

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

15 days of the completion of the review, make written findings as to whether or not any sanctions taken against the seaman, including discharge, forfeiture of wages or other penalties, were justified in the circumstances. The written findings of the Principal Shipping Officer shall be kept on file at the Department together with the Disciplinary Report, the seaman's reply, if any, and all other relevant documents.

(2) The Principal Shipping Officer shall notify the master and the seaman of his or her findings under subsection (1), by personal service or by registered mail.

(3) If the Principal Shipping Officer finds that any monetary sanctions imposed against the seaman were unjustified, the owner or master shall be required to reimburse the seaman immediately for all amounts paid or forfeited.

(4) The master and the seaman shall have the right to challenge the findings of the Principal Shipping Officer in accordance with procedures set forth in title 17 of the Code of the Federated States of Micronesia."

Section 139. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 639 to chapter 6 to read as follows:

"Section 639. Corporal punishment prohibited.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) Flogging and all other forms of corporal punishment are prohibited on board any vessel.

(2) Violation of this section is a national offense, punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both."

Section 140. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 640 to chapter 6 to read as follows:

"Section 640. Crew accommodations, provisions and supplies. The owner or master shall not permit a vessel to go to sea if the owner or master knows or should have known that the vessel does not conform to regulations regarding:

- (1) crew accommodations;
- (2) provisions; and
- (3) medical supplies and medical personnel."

Section 141. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 641 to chapter 6 to read as follows:

"Section 641. Crew lists. The owner shall keep a crew list of each vessel in a safe place onshore, and the master shall carry a copy on the vessel."

Section 142. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 642 to chapter 6 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 642. Approval of employment on foreign vessels. No person shall employ a citizen or a national of the Federated States of Micronesia as a seaman on a foreign vessel that is bound for a foreign port, without the written approval of the Principal Shipping Officer, whose approval shall be given if the requirements are met."

Section 143. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 643 to chapter 6 to read as follows:

"Section 643. Master's lien. A master shall have a maritime lien for all disbursements or liabilities properly made or incurred by the master on account of the vessel."

Section 144. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 7 entitled "Pilotage".

Section 145. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 701 to chapter 7 to read as follows:

"Section 701. State Port Authority is pilotage authority. The Port Authority of each of the states shall be the pilotage authority for that state, responsible for the provision of pilotage services

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

within that state, and except as otherwise provided herein, shall regulate all pilotage services."

Section 146. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 702 to chapter 7 to read as follows:

"Section 702. Pilotage areas. The Secretary may by regulation declare an area within or adjacent to a port to be a pilotage area."

Section 147. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 703 to chapter 7 to read as follows:

"Section 703. Compulsory pilotage areas.

(1) The pilotage authority may determine that pilotage is compulsory in the whole or in a specified part of its pilotage area(s).

(2) The Secretary shall by regulation declare and define compulsory pilotage areas as determined in subsection (1)."

Section 148. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 704 to chapter 7 to read as follows:

"Section 704. Pilotage services.

(1) The Port Authority shall, where pilotage is compulsory, and may, where pilotage is not compulsory, provide pilotage services.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) Each Port Authority shall ensure an adequate number of Authorized Pilots, pilot boats with safety equipment, and trained boatmen at its ports to ensure the timely and safe delivery and recovery of pilots to and from vessels subject to pilotage.

(3) Each Port Authority shall ensure that an Authorized Pilot is available when a vessel subject to pilotage requires a pilot."

Section 149. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 705 to chapter 7 to read as follows:

"Section 705. Vessels required to take Authorized Pilots on board.

(1) Before a vessel enters, leaves, or moves through a compulsory pilotage area, the master of the vessel shall take on board an Authorized Pilot.

(2) The Secretary may by regulation, in consultation with the Port Authority of each state, exempt any vessel from the requirements of subsection (1).

(3) A vessel piloted by a holder of a Pilotage Exemption Certificate valid for that vessel and pilotage area, shall be exempt from the requirements of subsection (1).

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(4) Where there is a special risk or danger within a pilotage area, the Port Authority may require the master of the vessel, including vessels exempted under subsections (2) and (3), to take an Authorized Pilot on board.

(5) Any vessel required to take an Authorized Pilot on board which does not do so shall be liable to pay the same fee as if a pilot had been taken.

(6) Any vessel required to take an Authorized Pilot which does not do so on a second occasion shall be required to pay twice the fee, and on the third occasion, triple the fee, and in ensuing occasions the standard fee multiplied by the number of occasions it has not taken an Authorized Pilot."

Section 150. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 706 to chapter 7 to read as follows:

"Section 706. Authorized pilot not required in certain circumstances. Where a vessel or a person on board is in grave danger, and it is necessary in the circumstances that the vessel be immediately brought into, moved within, or taken out of a compulsory pilotage area, an Authorized Pilot is not required to be on board the vessel."

Section 151. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 707 to chapter 7 to read as follows:

"Section 707. Pilot Certificates and Pilotage Exemption Certificates.

(1) The Secretary may by regulation, after consultation with the Port Authority, determine the number of Authorized Pilots for each of the ports and the experience required for the issuance of:

(a) a Pilotage Certificate declaring that a person is competent to be an Authorized Pilot for a particular class of vessels within a specified pilotage area; or

(b) a Pilotage Exemption Certificate declaring that a person is competent to pilot a particular vessel or class of vessels within a specified pilotage area.

(2) The Principal Shipping Officer shall issue and renew Pilotage Certificates and Pilotage Exemption Certificates.

(3) The issuance or renewal of Pilotage Certificates and Pilotage Exemption Certificates shall be subject to such conditions as the Principal Shipping Officer endorses on the certificate.

(4) A Pilotage Certificate or Pilotage Exemption Certificate is valid only for the particular vessel or class of vessels within the pilotage area for which it is issued."

Section 152. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 708 to chapter 7 to read as follows:

"Section 708. Investigations; Pilotage Certificates and Pilotage Exemption Certificates.

(1) The Secretary shall cause an investigation to be conducted where there is reasonable cause to believe that the holder of a Pilotage Certificate or Pilotage Exemption Certificate:

- (a) is unfit to discharge his duties;
- (b) has been negligent in the discharge of his duties; or
- (c) has engaged in misconduct or committed any violation of this title or regulations promulgated thereto.

(2) The Principal Shipping Officer may designate an investigating officer to conduct the investigation.

(3) The investigating officer may:

- (a) go on board any vessel relevant to the case;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(b) enter upon any wharf or installation adjacent to a pilotage area;

(c) make any and all inquiries; and

(d) require the production of any relevant documents or certificates.

(4) The investigating officer shall report the results of the investigation to the Principal Shipping Officer within fourteen days after the investigation is completed."

Section 153. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 709 to chapter 7 to read as follows:

"Section 709. Suspension of Pilotage Certificate or Pilotage Exemption Certificate pending investigation. Where public safety so requires, the Principal Shipping Officer may suspend a Pilotage Certificate or Pilotage Exemption Certificate pending the outcome of an investigation conducted under section 708."

Section 154. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 710 to chapter 7 to read as follows:

"Section 710. Suspension and Revocation of Pilotage Certificate and Pilotage Exemption Certificates.

(1) The Principal Shipping Officer may suspend or revoke a Pilotage Certificate or Pilotage Exemption Certificate where the holder:

- (a) is unfit to discharge his duties;
- (b) has been negligent in the discharge of his duties; or
- (c) has engaged in misconduct or committed any violation of this title or regulations promulgated pursuant thereto.

(2) Proceedings for suspension or revocation of a certificate under subsection (1) shall be conducted in accordance with the procedure set forth in title 17, section 109 of the Code of the Federated States of Micronesia.

(3) Where a Pilotage Certificate or Pilotage Exemption Certificate is suspended or revoked, the holder of the Pilotage Certificate or Pilotage Exemption Certificate shall immediately surrender the certificate to the Principal Shipping Officer.

(4) Where a Pilotage Certificate or Pilotage Exemption Certificate is suspended or revoked, the holder may seek judicial review as set forth in section 111 of title 17 of the Code of the Federated States of Micronesia, PROVIDED, however, the decision of the

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

hearing officer shall remain in effect until all avenues of appeal have been exhausted."

Section 155. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 711 to chapter 7 to read as follows:

"Section 711. Production of authorized pilot identification.

(1) An Authorized Pilot shall produce proper identification issued by the Port Authority or his Pilotage Certificate for inspection when requested by the master of the vessel.

(2) An Authorized Pilot who fails to produce identification as set forth in subsection (1) commits a civil offense and shall be liable to a fine not exceeding \$10,000."

Section 156. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 712 to chapter 7 to read as follows:

"Section 712. Unqualified persons not to act as Authorized Pilot. A person who is not an Authorized Pilot who holds himself out to be an Authorized Pilot or pilot a vessel for which an Authorized Pilot is requested to be on board commits a national offense, punishable by a fine not exceeding \$500,000 or imprisonment for not more than 2 years, or both."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 157. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 713 to chapter 7 to read as follows:

"Section 713. Pilot misconduct. It shall be a national offense, punishable by a fine not exceeding \$500,000 or imprisonment for not more than 2 years, or both, for a holder of a Pilotage Certificate or a Pilotage Exemption Certificate to intentionally or willfully, or while under the influence of alcohol or drugs, do any act which causes, or is likely to cause, the loss or destruction of or serious damage to a vessel or the death of or serious injury to a person on board a vessel, or fail to do anything required to be done by him or her to preserve a vessel from loss, destruction or serious damage or protect any person on board a vessel from death or serious injury."

Section 158. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 714 to chapter 7 to read as follows:

"Section 714. Port Authority and Authorized Pilot not liable. The Port Authority and an Authorized Pilot shall not be personally liable in any civil proceeding for any damage or loss suffered as a result of any act done by the Port Authority or the Authorized Pilot or for any failure to do anything required to be done by

either while acting within the scope of their duties unless such act or omission arises from intentional or willful misconduct, or from gross negligence."

Section 159. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 715 to chapter 7 to read as follows:

"Section 715. Presence of Authorized Pilot does not diminish responsibility of the master.

(1) Subject to the authority of the master of a vessel, the duty of an Authorized Pilot is to pilot the vessel in pilotage areas.

(2) The master of a vessel is not relieved of responsibility for the proper conduct and safe navigation of the vessel by reason of the vessel being in pilotage charge of an Authorized Pilot."

Section 160. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 716 to chapter 7 to read as follows:

"Section 716. Owner and master liable for damage in compulsory pilotage areas. The owner and the master of a vessel are jointly and severally liable for any loss or damage caused by the vessel in a compulsory pilotage area as a result of any fault in the navigation of the vessel, whether or not an Authorized Pilot was on board the vessel at the time that the loss or damage was

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

caused; PROVIDED, however, that the Port Authority shall be responsible in cases of the Authorized Pilot's intentional or willful misconduct or gross negligence."

Section 161. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 717 to chapter 7 to read as follows:

"Section 717. Government and government officials not liable for loss or damage caused by pilot. The Government and government officials are not liable for any damage or loss suffered as a result of any act or failure to act by an Authorized Pilot while providing pilotage services to a vessel."

Section 162. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 718 to chapter 7 to read as follows:

"Section 718. Pilotage charges.

(1) The Port Authority shall determine pilotage charges which shall then be published in a schedule set forth in regulations promulgated by the Secretary.

(2) Pilotage charges for a vessel shall be payable by the owner, master or agent of the vessel to the Port Authority or to the Authorized Pilot providing the services, as designated by the Port Authority in the state where the pilotage services are provided."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 163. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 719 to chapter 7 to read as follows:

"Section 719. Authorized Pilot not to be taken to sea.

(1) Except in circumstances of unavoidable necessity, an Authorized Pilot shall not be taken to sea or taken beyond the limits of the pilotage area without the pilot's consent.

(2) If an Authorized Pilot is taken to sea in circumstances of unavoidable necessity, the vessel owner and master shall be liable for all expenses of the Authorized Pilot including repatriation, which shall take place at the earliest opportunity."

Section 164. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 8 entitled "Marine Aids to Navigation".

Section 165. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 801 to chapter 8 to read as follows:

"Section 801. Application. This chapter applies to all marine aids to navigation situated in waters of the Federated States of Micronesia used for guiding seamen in the safe navigation of vessels near reefs, shoals, and other dangers to navigation."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 166. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 802 to chapter 8 to read as follows:

"Section 802. Aids to Navigation Officer. The Secretary shall appoint an Aids to Navigation Officer who shall be responsible for the implementation and enforcement of this chapter."

Section 167. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 803 to chapter 8 to read as follows:

"Section 803. Powers and duties of Aids to Navigation Officer.

(1) The Aids to Navigation Officer shall inspect marine aids to navigation on a regular basis to ensure that they remain unobstructed and in good condition.

(2) The Aids to Navigation Officer shall be allowed to enter any public or private property if required in order to gain access to a marine aid to navigation for purposes of inspection.

(3) Any person who obstructs or hinders an Aids to Navigation Officer in the performance of the officer's duties commits a civil offense, and shall be liable to a fine not exceeding \$200,000."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 168. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 804 to chapter 8 to read as follows:

"Section 804. Coordination of marine aids to navigation. The Aids to Navigation Officer shall coordinate with the states in regard to the establishment, maintenance, operation, alteration or removal of marine aids to navigation in conformity with international standards to maintain uniform national standards as needed for the safe navigation of vessels in the waters of the Federated States of Micronesia."

Section 169. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 805 to chapter 8 to read as follows:

"Section 805. Unauthorized establishment, alteration or removal of marine aids to navigation.

(1) Any person who alters or removes a marine aid to navigation established by the Aids to Navigation Officer without prior written approval of the Aids to Navigation Officer commits a civil offense and shall be liable to a fine not exceeding \$200,000.

(2) No person may establish or operate a private aid to navigation within any of the waters of the Federated States of Micronesia used for foreign or

interstate commerce without prior written approval of the Aids to Navigation Officer.

(3) If safety or convenience requires, the Aids to Navigation Officer may, by written notice, require the owner of any private aid to navigation to move, remove, modify or alter it.

(4) Where the owner fails to comply with a request made under subsection (3), or if notice cannot be served on the owner, the Aids to Navigation Officer may take possession or control of the aid, and do anything which must be done for the safety of marine navigation, and the owner shall pay any and all costs incurred by the Government under this subsection."

Section 170. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 806 to chapter 8 to read as follows:

"Section 806. Offenses in relation to marine aids to navigation. In relation to marine aids to navigation:

(1) No person may:

(a) make fast to, damage, destroy or allow a vessel to foul a marine aid to navigation;

(b) cause the view of a marine aid to navigation to be obstructed in such a manner as to lessen its efficiency;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(c) interfere with a marine aid to navigation so as to limit its effectiveness; or

(d) trespass on or in a marine aid to navigation.

(2) A person who, or the master of a vessel which, damages, destroys, or interferes with a marine aid to navigation shall notify the Aids to Navigation Officer as soon as practicable.

(3) Anyone who knowingly or intentionally interferes with or trespasses on a marine aid to navigation commits a national offense, punishable by a fine not exceeding \$500,000 or imprisonment for not more than 2 years, or both.

(4) In addition to any other penalty provided under this title for violation of this section, the violator shall pay to the Secretary for disbursement to the appropriate authorities, the cost of repairing or replacing the marine aid to navigation."

Section 171. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 807 to chapter 8 to read as follows:

"Section 807. Offenses in relation to submarine cables or pipelines.

(1) Submarine cables or pipelines in this section mean those cables or pipelines found underwater outside

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

of a lagoon or inside a lagoon if affecting interstate and international commerce.

(2) It shall be a violation of this section to negligently damage or destroy a submarine cable or pipeline unless the damage or destruction was caused by persons acting to save life or property.

(3) A vessel which damages, destroys, or fouls a marine aid to navigation, or a submarine cable or pipeline may be detained until the cost of repair or replacement is paid.

(4) It shall be a national offense, punishable by a fine not exceeding \$500,000 or imprisonment for not more than 2 years, or both, to knowingly or intentionally damage or destroy a submarine cable or pipeline.

(5) If a person laying or repairing a submarine cable or pipeline damages or destroys another cable or pipeline that person shall pay the cost of repair.

(6) If an anchor, a net or any other article belonging to a vessel is sacrificed to avoid injuring a submarine cable or pipeline, the owner of the cable or pipeline shall pay for the loss."

Section 172. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 808 to chapter 8 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 808. Advisory committee on marine aids to navigation. The Aids to Navigation Officer may form a marine aids to navigation advisory committee, which may include at least two owners of vessels which must pay dues for aids to navigation, to assist the Aids to Navigation Officer in matters relating to marine aids to navigation."

Section 173. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 809 to chapter 8 to read as follows:

"Section 809. Dues for aids to navigation.

(1) The owner or master of a vessel shall pay dues for marine aids to navigation on every entry into port.

(2) A vessel may be detained until its dues for aids to navigation are paid."

Section 174. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 9 entitled "Wreck and Salvage".

Section 175. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 901 to chapter 9 to read as follows:

"Section 901. Application. The provisions of this chapter relate to all vessels and small craft but shall not apply in respect of salvage to:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) fixed or floating platforms or to mobile offshore drilling units when such platforms or units are on location and engaged in the exploration, exploitation or production of seabed mineral resources;

(2) craft of defense forces or other non-commercial vessels entitled to sovereign immunity under generally recognized principles of international law, unless the flag states decide otherwise."

Section 176. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 902 to chapter 9 to read as follows:

"Section 902. Receiver of Wreck.

(1) The Secretary shall be the Receiver of wreck in the Federated States of Micronesia and shall superintend all matters relating to wreck.

(2) The Receiver may delegate all or any authority and responsibility as Receiver under this chapter to the relevant state authority."

Section 177. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 903 to chapter 9 to read as follows:

"Section 903. Preservation of wreck.

(1) When any vessel is wrecked, stranded or in distress, the Receiver may take command of all persons present, assign duties, issue directions, requisition

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

assistance, and demand the use of any nearby vehicle or equipment, if necessary to preserve the vessel, the cargo, and lives.

(2) The Receiver shall not interfere between the master of the vessel and his crew in matters relating to the management of the vessel unless requested to do so by the master.

(3) All cargo and other articles belonging to a wrecked vessel that leave the vessel must be delivered to the Receiver, and no person, including an owner, may secrete or fail to deliver the same to the Receiver.

(4) A rescuer may pass over any adjoining lands if necessary and may deposit on such lands any cargo or article recovered. All damage caused to land or property by rescuers or cargo shall be a salvage charge on the vessel, cargo, or articles.

(5) No person, including the owner or occupier of any land over which rescuers must pass, may impede or hinder any rescuer or impede the deposit of cargo or other rescued articles."

Section 178. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 904 to chapter 9 to read as follows:

"Section 904. Duty to notify Receiver. An owner, master, or any other person finding or taking possession

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

of any wreck shall notify the Receiver and, if requested, deliver the wreck to the Receiver."

Section 179. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 905 to chapter 9 to read as follows:

"Section 905. Liability for wreck.

(1) A vessel owner and master are liable for the wrecked vessel and all damages to persons, property and the environment accruing from the wreck, its removal and any environmental clean-up operations.

(2) An authorized officer may detain the master, owner, or any crew members of a wrecked vessel to ensure compliance with the responsibilities for the wrecked vessel under this chapter."

Section 180. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 906 to chapter 9 to read as follows:

"Section 906. Search allowed for secreted wreck. Where a wreck or any cargo therefrom has been secreted or not reported to the Receiver, the Receiver may obtain a search warrant as provided by law, and search for the wreck in any place."

Section 181. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 907 to chapter 9 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 907. Notice by Receiver of having taken possession of wreck. When the Receiver takes possession of wreck, he shall cause a description of the wreck to be:

- (1) broadcast on at least one radio station in each state;
- (2) published in the local newspaper, if any;
- (3) posted by notice describing the wreck at the Department and in appropriate public places in each state capital."

Section 182. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 908 to chapter 9 to read as follows:

"Section 908. Removing wreck from custody of Receiver.

(1) No person shall remove or attempt to remove a wrecked vessel, its cargo, or apparel from the custody of the Receiver without the written authorization of the Receiver.

(2) Violation of subsection (1) shall be a national offense, punishable by a fine not exceeding \$100,000 or imprisonment for not more than 1 year, or both."

Section 183. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 909 to chapter 9 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 909. Owner's right to claim wreck. Where the owner of a wrecked vessel demonstrates lawful ownership, the owner shall be entitled to claim the wrecked vessel from the Receiver, PROVIDED payment of any damages, expenses, fees, and salvage due has been made in full, and PROVIDED the owner establishes such claim within 1 year of the time the Receiver takes possession."

Section 184. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 910 to chapter 9 to read as follows:

"Section 910. Unclaimed wreck. If the lawful owner of a wrecked vessel fails to claim such vessel within 1 year from the date the Receiver takes possession, the Receiver shall sell the wreck, pay all fees and other expenses, and pay the determined amount of salvage. Such action by the Receiver shall not relieve the owner or master of any liability for damages caused by the wreck. All remaining moneys shall be deposited into the General Fund of the Federated States of Micronesia."

Section 185. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 911 to chapter 9 to read as follows:

"Section 911. Vessels wrecked.

(1) Where a wrecked vessel is an obstruction or danger to interstate or foreign commerce or shipping within or outside a lagoon:

(a) The Receiver may require any owner to raise, remove or destroy the vessel or to mark its position with a light, buoy or other marker approved by the Receiver until such time as it is raised, removed or destroyed; or

(b) If the owner does not comply forthwith, the Receiver may raise, remove, destroy, sell, or otherwise deal with the wrecked vessel and any recovered property in such manner as he or she thinks fit. The Receiver shall deduct any and all expenses incurred from the sale of the wreck and pay the proceeds to the persons entitled to them.

(2) In the event of a forced sale of the stranded or sunken vessel following its removal by the Receiver in the interest of safe navigation or the protection of the marine environment, the costs of such removal shall be paid out of the proceeds of the sale, before all other claims secured by a maritime lien on the vessel.

(3) Upon posting a notice in the manner described in section 907, the Receiver may declare an area around a wrecked vessel to be a prohibited area, and no person or vessel may enter this area.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(4) The Receiver may recover from any owner of a wrecked vessel any and all expenses incurred in guarding, lighting, buoying, raising, removing or destroying the vessel, which are not recovered from the proceeds of sale."

Section 186. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 912 to chapter 9 to read as follows:

"Section 912. Offenses relating to wreck.

(1) Anyone who knowingly obliterates or defaces any mark on a wrecked vessel or part thereof, its apparel or equipment, or any mark on cargo recovered from a wrecked vessel commits a national offense, punishable by a fine not to exceed \$100,000 or imprisonment for not more than 1 year, or both.

(2) Anyone who takes to any foreign port with the intention to sell any stranded, derelict or otherwise distressed vessel, its cargo or apparel, or any wreck, found in the waters of the Federated States of Micronesia commits a national offense, punishable by a fine not to exceed \$100,000 or imprisonment for not more than 1 year, or both."

Section 187. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 913 to chapter 9 to read as follows:

"Section 913. Salvage contract.

(1) The master of a Registered Vessel requiring salvage services shall have the authority to enter into contracts for salvage operations on behalf of the owner of the vessel which shall bind the owner and be enforceable at law. The master or owner of the vessel shall have the authority to enter into contracts on behalf of the owners of the property on board the vessel which shall bind the owners of the property on board the vessel and be enforceable at law.

(2) Nothing in this section shall affect the application of section 914 nor duties to prevent or minimize damage to the environment."

Section 188. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 914 to chapter 9 to read as follows:

"Section 914. Annulment and modification of salvage contract. A contract for the salvage of a vessel or any property therein or any term thereof may be annulled or modified by the Supreme Court if:

(1) the contract has been entered into under duress or undue influence resulting from the stress or immediacy of danger and its terms are deemed by the court to be inadequate or excessive; or

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) the payment under the salvage contract is either grossly excessive or grossly inadequate for the services actually rendered."

Section 189. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 915 to chapter 9 to read as follows:

"Section 915. Duties of salvors. The salvor shall owe a duty to the owner of a vessel requiring salvage or any property in danger:

(1) to carry out the salvage operation with due care, including preventing or minimizing danger to the environment;

(2) whenever circumstances reasonably require, to seek assistance from other salvors; and

(3) to accept the intervention of other salvors when reasonably requested to do so by the owner or master of the vessel or other property in danger; PROVIDED HOWEVER, that the amount of the original salvor's reward shall not be prejudiced should it be found that such a request was unreasonable."

Section 190. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 916 to chapter 9 to read as follows:

"Section 916. Duties of the owner or master. The owner and master of any vessel or the owner of other property

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

in danger within the waters of the Federated States of Micronesia which require salvage operations shall owe a duty to the salvor:

(1) to cooperate fully with the salvor during the course of the salvage operations;

(2) in so doing, to exercise due care to prevent or minimize damage to the environment; and

(3) when the vessel or other property has been brought to a place of safety within the Federated States of Micronesia, to accept redelivery when reasonably requested by the salvor to do so."

Section 191. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 917 to chapter 9 to read as follows:

"Section 917. Authority of the Receiver relating to salvage.

(1) Nothing in this chapter shall affect the authority of the Receiver to take appropriate measures in accordance with generally accepted and recognized principles of international law to protect the coastline or any related interest within the Federated States of Micronesia from pollution or the threat of pollution following a casualty or acts relating to such casualty which may reasonably be expected to result in major

harmful consequences, including the authority to give directions to salvage operations.

(2) In admitting vessels in distress into a port in the Federated States of Micronesia, or in providing facilities to salvors, the Receiver shall take into account the need for cooperation among salvors, other interested parties and public authorities in order to ensure the efficient and successful performance of salvage operations for the purpose of saving life or property in danger, as well as preventing damage to the environment in general.

(3) In fulfilling the intentions of subsection (2), the Receiver may request through the President the assistance and cooperation of other concerned offices and agencies of the Government to temporarily relax immigration, customs and fiscal laws or otherwise facilitate and expedite the dispatch of experienced personnel, specialized vessels and equipment to deal with the matter at hand in order to save life or minimize damage to property, the environment, livelihood and quality of life of all the people of the Federated States of Micronesia.

(4) The Receiver may promulgate regulations relating to salvage, taking into account the provisions of the Salvage Convention."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 192. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 918 to chapter 9 to read as follows:

"Section 918. Conditions for reward.

(1) Salvage operations undertaken within the Federated States of Micronesia which have had a useful result shall create the right to reward.

(2) Except as otherwise provided, no payment is due under this chapter if the salvage operations have had no useful result.

(3) This chapter shall apply, notwithstanding that the salvaged vessel and the vessel undertaking the salvage operations belong to the same owner."

Section 193. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 919 to chapter 9 to read as follows:

"Section 919. Criteria for fixing the reward.

(1) The reward shall be fixed with a view to encouraging salvage operations, taking into account the following criteria:

(a) the salvage value of the vessel and other property;

(b) the skill and efforts of the salvors in preventing or minimizing damage to the environment;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

- (c) the measure of success obtained by the salvor;
- (d) the nature and degree of the danger;
- (e) the skill and efforts of the salvors in salvaging the vessel, other property and life;
- (f) the time used and expenses and losses incurred by the salvors;
- (g) the risk of liability and other risks run by the salvors or their equipment;
- (h) the promptness of the services rendered;
- (i) the availability and use of vessels or other equipment intended for salvage operations;
- (j) the state of readiness and efficiency of the salvor's equipment and the value thereof.

(2) Payment of a reward fixed according to subsection (1) shall be made by vessels and other property interests in proportion to their respective salvage value. However, the Receiver may by regulation provide that the payment of a reward has to be made by one of these interests, subject to a right of recourse of this interest against the other interests in proportion to their respective interests in the salvage of property.

(3) The rewards, exclusive of any interest and recoverable legal costs that may be payable thereon,

shall not exceed the salvage value of the vessel and other property."

Section 194. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 920 to chapter 9 to read as follows:

"Section 920. Special compensation for salvors.

(1) Where in the opinion of the Supreme Court a salvor who has carried out salvage operations on a vessel which by itself or due to the nature of its cargo threatened damage to the environment in the waters of the Federated States of Micronesia, and the salvor failed to earn a reward at least equivalent to the special compensation assessable in accordance with this section, that salvor shall be entitled to special compensation from the owner of the vessel equivalent to his expenses as defined herein.

(2) Where, in the circumstances set out in subsection (1), the salvor by his salvage operations has prevented or minimized damage to the environment, the special compensation payable by the owner to the salvor under subsection (1) may be increased up to a maximum of 30% of the actual, audited expenses incurred by the salvor. However, the Supreme Court, if it deems it fair and just to do so and bearing in mind the relevant criteria in subsection (1) of section 919, may increase

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

such special compensation further, but in no event shall the total increase be more than 100% of the expenses incurred by the salvor.

(3) Salvor's expenses for the purpose of subsections (1) and (2) means the out-of-pocket expenses reasonably incurred by the salvor in the salvage operation and a fair rate for equipment and personnel actually and reasonably used in the salvage operation, taking into account the criteria set out in subsections (1)(h), (i) and (j) of section 919.

(4) The total special compensation under this section shall be paid only if and to the extent that such compensation shall be greater than any reward recoverable by the salvor.

(5) If the salvor has been negligent and has thereby failed to prevent or minimize damage to the environment, the salvor may be deprived of the whole or part of any special compensation due under this section.

(6) Nothing in this section shall affect any right of recourse on the part of the owner of the vessel."

Section 195. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 921 to chapter 9 to read as follows:

"Section 921. Apportionment of reward among salvors.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) The apportionment of a reward under section 919 as among salvors shall be made on the basis of the criteria contained in that section.

(2) The apportionment of the reward under section 919 shall be distributed equally among the owner, master and other persons in the services of each salvaging vessel, PROVIDED that each vessel exerted the same degree of performance with respect to efforts and skills as dictated by the criteria enumerated under subsection (1) of section 919.

(3) Where there is no agreement as to the degree of performance among salvaging vessels for the apportionment of the reward, the settlement for the apportionment shall be adjudicated by the Supreme Court."

Section 196. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 922 to chapter 9 to read as follows:

"Section 922. Saving persons.

(1) No remuneration shall be due from persons whose lives have been saved, but nothing in this section shall prevent the salvor from asserting against the owner any claims against the value of a salvaged vessel or other property and for saving the lives of passengers or personnel from the stricken vessel.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(2) A saver of human life, who has taken part in the services rendered on the occasion of the accident giving rise to salvage, shall be entitled to a fair share of the payment awarded to the salvor for salvaging the vessel or other property or preventing or minimizing damage to the environment, which entitlement shall be determined by the Supreme Court.

(3) Claims for saving lives shall be paid before all other claims for salvage."

Section 197. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 923 to chapter 9 to read as follows:

"Section 923. Prohibition of salvage operations and salvor's misconduct.

(1) Services rendered notwithstanding the expressed and reasonable prohibition of the owner or master of a vessel or the owner of any other property in danger shall not give rise to payment under this chapter.

(2) A salvor may be deprived of the whole or part of the payment due under this chapter to the extent that salvage operations have become necessary or more difficult because of fault or neglect on the salvor's part or if the salvor has been guilty of fraud or other dishonest conduct."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 198. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 924 to chapter 9 to read as follows:

"Section 924. Security for claims.

(1) Upon the request of the salvor, a person who is liable for payment due under this chapter shall provide satisfactory security for the claim, including interest and costs of the salvor.

(2) Without prejudice to subsection (1), the owner of the salvaged vessel shall use his or her best efforts to ensure that the owners of the cargo provide satisfactory security for the claims against them including interest and costs before the cargo is released.

(3) The salvaged vessel and other property shall not, without the consent of the salvor, be removed from the port or place at which they are first delivered after the completion of the salvage operations until satisfactory security has been put up for the salvor's claim against the relevant vessel or property."

Section 199. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 925 to chapter 9 to read as follows:

"Section 925. Enforcement of salvage payment.

Notwithstanding the provisions of section 924, the

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Receiver shall detain any vessel, cargo, property or wreck until the payment for reward has been made or disposition ordered by the Supreme Court, and shall notify any known owner as soon as the property comes into possession or control of the Receiver."

Section 200. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 926 to chapter 9 to read as follows:

"Section 926. Sale by Receiver of detained property.

(1) The Receiver may sell property detained for payment of salvage if:

(a) the amount of salvage due is not disputed; and

(b) the amount due is not paid within 20 days of the date agreed upon for payment.

(2) Proceeds of the sale made under subsection (1) shall first be used to pay the fees and expenses of the Receiver for custody and safe-keeping of the property salvaged. Any remaining proceeds shall be paid to the person legally entitled to them, or, if in dispute, to the Trial Division of the Supreme Court."

Section 201. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 927 to chapter 9 to read as follows:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

"Section 927. Government-owned cargoes and humanitarian cargoes.

(1) Unless a nation recognized by the Federated States of Micronesia owns a vessel and the government of that nation consents, nothing in this chapter shall be construed to provide for the seizure, arrest or detention by any legal process of, nor any proceeding in rem against, non-commercial cargoes owned by a government and entitled, at the time of the salvage operations, to sovereign immunity under generally accepted and recognized principles of international law.

(2) Nothing in this chapter shall be construed to provide for the seizure, arrest or detention of humanitarian cargoes donated by a government, if such government has agreed to pay for salvage services rendered in respect of such humanitarian cargoes."

Section 202. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 928 to chapter 9 to read as follows:

"Section 928. Limitation of actions.

(1) Any action brought under this chapter shall be time-barred if judicial proceedings have not been instituted within a period of two years. The limitation period commences on the day on which the salvage

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

operations are terminated or the vessel and any part of the cargo delivered to a safe port.

(2) The person against whom a claim is made may at any time during the running of the limitation period apply to the Supreme Court for an order to extend that period. This period may upon application to the Court be further extended if the Court so orders.

(3) An action of indemnity by a person liable may be instituted even after the expiration of the limitation period provided for in the preceding subsections, if brought within the time allowed by chapter 13 of this title."

Section 203. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 10 entitled "Carriage of Goods by Sea".

Section 204. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1001 to chapter 10 to read as follows:

"Section 1001. Application. This chapter applies to all goods carried by sea:

(1) between ports in the Federated States of Micronesia; or

(2) to the Federated States of Micronesia under a bill of lading:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(a) issued in a country which is a party to the Hague-Visby Rules;

(b) issued at a port in a country which is a party to the Hague-Visby Rules;

(3) from the Federated States of Micronesia to a port in a country which is a party to the Hague-Visby Rules; or

(4) under a contract which states that the provisions of the Hague-Visby Rules are to govern the contract."

Section 205. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1002 to chapter 10 to read as follows:

"Section 1002. Regulations for the carriage of goods by sea. The Secretary may promulgate regulations relating to the carriage of goods by sea, taking into account the provisions of the Hague-Visby Rules."

Section 206. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1003 to chapter 10 to read as follows:

"Section 1003. Bills of lading. Every bill of lading to which section 1001 applies shall contain an express statement that it is issued subject to the Hague-Visby Rules."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 207. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1004 to chapter 10 to read as follows:

"Section 1004. Jurisdiction of Supreme Court over carriage of goods within the Federated States of Micronesia.

(1) All bills of lading or other contracts for the carriage of goods from any place within the Federated States of Micronesia to another place within the Federated States of Micronesia shall be interpreted and enforced according to the laws of the Federated States of Micronesia.

(2) The Supreme Court shall have exclusive original jurisdiction over all bills of lading and other contracts for the carriage of goods by sea to which section 1001(1) applies.

(3) The Supreme Court shall have jurisdiction over all bills of lading and other contracts for the carriage of goods by sea to which section 1001, subsections (2) and (3) apply, and any action brought in the Supreme Court shall be interpreted and enforced in accordance with the laws of the Federated States of Micronesia.

(4) Any bill of lading or other contract to which section 1001 applies, which is inconsistent with this section, is null and void."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 208. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 11 entitled "Limitation of Liability".

Section 209. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1101 to chapter 11 to read as follows:

"Section 1101. Regulations for the limitation of liability for maritime claims. The Secretary may promulgate regulations to implement this chapter, taking into account the provisions of the Limitation of Liability Convention and the Tonnage Convention."

Section 210. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1102 to chapter 11 to read as follows:

"Section 1102. Liability and division of loss.

(1) Where two or more vessels cause property damage or loss, liability shall be proportional to the degree of fault, PROVIDED that, if it is not possible to establish degrees of fault, liability shall be apportioned equally.

(2) Where two or more vessels cause loss of life or personal injury to any person, liability shall be joint and several.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(3) Nothing in this section shall affect the right of any person to limit his or her liability in a manner provided by law."

Section 211. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1103 to chapter 11 to read as follows:

"Section 1103. No presumption of fault. In case of collision, a vessel shall not be deemed at fault solely because the master or person in charge has infringed any provision of the Collisions Convention."

Section 212. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1104 to chapter 11 to read as follows:

"Section 1104. Maritime claims subject to limitation of liability.

(1) Subject to sections 1105, 1106, 1107 and 1108 of this chapter, the following claims, whatever the basis of liability may be, shall be subject to limitation of liability:

(a) claims for loss of life or personal injury or loss of or damage to property (including damage to harborworks, basins and waterways and marine aids to navigation), occurring on board or in direct connection with the operation of the vessel or with

salvage operations, and consequential loss resulting therefrom;

(b) claims for loss resulting from delay in the carriage by sea of cargo, passengers or their luggage;

(c) claims for loss resulting from infringement of rights other than contractual rights, occurring in direct connection with the operation of the vessel or salvage operations;

(d) claims of a person other than the person liable in respect of measures taken in order to avert or minimize loss for which the person liable may limit his or her liability in accordance with the Limitation of Liability Convention, and further loss caused by such measures.

(2) Maritime claims set forth in subsection (1) shall be subject to limitation of liability even if brought by way of recourse or for indemnity under a contract or otherwise; PROVIDED, however, that claims set forth under subsection (1)(d) shall not be subject to limitation of liability to the extent that they relate to remuneration under a contract with the person liable."

Section 213. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1105 to chapter 11 to read as follows:

"Section 1105. Maritime claims exempted from limitation of liability. This chapter shall not apply to:

(1) claims for salvage or contribution to general average;

(2) claims for oil pollution damage within the meaning of the International Convention on Civil Liability for Oil Pollution Damage, dated November 29, 1969, or of any amendment or protocol thereto which is in force;

(3) claims subject to any international convention or national legislation governing or prohibiting limitation of liability for nuclear damage;

(4) claims against the owner of a nuclear vessel for nuclear damage;

(5) claims by officers, employees, and agents of the owner or salvor whose duties are directly connected with the operation of the vessel or the salvage operations;

(6) claims in respect of the raising, removal, destruction or the rendering harmless of a vessel which is sunk, wrecked, stranded or abandoned, including anything that is or has been on board such vessel; and

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(7) claims in respect of the removal, destruction or the rendering harmless of the cargo of the vessel."

Section 214. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1106 to chapter 11 to read as follows:

"Section 1106. Conduct barring limitation of liability for maritime claims. A person liable for a maritime claim shall not be entitled to limitation of liability under this chapter if it is proved that the loss resulted from the person's personal act or omission, committed with the intent to cause such loss, or recklessly and with knowledge that such loss would probably result."

Section 215. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1107 to chapter 11 to read as follows:

"Section 1107. The right of limitation of liability.

(1) A person may procure the release of a vessel or other property or may limit his or her liability for certain maritime claims as set forth in this chapter, provided that the person:

(a) makes timely application to the Supreme Court to establish the limit of liability, under the procedures set forth in regulations promulgated by the Secretary; and

(b) constitutes a Limitation of Liability Fund.

(2) The act of invoking limitation of liability under this chapter shall not constitute an admission of liability.

(3) An insurer of liability for claims subject to limitation under this chapter shall be entitled to the benefits of this chapter with respect to limitation of liability to the same extent as the assured.

(4) Liability of a person shall include liability in an action brought against the vessel."

Section 216. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1108 to chapter 11 to read as follows:

"Section 1108. Constitution of the Limitation of Liability Fund.

(1) Any person alleged to be liable for a maritime claim who seeks to limit liability for maritime claims may constitute a Limitation of Liability Fund with the Trial Division of the Supreme Court.

(2) The fund shall be constituted in the sum of such amounts set out in regulations as are applicable to claims for which that person may be liable, together with interest thereon from the date of the occurrence

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

giving rise to the liability until the date of the constitution of the fund.

(3) Any fund constituted under this chapter shall be available only for the payment of claims in respect of which limitation of liability can be invoked.

(4) A fund may be constituted either by depositing the sum with the Supreme Court, or by lodging with the court an irrevocable letter of credit or other form of security acceptable to the Court.

(5) The Court shall have the power to order the creation, administration and distribution of a Limitation of Liability Fund.

(6) If the Court is satisfied that the fund is properly constituted, freely transferable, and in the sum set out in regulations, it may release the vessel from arrest.

(7) If the Court is satisfied that the fund has been properly constituted, is freely transferable and in the sum set out in regulations, any person having made a claim against the fund shall be barred from exercising any right against any other assets of the person constituting the fund."

Section 217. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 12 entitled "Safety of Navigation".

Section 218. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1201 to chapter 12 to read as follows:

"Section 1201. Regulations for the safety of navigation. The Secretary may promulgate regulations to implement this chapter, taking into account the provisions of the Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation, Rome 1988."

Section 219. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1202 to chapter 12 to read as follows:

"Section 1202. Application.

(1) This chapter shall apply to:

(a) all vessels navigating or scheduled to navigate into, through or from waters beyond the outer limits of the waters of the Federated States of Micronesia or the lateral limits thereof with adjacent countries;

(b) any person found in the waters of the Federated States of Micronesia to have committed or alleged to have committed any of the offenses set forth in section 1203.

(2) This chapter shall also apply when any of the offenses set forth in section 1203 is committed:

- (a) against or on board a Registered Vessel;
- or
- (b) within the Federated States of
Micronesia, including the waters of the Federated States
of Micronesia; or
- (c) by a citizen or national of the Federated
States of Micronesia.

(3) This chapter shall further apply when:

- (a) any of the offenses set forth in section
1203 has been committed by a stateless person whose
habitual residence is within the Federated States of
Micronesia; or
- (b) during the commission of any of the
offenses set forth in section 1203 a citizen or national
of the Federated States of Micronesia is seized,
threatened, injured or killed; or
- (c) any of the offenses set forth in section
1203 is committed in an attempt to compel the Government
to do or abstain from doing any act.

(4) This chapter does not apply to:

- (a) a vessel belonging to the defense forces
of any nation;
- (b) a vessel owned or operated as a naval
auxiliary or for customs or police purposes; or

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(c) a vessel which has been withdrawn from navigation or laid up.

(5) Nothing in this chapter shall affect the immunities of warships and other government vessels operated for non-commercial purposes."

Section 220. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1203 to chapter 12 to read as follows:

"Section 1203. Offenses against safety of navigation.

(1) A person commits a national offense if that person unlawfully and intentionally:

(a) seizes or exercises control over a vessel by force or threat thereof or any other form of intimidation; or

(b) performs an act of violence against a person on board a vessel if that act is likely to endanger the safe navigation of that vessel; or

(c) destroys a vessel or causes damage to a vessel or to its cargo which is likely to endanger the safe navigation of that vessel; or

(d) places or causes to be placed on a vessel, by any means whatsoever, a device or substance which is likely to destroy that vessel, or causes damage to that vessel or its cargo which endangers or is likely to endanger the safe navigation of that vessel; or

(e) destroys or seriously damages maritime navigational facilities or seriously interferes with their operation, if any such act is likely to endanger the safe navigation of a vessel; or

(f) communicates information which that person knows to be false, thereby endangering the safe navigation of a vessel; or

(g) injures or kills any persons in connection with the commission or the attempted commission of any of the offenses set forth in paragraphs (a) through (f).

(2) A person shall also commit a national offense if that person:

(a) attempts to commit any of the offenses in subsection (1); or

(b) abets the commission of any of the offenses set forth in subsection (1) perpetrated by any person or is otherwise an accomplice of a person who commits such an offense; or

(c) threatens to compel a physical or juridical person to do or refrain from doing any act, to commit any of the offenses set forth in subsection (1), paragraphs (b), (c) and (e), if that threat is likely to endanger the safe navigation of the vessel in question.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(3) Anyone who commits an offense under this section commits a national offense and shall be punished:

(a) with imprisonment for not less than twenty (20) years; or

(b) if the death of another person results from the commission or attempted commission of the offense, with imprisonment for life."

Section 221. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1204 to chapter 12 to read as follows:

"Section 1204. Enforcement authority.

(1) For the purpose of ascertaining whether there is or has been any contravention of this title or any regulations promulgated hereunder, any authorized officer may:

(a) upon the issuance of a warrant, enter any vessel or small craft; or

(b) stop, board and search any vessel or small craft within the waters of the Federated States of Micronesia.

(2) Where an authorized officer has reasonable cause to believe that an offense against the provisions of this title or any regulations made under this title

has been committed, the authorized officer may, with or without a warrant or other process:

(a) following hot pursuit in accordance with international law and commenced within the waters of the Federated States of Micronesia, stop, board, and search inside or outside the waters of the Federated States of Micronesia, any vessel or small craft which he believes has been used in the commission of that offense and bring such vessel or small craft and all persons and things on board within the waters of the Federated States of Micronesia;

(b) within the waters of the Federated States of Micronesia:

(i) arrest any person if he has reasonable cause to believe that such person has committed an offense prohibited by this title; and

(ii) seize any vessel or small craft used or employed in, or when it reasonably appears to have been used or employed in, the violation of any provision of this title or any regulations issued under this title.

(3) Any authorized officer may execute any warrant or other process issued by any court of competent jurisdiction.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(4) Any authorized officer may exercise any other lawful authority for the enforcement of this title and any regulations issued under this title."

Section 222. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1205 to chapter 12 to read as follows:

"Section 1205. Jurisdiction of the Supreme Court. The Supreme Court shall have jurisdiction over and prosecute any offenses which:

(1) are committed against or on board a vessel flying the flag of the Federated States of Micronesia when the offense is committed;

(2) are committed in the waters of the Federated States of Micronesia;

(3) are committed by a citizen or national of the Federated States of Micronesia;

(4) are committed by a stateless person whose habitual residence is in the Federated States of Micronesia;

(5) involve the seizure, threat to, injury or death of a national or citizen of the Federated States of Micronesia; and

(6) are committed in an attempt to compel the Federated States of Micronesia to do or abstain from doing any act."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 223. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new chapter 13 entitled "Administrative and Legal Procedures".

Section 224. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1301 to chapter 13 to read as follows:

"Section 1301. Administrative disposition.

(1) Notwithstanding the provisions of sections 1303 and 1304, where the Secretary believes there has been a violation of any provision of this title which is not punishable by imprisonment, the Secretary may:

(a) order the accused to take mitigating or remedial actions; and

(b) sanction the accused, including levying fines.

(2) The order or the sanction shall constitute notice to the accused of the offense for purposes of administrative disposition under this section.

(3) Compliance with the order and payment of the fine shall constitute complete satisfaction of the charges. Payment of fines must be made within 7 days of the notice.

(4) Where those affected by the actions of the Secretary under subsection (1) wish to contest those actions, they may:

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(a) seek a hearing in accordance with the procedures of title 17 of the Code of the Federated States of Micronesia; or

(b) seek a judicial hearing in the appropriate court without having to exhaust administrative remedies.

(5) All fines collected shall be deposited into the General Fund of the Federated States of Micronesia."

Section 225. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1302 to chapter 13 to read as follows:

"Section 1302. Mediation and arbitration.

(1) Where two or more parties seek resolution of a dispute arising under the provisions of this title, they may agree to mediation or arbitration conducted by the Secretary, or a mediator or arbitrator appointed by the Secretary.

(2) Any decision made in arbitration shall be binding upon the parties and final."

Section 226. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1303 to chapter 13 to read as follows:

"Section 1303. Jurisdiction of Supreme Court in rem. The Supreme Court shall have jurisdiction in rem over

all vessels irrespective of their flag and all maritime claims wherever arising with respect to:

- (1) disputes relating to the ownership of, possession of or title to a vessel or a share in a vessel;
- (2) mortgages, including foreign mortgages and other charges in the nature of a mortgage;
- (3) claims for towage;
- (4) claims relating to salvage;
- (5) claims for pilotage;
- (6) claims for general average;
- (7) claims for wages of masters and crew;
- (8) claims for disbursements made by masters, shippers, charterers or agents on behalf of a vessel;
- (9) claims for damage done by a vessel;
- (10) personal injury claims arising from the operation of a vessel for which the vessel's owner, operator or charterer is liable;
- (11) claims for loss of or damage to goods carried by a vessel;
- (12) claims arising from contracts for the carriage of goods by a vessel;
- (13) claims arising from agreements for the use or hire of a vessel;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(14) claims for the construction, repair, alteration or equipping of a vessel;

(15) claims for goods, materials or services supplied to a vessel;

(16) claims for unpaid insurance premiums or calls from protection and indemnity associations;

(17) port, harbor, navigational aids dues and similar charges;

(18) claims for marine pollution damage;

(19) claims for damages arising from the operation of a vessel for which the owner, operator or charterer is liable;

(20) claims for the enforcement of arbitral awards in respect of maritime claims; and

(21) claims for the enforcement of local and foreign admiralty judgments in rem."

Section 227. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1304 to chapter 13 to read as follows:

"Section 1304. Jurisdiction of Supreme Court in personam. The Supreme Court shall have jurisdiction in personam with respect to:

(1) claims for damage done to a vessel;

(2) claims to limit liability under any international maritime convention to which the Federated

States of Micronesia is a party allowing for limitation of liability in relation to vessels; and

(3) ancillary matters of admiralty and maritime jurisdiction associated with matters in respect of which the Court's jurisdiction is invoked."

Section 228. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1305 to chapter 13 to read as follows:

"Section 1305. Nautical assessors.

(1) The Court may appoint nautical assessors to advise it on all maritime matters.

(2) Nautical assessors shall be appointed on the basis of their expert knowledge and experience and may be engaged prior to or during trial for as long as their expertise is required.

(3) Nautical assessors shall not be called by the parties to give evidence, shall not be sworn and shall not be cross-examined.

(4) Nautical assessors may be paid compensation for their services.

(5) The advice of nautical assessors shall be treated as highly persuasive, but it is for the Court to assess its worth and decide on all matters of fact and law."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 229. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1306 to chapter 13 to read as follows:

"Section 1306. Investigation of violations.

(1) Upon receipt of evidence that a violation has occurred, the Secretary shall cause an investigation to be conducted.

(2) The Secretary may issue subpoenas requiring the attendance of witnesses and the production of documents.

(3) The Secretary may inspect any vessel in any port under the jurisdiction of the Federated States of Micronesia.

(4) If a foreign vessel is involved, the Secretary shall, through diplomatic channels, notify the maritime authority of the vessel's flag state.

(5) Upon completion of the investigation, the Secretary shall take appropriate action."

Section 230. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1307 to chapter 13 to read as follows:

"Section 1307. Procedure for prosecution of national offenses.

(1) (a) All proceedings brought against a person for an offense under this title shall be commenced by

filing an information, in writing, in the name of the Secretary with the Supreme Court.

(2) (a) Subject to subsection (b) every information in respect of an offense shall be filed within 12 months from the date on which the offense is alleged to have been committed or when the alleged offense may reasonably have been discovered.

(b) Where any vessel or any person has committed an offense under this title and departed from the jurisdiction before an information could be filed, the time period referred to in subsection (a) shall commence running on the date on which the vessel or person returns to the jurisdiction.

(3) Every information shall contain such particulars as will fairly inform the defendant of the substance of the offense with which he is charged.

(4) As soon as practicable after an information is sworn, it shall be filed with the Court.

(5) Where an information has been filed, the Clerk of the Court may issue a summons to the defendant.

(6) (a) Every summons to a defendant and any other document which is required to be served on a defendant shall be served on him by being delivered to him or her personally or by being brought to his notice if he or she refuses to accept it.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(b) Where a summons is to be served on the master of a vessel it may be served on the officer apparently in charge if the master is not on board the vessel.

(c) Where the summons is to be served on the owner of a vessel it may be served on the vessel's agent.

(d) Service on the persons referred to in subsections (b) or (c) shall be deemed to be service on the defendant master and owner of the vessel.

(7) Every summons to a defendant and every other document which is required to be served on a defendant may be served by an authorized officer or by the Principal Officer who shall be the Principal Surveyor, Principal Shipping Officer, or any other person so designated by the Secretary.

(8) (a) The service of any document may be proved by affidavit made by the person who served the document showing the fact, as well as the time, place and mode of service.

(b) The affidavit of service made by the person who served the document shall be deemed to be correct unless or until the contrary is proved.

(9) When an information has been filed and a summons has been issued and served, a Principal Officer

who has reasonable grounds to believe that the defendant will not appear before the Court on the date set out in the summons, may apply to the Court for a warrant to arrest the defendant if:

(a) a warrant is necessary to compel the attendance of the defendant; or

(b) a warrant is desirable because of the gravity of the alleged offense and the circumstances of the case.

(10) A Principal Officer or his delegate for the purposes of enforcing this title may, without warrant:

(a) stop, board and search any vessel, or the owner, master or any crew member of any vessel that he or she reasonably suspects to have committed any offense under this title;

(b) require the master or any crew member to inform him or her about any incident occurring aboard or involving the vessel;

(c) make any inspection or examination of anything aboard the vessel;

(d) require to be produced, any certificate, document, logbook or other record required to be kept by this title or regulations, or that concern the operation of the vessel or employment of the crew and examine and take copies thereof;

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(e) seize any logbooks, charts, documents, equipment, material, and take or require to be taken any samples which he or she has reasonable grounds to believe show or tend to show, with or without other evidence, the commission of an offense against this title;

(f) seize anything which he or she has reasonable grounds to believe might be used as evidence in any proceedings under this title; or

(g) arrest any person whom he or she has reasonable grounds to believe has committed an offense against this title.

(11) (a) Pending the date of the hearing set forth in the summons, upon application, the Court may by order detain the vessel until the final adjudication of the matter contained in the information.

(b) Notwithstanding subsection (a), the Court may by order release the vessel from such detention upon the posting of a bond with the Court in an amount not exceeding the value of the vessel or the maximum fine prescribed in relation to the offense or the total of all the offenses if more than one are contained in the information.

(12) (a) Where the defendant does not speak or understand the English language, a crew member or other qualified person may be used as an interpreter.

(b) Where an interpreter was used when the information was filed and the summons served, and the evidence collected from the vessel or persons on board the vessel, that same interpreter may be summoned to appear in Court at the trial of the named defendant.

(c) Where certificates required to be carried on board the vessel are not in the English language, the defendant shall obtain English translations of those certificates from the authority or organization which issued them.

(13) (a) Any number of informations for any offenses against a defendant may be tried together.

(b) If the Court believes that it is desirable or expedient in the interest of justice to do so, it may order that the defendant be tried on one or more of such informations separately.

(c) The informations which are not then tried shall be proceeded upon in all respect as if they had been presented separately.

(14) Any number of defendants may be tried together, provided that the Court may, at any time,

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

order separate trials if satisfied that the interests of justice so require."

Section 231. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1308 to chapter 13 to read as follows:

"Section 1308. Detention of a vessel.

(1) Where the Secretary finds that reasonable grounds exist under this title for the detention of a vessel, the Secretary shall issue a detention order and may detain the vessel without warrant, PROVIDED HOWEVER:

(a) written notice shall be served to the person on board in charge of the vessel, together with a copy of the detention order; and

(b) such written notice shall state with particularity the grounds for detention and the provision of the law under which the detention order has been issued, and that the vessel owner or master has the right to a prompt hearing before the Secretary regarding probable cause for the detention.

(2) An owner or master whose vessel has been detained may petition the Secretary under title 17 of the Code of the Federated States of Micronesia for a hearing to review the detention order.

(3) Where a foreign vessel is detained, the Secretary, through diplomatic channels, shall notify the

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

maritime authority of the vessel's flag state, including the reason for detention."

Section 232. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1309 to chapter 13 to read as follows:

"Section 1309. Forfeiture of a vessel.

(1) Where a vessel is subject to forfeiture under this title, upon the issuance of a warrant by the Supreme Court, an authorized officer may seize and detain the vessel.

(2) Upon seizure or detention under this section, civil proceedings for forfeiture shall be initiated forthwith by the Office of the Attorney General, and written notice shall be served on the owner or master, PROVIDED HOWEVER, in the case of a foreign vessel or foreign small craft, notice of the forfeiture proceedings and the grounds therefor shall be given to the maritime authority of the flag state through diplomatic channels.

(3) After trial, if the Supreme Court finds by a preponderance of the evidence that proof has been made of a violation of this title for which forfeiture of a vessel or small craft is allowed, the Court may issue an order that the owner has forfeited all rights of ownership of the vessel or small craft, and all property

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

rights in the vessel or small craft have vested in the Government together with all equipment, cargo and stores.

(4) Upon forfeiture of a vessel or small craft under subsection (3), the Government may register the vessel under this title by filing the order with the Registrar, and the Registrar shall enter in the Register the name and particulars of the vessel or small craft, listing the Government as the registered owner.

(5) An order issued by the Supreme Court under subsection (3) shall be deemed evidence of good title to the vessel or small craft free of all encumbrances, and the Government shall have the right to sell the vessel or small craft with clear title."

Section 233. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1310 to chapter 13 to read as follows:

"Section 1310. Foreign vessels. Notwithstanding any other provision of law in this title, if a violation is committed by a foreign vessel or foreign small craft, or its owner or master, the Secretary, after consultation with the Attorney General and the Department of External Affairs, may refer the matter through diplomatic channels to the nation of registry for appropriate action."

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Section 234. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1311 to chapter 13 to read as follows:

"Section 1311. Obstruction of persons. Every person who, without lawful excuse (proof of which is on him or her), hinders or obstructs a person in the performance, execution or carrying out of any duty conferred or imposed on that person by this title commits a national offense, and where no other penalty is provided for in this title, shall be punishable by a fine not exceeding \$200,000 or by imprisonment not exceeding 2 years, or both; PROVIDED that if in the commission of any such offense the person uses a dangerous weapon, engages in conduct that causes bodily injury to any officer authorized to enforce the provisions of this title, or threatens any such officer with bodily injury, the offense is punishable by a fine of not less than \$500,000 or imprisonment for not more than ten years, or both."

Section 235. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1312 to chapter 13 to read as follows:

"Section 1312. Civil offenses.

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

(1) Every person who does any act, or makes any omission, in contravention of any provision of this title or regulations hereunder commits a civil offense.

(2) When any provision of this title is contravened and no specific violation is prescribed and no pecuniary penalty provided for, any person contravening any provision commits a civil offense and shall be liable to a fine not exceeding \$1,000."

Section 236. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1313 to chapter 13 to read as follows:

"Section 1313. Recovery of fines.

(1) If an owner or master of a vessel has been convicted of any offense under this title and where the Court orders payment of a fine or if a vessel has been found liable in proceedings in rem, the vessel may be detained until the fine has been paid.

(2) If a fine is not paid within the period of time stipulated by the Court, the Court may order that the vessel be sold and the proceeds of the sale be used to pay the fine."

Section 237. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1314 to chapter 13 to read as follows:

"Section 1314. Time limits on commencement of proceedings.

(1) An action must be commenced within the time period specified or the right to bring such action is extinguished.

(2) An action is commenced by the filing of a complaint or information with the Supreme Court.

(3) The time limit within which claims shall be brought shall commence from the time when the right of action accrues or when it reasonably may have been discovered.

(4) The time limits set forth in this section shall not run during any time when:

(a) the seaman is incapacitated, or is involuntarily outside the jurisdiction of the Federated States of Micronesia; or

(b) the defendant vessel or vessel owner is outside the jurisdiction of the Federated States of Micronesia.

(5) Claims arising out of the Shipping Articles must be commenced within 12 months from the date of the termination of the Shipping Articles or the date on which the seaman is discharged, whichever is earlier.

(6) (a) Claims arising out of the death or permanent disability of a seaman caused by wrongful act,

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

neglect, or default on the high seas must be commenced within two years from the date the vessel returns to the seaman's proper return port or to the vessel's port of registry, whichever is later.

(b) Claims of owners against the master for acts committed during the performance of the master's duties must be commenced within 2 years from the date on which the last act giving rise to the claim occurred.

(c) Claims for the recovery of damages as a result of a collision between two or more vessels must be commenced within 2 years from the date of the collision.

(d) All other tort claims must be commenced within 2 years of the date on which the act giving rise to the claim occurred.

(7) All other claims must be commenced within 3 years of the date on which the incident giving rise to the claim occurred."

Section 238. Title 19 of the Code of the Federated States of Micronesia is hereby enacted by adding a new section 1315 to chapter 13 to read as follows:

"Section 1315. Access to and inspection of adopted regulations.

(1) Where a convention or rule or regulation, or a provision thereof, has been adopted and incorporated by

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

reference in regulations made under this title, the adopted convention, rule or regulation, or provision thereof, as the case may be, shall be available for inspection and copying at the Office of the Attorney General by any person likely to be affected by it.

(2) Subject to subsection (1), no person shall be prosecuted or convicted for contravening an adopted regulation if that regulation is not available for inspection or copying as required by subsection (1), and it is a defense to such a prosecution to show that the contravened regulation was not so available as required.

(3) The defense available under subsection (2) is not available to a person who has sufficient knowledge of the requirements of the contravened provision for which he or she is being prosecuted, or who possessed or who had reasonable access in any event, to the requirements of the contravened provision independently of the procedure required under subsection (1).

(4) When a person requests copies of an adopted regulation under subsection (1) the Attorney General may charge a reasonable fee for any copying services provided, commensurate to that charged generally in the public service.

(5) For the purposes of this section, and for greater certainty, 'adopted regulation' means any code,

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

treaty, convention, statute, rule, by-law, resolution,
form, ordinance, order or regulation adopted and
incorporated by reference under this title."

Section 239. Title 19 of the Code of the Federated States of
Micronesia is hereby enacted by adding a new section 1316 to
chapter 13 to read as follows:

"Section 1316. Continuity of documents.

(1) The regulations promulgated under the National
Maritime Act of 1993 shall continue in force as if made
under this title until repealed by the Secretary.

(2) Any certificate, license, instrument or
document which was valid and current immediately prior
to the effective date of the National Maritime Act,
1996, shall remain in force for a period of 12 months or
until it expires, whichever is earlier."

Section 240. This act shall be effective on the first day of
the first month which begins no less than ninety (90) days after
this act becomes law.

Section 241. This act shall become law upon approval by the
President of the Federated States of Micronesia or upon its
becoming law without such approval.

, 1997

CONGRESSIONAL BILL NO. 10-102, C.D.1,
C.D.2, C.D.3
PUBLIC LAW NO. 10-076

Jacob Nena
President
Federated States of Micronesia