

TWELFTH KOSRAE STATE LEGISLATURE

THIRTEENTH SPECIAL SESSION, OCTOBER 2020

L.B. No. 12-194

~~21/10/20~~ R+D / L+MA

A BILL FOR AN ACT

To amend the Kosrae State Code by adding under Title 15 a new Chapter 7 and inserting there under SubChapter A Public Franchise of the Kosrae State Code to provide for the grant of exclusive franchises to designated public franchisees .

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE

1 Section 1. Purpose. The purpose of this Act is to provide for the grant of exclusive
2 franchises by the State Government of Kosrae to designated entities which each provide
3 particular public services to residents, businesses, corporations, Kosrae State Municipal
4 Governments and the Kosrae State Government and require each of these designated
5 entities to pay an annual franchise fee of \$10,000 to the Kosrae State Government .

6 Section 2. Amendment. Title 15 of the Kosrae State Code is hereby amended by
7 inserting thereunder a new Chapter 7 to read :

8 "Chapter 7 Franchises"

9 Section 3. Amendment. Title 15 Chapter 7 of the Kosrae State Code is hereby amended
10 by adding thereunder Subchapter A and thereunder inserting Sections 15. 701 to 15.706
11 to read respectively as follows:

12 " Subchapter A Public Franchises

13 Section 15.701 Nature and scope of public franchises

1 (1) Each of the following entities listed below are granted exclusive public franchises to
2 conduct their activities as monopolies in the State of Kosrae in relation to the
3 particular services and products they respectively provide as set out below to
4 residents, businesses, corporation, Municipal Governments and to the State
5 Government and are hereafter referred to as public franchisees:

6 (a) Kosrae Utility Authority. To provide electrical power services, water and sewage
7 supplies and products associated with the provisions of such services.

8 (b) Kosrae Port Authority. To maintain, operate and manage all the ports of entry
9 into the State including the Okat and Lelu Harbors and docks and the Okat airfield

10 (c) FSM Petroleum Corporation. To import and provide fuel supplies, services and
11 products

12 (d) Kosrae Terminal and Stevedoring Company. To provide terminal services and
13 undertaking stevedoring and freight handling

14 (2) The list of public franchisee as shown in (1) above may by an Act be added to or
15 deleted.

16 Section 15.702. Term of a public franchise The term of a public franchise for those
17 public franchisees listed in Section 15.702 shall be for a term of 20 years from the
18 enactment of this Act or from the date when public franchisee is added to the list shown in
19 Section 15.702 unless a public franchise is canceled or revoked following upon any event
20 occurring as described Section 15.703