

APRIL 15, 1975

TRUST TERRITORY OF THE PACIFIC ISLANDS
HEADQUARTERS, SAIPAN, MARIANA ISLANDS

Volume 1 Number 10

Page 344-379



IN THE SPOTLIGHT

Rules of Procedure for Trust Territory
Construction Contracts
Claims and Appeals.....344

territorial register

The Territorial Register is dedicated to Mr. James Stanton, former Assistant Attorney General, who conceived the idea of a Territorial Register.

Published monthly by the Registrar of Corporations, Office of the Attorney General
Printed by the Publication and Printing Division, Saipan, Mariana Islands 96950

CONTENTS BY AGENCY

The Territorial Register is editorially organized according to the Territorial or other agency issuing the documents published or having an immediate administrative or enforcement concern over them. Listing in these contents or publishing in the sections that follow in this manner is for public information and has no legal significance.

Rules of Procedure for Trust Territory Construction Contracts Claims and Appeals.....	344
Proposed amendments to regulations Title 33 Business Regulations Foreign Investment Regulations.....	350
Mariana Islands Airport Authority Rules and Regulations.....	350
Rules and Regulations of D.U.D. Municipality Alcoholic Beverage Control Board.....	362
Marshall Islands District Fishing Authority Loan Fund Regulations and Policies.....	366
Guidelines for the Nitijele/Education Assistance Grant.....	368
Marshall Islands Emergency District Order Regarding Employees Elected to District Legislative Office (1 TTC 101, 108).....	368
Palau Fishing Authority Loan Fund Regulations and Policies.....	369
Palau Alcoholic Beverage Control Board.....	371
Ponape Alcoholic Beverage Control Regulations.....	371
Public Parks and Historical Sites Regulations Chapter 1 Truk Lagoon District Manument.....	376
Yap Fishing Authority Loan Fund Regulations and Policies.....	377

territorial register



The Territorial Register is published on the fifteenth day of each month or on the next succeeding business day, by the Registrar of Corporations, Office of the Attorney General, Trust Territory of the Pacific Islands, Saipan, Mariana Islands 96950, under Public Law 5-86. Distribution is made by the Chief of Publications, Department of Public Affairs, Trust Territory of the Pacific Islands, Saipan, Mariana Islands 96950.

The Territorial Register provides a uniform system for making available to the public regulations, rules, decisions, orders and notices issued by Territorial agencies and required to be published by Public Law 5-86, and other Territorial agency documents of public interest. It also includes proclamations, orders and directives issued by the President of the United States or the Secretary of the Interior pertaining to the Trust Territory of the Pacific Islands.

The Territorial Register will be furnished by mail to subscribers for \$24.00 per year, payable in advance. The charge for individual copies is \$2.00 for each part as actually bound. Remit check or money order, made payable to the Treasurer, Trust Territory of the Pacific Islands, to the Chief of Publications, Department of Public Affairs, Trust Territory of the Pacific Islands, Saipan, Mariana Islands 96950.

There are no restrictions on the republication of material appearing in the Territorial Register.

RULES OF PROCEDURE FOR TRUST TERRITORY CONSTRUCTION CONTRACTS CLAIMS AND APPEALS

1. PURPOSE

The purpose of this Instrument is to prescribe the rules of procedure for the adjudication of appeals before the High Commissioner or his duly authorized representative, hereinafter referred to as Administrative Judge, arising from Trust Territory Construction Contracts.

2. AUTHORITY AND APPLICABILITY

a. Under provisions of General Provisions of Trust Territory Construction Contracts, the High Commissioner or his duly authorized representative is authorized to hear, consider and decide appeals by Trust Territory contractors from the findings of fact and final decisions of Trust Territory contracting officers or their authorized representatives made under the color of the "Disputes" clause of a Trust Territory Territory contract.

b. The provisions of this Instrument shall apply after the effective date of this Instrument to the following:

- (1) All new appeals filed.
- (2) All new actions on pending appeals.

3. TIME

Time limitations provided in these rules are maximums and speedier resolutions of appeals may be accomplished if the full allowable time is not exhausted at each step. Except for the time established by the contract for taking an appeal, the Administrative Judge may, for good cause and upon timely request, grant extensions of time for the taking of any action or for the filing of any document or brief provided for by these rules.

4. REPRESENTATION

At any stage of the appeal procedure and before the Administrative Judge, an individual party may act or appear in person; a partnership by one of the partners; a corporation by an officer thereof, or an authorized representative of any of those including a duly licensed attorney at law. Upon receipt of a copy of notice of appeal from the contracting officer, the Attorney General shall promptly designate counsel to represent the interests of the Government.

5. TAKING AN APPEAL

Notice of an appeal must be in writing, and must be mailed to or otherwise furnished the contracting officer in the manner and within the time specified therefor in the contract or allowed by law. An original and two copies of such notice should be furnished.

6. CONTENTS OF NOTICE OF APPEAL

The notice of appeal shall be signed by the contractor or by his representative or attorney, shall indicate that an appeal is intended, and shall identify the contract (by number), and the final decision of the contracting officer from which the appeal is taken. The notice of appeal may contain or be accompanied with a statement of the grounds upon which it is based. The complaint referred to in par. 9 may be filed with the notice, or the appellant may designate the notice of appeal as a complaint.

7. FORWARDING OF NOTICE OF APPEALS

Within 10 calendar days of receipt of an appeal in any form, the contracting officer or other recipient shall endorse thereon the date of mailing, if ascertainable, and the date of receipt and forward the appeal and the envelope, if any, in which it was received to the Administrative Judge. The Administrative Judge will promptly notify the appellant and the contracting officer of receipt of a notice of appeal and the appellant will be furnished with a copy of these rules.

8. PREPARATION, CONTENTS, ORGANIZATION, FORWARDING AND STATUS OF APPEAL FILE

a. Duties of Contracting Officer. Within 30 calendar days of receipt of an appeal, the contracting officer shall assemble and transmit to the Board, with a copy to the appellant and to the Government counsel, all documents pertinent to the appeal, including:

- (1) The decision and findings of fact from which the appeal is taken;
- (2) The basic contract, including pertinent specifications, amendments, plans and drawings; and, if reprourement costs are involved, the relet contract, including the pertinent specifications amendments, plans and drawings attached thereto;
- (3) All correspondence between the parties pertinent to the appeal, including the letter or letters of claim in response to which the decision was issued;
- (4) Transcripts of testimony, memoranda, affidavits, or statements of facts, not privileged, by any person concerning the matter in dispute, made prior to the filing of the appeal and considered by the contracting officer in arriving at his decision.

b. Rights of the Appellant. The appellant may supplement the same with any documents not contained therein which he considers pertinent to the appeal, by furnishing a copy of

such documents to the Administrative Judge and two copies thereof the Government counsel.

c. Organization of Appeal File. Documents in the appeal file prepared by the contracting officer or supplement by the appellant may be originals or legible copies thereof, and shall be appropriately numbered, tabled, and indexed to identify the contents of the file.

d. Lengthy Documents. The Administrative Judge may waive the requirement of furnishing to the other party copies of bulky or lengthy documents in the appeal file when a party, by motion, seasonably made, has shown that doing so would impose an undue burden. In such event, at the time a party files such document with the Administrative Judge, he shall notify the other party that the same or a copy is available for inspection at the offices of the Administrative Judge or of the contracting officer.

e. Status of Documents in Appeal File. Documents contained in the appeal file are considered, without further action by the parties, as before the Administrative Judge as though they had been received in evidence at a formal hearing, unless a party files a written objection to the consideration of a particular document in advance of settling the record in the event there is no hearing on the appeal, or a written or oral objection before the end of a hearing held on the appeal. If objection to a document is made, the Administrative Judge will treat the document as having been offered in evidence and rule on its admissibility in accordance with par. 22 thereof.

9. PLEADINGS

a. Complaint. Within 30 calendar days after receipt of the Administrative Judge's notice that his appeal has been docketed, the appellant shall file with the Administrative Judge an original and two copies of a complaint. The complaint will set forth simple, concise and direct statements for each of his claims, the basis for each claim, the contract provisions under which claim is made and, if known, the dollar amount claimed. The appellant may designate his claim letter, any statement in support of his appeal filed therewith, or any other documents in the appeal file before the Administrative Judge, as his complaint, providing such document or documents otherwise fulfill the requirements of this par. 9. Should the appellant fail within the 30 days to file or to designate a complaint, the Administrative Judge may, if he considers that the issues are sufficiently defined thereby, designate a document or documents in the appeal file as the appellant's complaint and notify the appellant and the Government to that effect.

b. Answer. Within 30 calendar days of receipt of the appellant's complaint, or of a document designated as a complaint, the Government shall file with the Administrative Judge an original and two copies of an answer setting forth simple, concise and direct statements of defense to each claim or counterclaims. Should the Government fail to answer within 30 calendar days, the Administrative Judge may, in his discretion, enter a general denial on behalf of the Government notifying the appellant to that effect.

c. The contractor may file a reply within 15 calendar days after receipt of the answer of counsel for the Government.

10. MOTIONS

The Administrative Judge may consider any timely motion:

- a. To dismiss an appeal for want of jurisdiction;
- b. To dismiss for failure to prosecute an appeal;
- c. To make a pleading more definite and certain;
- d. For discovery, interrogatories to a party, or for the taking of depositions as provided in par. 16;
- e. To reconsider a decision or to reopen a hearing;
- f. To dismiss an appeal where the pleadings fail to state a case on which the Administrative Judge may grant relief;
- g. For any other appropriate order or relief.

Response by the opposite party to a motion may be made within 30 calendar days of his receipt of a copy thereof, unless the Administrative Judge otherwise directs. The Administrative Judge may permit oral hearing or argument as well as briefs in support of any motion.

11. SERVICE AND FILING OF PLEADINGS AND OTHER PAPERS

All pleadings and other papers required to be served upon a party shall be filed with the Administrative Judge either before service or within a reasonable time thereafter. Pleadings and other papers shall be served personally or by mailing the same, addressed to the party upon whom service is to be made. The party filing any paper with the Administrative Judge shall send a copy thereof to the opposing party, noting on the paper filed with the Administrative Judge, or on the letter transmitting same, that a copy has been so furnished.

12. PREHEARING CONFERENCE

a. When Permitted. On its own motion or upon application of either party, the Administrative Judge may call upon the parties to appear before it to consider:

- (1) Simplification or clarification of the issues;
- (2) Stipulations, admissions, agreements on documents, or other understandings which will avoid unnecessary proof;
- (3) The limitation of the number of expert witnesses and of other cumulative evidence;
- (4) Settlement of all or part of the issues in dispute;
- (5) Such other matters as may aid in the disposition of the appeal.

b. Conference Record. The results of the conference shall be reduced to writing by the Administrative Judge within 5 calendar days after the close of the conference. Copies shall be duly served on the parties who may, within 10 calendar days from receipt of the written record, file objection, comment, request for correction or other motion pertaining to that record of prehearing conference. The record of prehearing conference, together with any objection, comment, request for correction or other motion made by the parties, shall become a part of the Administrative Judge's record.

c. Admissions, Agreements and Orders. Admissions, agreements and orders of the Administrative Judge (if any), as set forth in the record of the prehearing conference, shall control the subsequent course of the proceedings and the conduct of the hearing; provided, however, that subsequent modification may be permitted pursuant to agreement between the parties to prevent manifest of injustice.

13. ELECTION AS TO HEARING

a. No earlier than 30 calendar days after the parties receive notice that the Government's answer has been filed or after the entrance of a general denial by the Administrative Judge on behalf of the Government, and the time within which appellant may file a reply has expired, the Administrative Judge will ascertain from the parties their desires for an oral hearing. If an oral hearing is desired, the Administrative Judge will schedule it as provided in par. 13b. 20, and 21. If both parties waive an oral hearing, the Administrative Judge will decide the appeal on the record before it, supplemented as it may permit or direct.

b. Should an appeal involve \$5,000 in amount or less, it may, at the option of either party, be processed under this par. 13b and, in the event of such election, the Administrative Judge will undertake to issue a decision on the appeal on an expedited basis, without regard to its normal position on the docket. Under this accelerated procedure, the case will be further expedited if the parties elect to waive a hearing and submit the appeal on the record. In all other respects, these rules shall apply.

14. PREHEARING BRIEFS

The Administrative Judge may order the filing of briefs prior to oral hearing of an appeal or either party may file such brief without order of the Administrative Judge.

15. DISCOVERY

a. Methods. The parties are encouraged to engage in discovery procedures. Any party may obtain discovery in conformity with these rules by one or more of the following methods:

- (1) Depositions upon oral examination or written questions;
- (2) Written interrogatories to the parties;
- (3) Production of documents or things, or permission to enter upon land or other property for inspection or for other

purpose; and

(4) Requests for admission.

b. Scope. Generally, subject to the specific provisions of the following rules, parties may obtain discovery regarding any matter not privileged which is relevant to the subject matter involved in the pending appeal, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, including the existence, description, nature, custody, contents, condition, and location of any books, documents, or other tangible things and the identity and location of persons having knowledge of any discoverable matter. It is ground for objection that the information sought would be inadmissible at the hearing if the information sought appears reasonably calculated to lead to the discovery of admissible evidence.

c. Protective Orders. Upon the motion of any party or of the person from whom discovery is sought, who files specific objections, and for good cause shown, the Administrative Judge may make any order which justice requires to protect a party or person from annoyance, embarrassment, oppression, or undue burden or expense, and those orders may include limitations on the scope, method, time and place for discovery, and provisions for protecting the secrecy of confidential information or documents.

d. Experts. By means of written interrogatories, a party may require the other party:

- (1) To identify each person the other party expects to call as an expert witness, and
- (2) To state the subject matter on which the expert is expected to testify.

The Administrative Judge on his own motion, or on that of a party, may require the submission or exchange in advance of the hearing of any reports or other documents prepared by, for, or with the assistance of the expert which a party intends to offer or use at the hearing.

16. DEPOSITIONS

a. When Permitted. Upon the application of a party showing good cause, the Administrative Judge shall issue an order authorizing the party to take the testimony of any person, including a party, by depositions upon oral examination or written questions before any officer authorized to administer oaths at the place of examination, for use as evidence or for purpose of discovery, or for both purposes. The application for order shall specify whether the purpose of the deposition is discovery or for use as evidence, or both.

b. Orders on Depositions. The time, place, the manner of taking depositions shall be governed by order of the Administrative Judge.

c. Use as Evidence. Testimony taken by deposition shall not be

considered as part of the evidence in the hearing of an appeal unless and until such testimony is offered and received in evidence at such hearing. Generally, it will not be received in evidence if the deponent is present and can testify personally at the hearing. In such instance, however, the deposition may be used to contradict or impeach the testimony of an adverse witness given at the hearing. In cases otherwise heard on the record, the Administrative Judge may, on motion of either party and in his discretion, receive depositions as evidence in supplementation of that record.

d. Transcripts. The party taking a deposition shall provide a copy of the transcript to the Administrative Judge at no expense within 30 calendar days after it is available. The other party is entitled to receive a copy or copies of the transcript of the deposition upon paying the established rate for copies to the person taking the deposition.

17. INTERROGATORIES TO THE PARTIES

a. Availability. Any party may serve upon any other party written interrogatories to be answered by the party served, or if the party served is the Government, or a public or private corporation, partnership or association, by an officer or agent of such party, who shall also furnish all information that is available to the party so served. Generally, interrogatories may not be served until after the answer has been filed. However, upon application of the appellant showing good cause, the Administrative Judge may, in his discretion, permit the appellant to file a brief complaint together with a request for answers to written interrogatories and a request to amend its complaint within 30 calendar days after receipt of the answers to those interrogatories. Such procedure should be followed only when the appellant is not able to adequately comply with the rules of the Administrative Judge concerning the requirements for a complaint without benefit of the discovery.

b. Objections. Within 30 calendar days after the service of written interrogatories, the parties served may file objections to the interrogatories and request a protective order on the grounds that some or all of them call for privileged information or are plainly irrelevant or are otherwise improper in whole or in part, or that the requirements of a response would in any instance result in annoyance, embarrassment, oppression or undue burden or expense. Within 20 calendar days after the service of objections, the party serving the interrogatories may file a pleading responding to the objections. The Administrative Judge shall order the objecting party to respond to the written interrogatories unless the latter shall show good cause for the issuance of a protective order. In any instance in which the Administrative Judge considers that the appropriate ground for an objection was not reasonably discoverable within 30 calendar days of the service of the interrogatories, the Administrative Judge may entertain objections and a responsive pleading at a later date.

c. Form of Interrogatories and Responses. The interrogatories shall be addressed to the person or the official or agent of the Government, corporation, partnership or association who is the authorized representative of the party. The interrogatories may be served upon the attorney representing a party. Each

interrogatory shall be answered separately and fully in writing under oath by the party addressed, or, if the party addressed is the Government or a public or private corporation, partnership or association, by an officer or agent authorized to represent the party. Responses to the interrogatories must be filed with the Administrative Judge and a copy served on the other party within 30 calendar days after service of the interrogatories to which objection has not been made as provided in par. 16b, and, in the case of interrogatories to which objection has been made, within 30 calendar days after receipt of an order from the Administrative Judge directing a response to certain interrogatories. The answers are to be signed by the person making them.

d. Use as Evidence. Answers to interrogatories may be used to the extent permitted by the rules of evidence.

18. PRODUCTION OF DOCUMENTS AND THINGS AND ENTRY UPON LAND FOR INSPECTION AND OTHER PURPOSES

INSPECTION AND OTHER PURPOSES

a. Availability. Upon the application of a party showing good cause, the Administrative Judge shall order a party to produce and permit inspection and copying of designated documents or things constituting discoverable matter as defined in par. 15 or may order any party to permit entry upon designated land or other property in his possession or control for the purpose of inspecting, measuring, surveying or photographing, testing or sampling, the property or any designated object or operation thereon, within the scope of par. 15.

b. Motions. The motion for production shall state:

- (1) The documents or things desired with reasonable particularity;
- (2) How or in what respect they are discoverable, and
- (3) That such documents (or copies thereof) or things are not in the possession of the moving party.

Documents shall be deemed to be defined with reasonable particularity to the extent that each document or thing is so identified that it may reasonably be located and procured.

c. Orders. The Administrative Judge shall generally grant production and inspection unless there is good cause for a protective order and shall specify the time, place and manner of making the inspection, copies or photographs if the parties are unable to agree thereon.

d. Use as Evidence. Documents or information procured as a result of inspection may be used at the hearing to the extent permitted by the rules of evidence.

19. REQUESTS FOR ADMISSION

a. Request. Any party may apply to the Administrative Judge for an order directing the other party to respond to a request

for admission who has failed to do so, for purposes of the pending appeal only, of the genuineness of any relevant document described in and exhibited with the request, or of the truth of any relevant matters of fact set forth in the request. The other party, within 30 calendar days, must respond consenting to the admissions or objecting with specific grounds. The factual proposition set out in the request shall be deemed admitted upon the failure of a party to respond to the request for admission. The Administrative Judge will rule upon the objections and make an order pertaining thereto.

b. Content. A request for admission should contain a statement of the material matters of fact as to which it is believed there is not substantial controversy between the parties followed by a request that the party served admit the truth of such matters of fact. Each matter of which an admission is requested shall be separately set forth.

c. Use in the Appeal. Any proposition of fact expressly admitted or deemed admitted shall be conclusively established for the purpose of the pending appeal. However, the Administrative Judge on motion may permit withdrawal of an admission if the Administrative Judge finds that the party seeking withdrawal acted with the due diligence or that the other party would not be prejudiced thereby. Any admission made by a party under this rule is for the purpose of the pending appeal or from an appeal from the Administrative Judge's decision upon the pending appeal and is not an admission by him for any other purpose, nor may it be used against him in any other proceeding.

20. HEARINGS, NOTICE, WHERE AND WHEN HELD

Hearings will be scheduled on not less than 30 calendar days' notice by the Administrative Judge, giving due consideration to the regular order of appeals, the desires of the parties, and the requirement for just and inexpensive determination of appeals without unnecessary delay. Hearings will ordinarily be held in Saipan, Mariana Islands, at a location designated by the Administrative Judge for the hearing except that the Administrative Judge may set a hearing at another location for the convenience of the parties.

21. UNEXCUSED ABSENCE OF A PARTY

The unexcused absence of a party at the time and place set for hearing will not be occasion for delay. In the event of such absence, the hearing may proceed and the case will be regarded as submitted by the absent party on the record.

22. NATURE OF HEARINGS

Hearings shall be as informal as may be reasonable and appropriate under the circumstances. The Administrative Judge shall regulate the course of the hearing and the conduct of the parties in order to insure a fair and orderly proceeding. The parties may offer at the hearing such relevant evidence as would be admissible under the generally-accepted rules of evidence applied in the courts of the Trust Territory in nonjury trials, subject, however, to the discretion of the

Administrative Judge in supervising the extent and manner of presentation of such evidence. In general, admissibility will be determined by relevancy and materiality. Letters or copies thereof, affidavits, or other evidence not ordinarily admissible under the generally-accepted rules of evidence may be admitted in the sound discretion of the Administrative Judge.

23. EXAMINATION OF WITNESSES

Witnesses before the Administrative Judge normally will be examined orally under oath or affirmation. If the testimony of a witness is not given under oath the Administrative Judge, if appropriate, shall warn the witness that his statements may be subject to the provisions of 11 Trust Territory Code, Sections 451 and 120, and to any other provisions of law imposing penalties for knowingly making false statements in connection with claims against the Trust Territory.

24. COPIES OF PAPERS

True copies may be substituted for books, records, papers, or documents, the originals of which have been received in evidence during a hearing. Physical exhibits may be withdrawn before or after decision upon the substitution thereof of pictures of the same and agreements to preserve the originals intact pending further proceedings or on such other terms as the Administrative Judge may set.

25. POST-HEARING BRIEFS

Post-hearing briefs may be submitted upon such terms as are agreed upon at the conclusion of a hearing or as directed by the Administrative Judge.

26. TRANSCRIPT OF PROCEEDINGS

Testimony and argument at hearings shall be reported verbatim, unless the Administrative Judge otherwise orders. Transcripts of the proceedings shall be supplied to the parties at such rates as may be fixed by contract with the reporter. If the proceedings are reported by an employee of the Government, the appellant may receive transcripts upon payment therefor to the Government.

27. SETTLING THE RECORD

a. The record upon which the Administrative Judge's decision will be rendered consists of the appeal file described in par 8 and, to the extent the following items exist in a case, pleadings, prehearing conference memoranda or orders, prehearing briefs, depositions, interrogatories (subject to the provisions of par. 15c), answers to interrogatories, requests for admissions, admissions, transcripts of conference and hearing, hearing exhibits, post-hearing briefs, and any other document which the Administrative Judge has specifically designated be made a part of the record. The record will be available at all reasonable times for inspection by the parties at the office of the Administrative Judge.

b. Except as otherwise ordered, no proof shall be received in evidence after completion of an oral hearing or, in cases submitted on the record, after notification by the Administrative Judge that the case is ready for decision.

28. SETTLEMENT OF DISPUTE

The parties may settle a dispute at any time before decision by filing a written notice by the appellant withdrawing its appeal or by written stipulation of settlement between the parties. The Administrative Judge may then issue an order dismissing the appeal with prejudice.

29. DECISIONS AND RECORDS

Decisions of the Administrative Judge will be made in writing and authenticated copies thereof will be forwarded simultaneously to both parties. The rulings of the Administrative Judge, all final orders and decisions, and other records of, or before the Administrative Judge shall be available for inspection at his office to the extent permitted by, and subject to the exemptions of Trust Territory laws.

30. MOTIONS FOR RECONSIDERATION

Either party may move for reconsideration of the Administrative Judge's decision within 30 calendar days of its receipt of an authenticated copy thereof, stating specifically the grounds relied upon for reconsideration, together with briefs, if desired, in support thereof. The other party may have 20 calendar days in which to respond to the motion and to present written arguments in support of its position.

31. DISMISSAL FOR FAILURE TO PROSECUTE

Whenever a record discloses the failure of either party to file documents required by these rules, to respond to notices or correspondence from the Administrative Judge, or otherwise indicates an intention not to continue the prosecution or defense of an appeal, the Administrative Judge may issue an order requiring the offending party to show cause why the appeal should not be either dismissed or granted, as appropriate. If the offending party shall fail to show cause, the Administrative Judge may take such action as he deems reasonable and proper under the circumstances.

32. DISMISSAL WITHOUT PREJUDICE

When the Administrative Judge is unable to proceed with the processing of an appeal for reasons beyond his control, and it appears that this inability will continue for an inordinate length of time, the Administrative Judge may, in his discretion, dismiss such appeal from his docket without prejudice to its restoration thereto when the cause of suspension has been removed. By agreement of the parties, the Administrative Judge may dismiss an appeal without prejudice.

33. EX PARTE COMMUNICATIONS

The Administrative Judge shall not entertain, nor shall any person directly or indirectly involved in an appeal submit to the Administrative Judge off-the-record, any evidence, explanation, analysis, or advice, whether written or oral, regarding any substantive matter at issue in an appeal. This

provision does not apply to ex parte communications authorized by law or concerning the Administrative Judge's administrative functions or procedures.

34. REMANDS FROM COURTS

Whenever any matter is remanded to the Administrative Judge from any Court for further proceedings, the parties shall, within 20 calendar days of such remand, submit a report to the Administrative Judge indicating what procedures they think necessary to comply with the Court's order. The Administrative Judge will enter special orders governing the handling of matters remanded to him for further proceedings by any Court. To the extent the Court's directive and time limitations will permit, those orders will conform to these rules.

35. MEDIATION

a. At any time prior to the scheduling of the hearing and upon the joint application of the parties for assistance in possible settlement of the claim, the Administrative Judge shall designate a person to serve as a mediator. In that capacity, the designated person shall convene an informal conference or series of conferences to explore settlement to the fullest extent possible. At any such conference the parties may present their facts and arguments by any suitable method, including, but not limited to, offers of proof by counsel, affidavits, or narrative statements by prospective witnesses, documentary evidence, argument, and briefs or memoranda on the facts or law, or both, all to be presented without regard to the normal rules of evidence followed by the Administrative Judge.

b. It is the purpose and intent of this rule, par. 35, to permit and to encourage full and frank development and disclosure of each party's position and active participation by the mediator in developing and discussing with the parties the merits of their respective positions. The role of the mediator in the process will be to assist the parties to evaluate settlement possibilities realistically and to try impartially to arrive at a negotiated settlement, if possible.

c. No portion or aspect of any conference, documentary or oral, shall be recorded or otherwise made a part of the record of the Administrative Judge. If the mediation services do not result in a settlement, and the appeal is thereafter prosecuted, the person who conducted the mediation shall not take part, directly or indirectly, in any further proceedings in connection with the appeal, and the parties shall thereafter prosecute the appeal de novo before the Administrative Judge.

These Rules of Procedure shall become effective upon their publication in the Territorial Register.

By: _____ Date: _____
Juan A. Sablan
Acting Deputy High Commissioner
Trust Territory of the
Pacific Islands

PROPOSED AMENDMENTS TO REGULATIONS
TITLE 33
BUSINESS REGULATIONS
FOREIGN INVESTMENT REGULATIONS

PART 1. General Provisions

The following subsections are hereby added to Section (h). New Subsections 16, 17, 18 and 19 are added and Subsection 16 is renumbered Subsection 20:

16. All charters of a fishing vessel by a licensed Trust Territory citizen individual or company (including those with foreign business permits) shall not be considered doing business on the part of the owner of the vessel.

17. All contracts for the purchase of fish or other commodities to be processed in the Territory by a licensed processor shall not be considered doing business on the part of the seller. Nothing herein shall be construed as allowing foreign flag vessels to fish within the Trust Territory fishery zone.

18. All deliveries of raw materials (including marine and agricultural materials) for processing in the Territory or the pick up of processed goods shall not be considered doing business on the part of the carrier, seller (in the case of delivery) or buyer (in the case of pickup).

19. No provision in these regulations shall be construed as waiving the applicability of Trust Territory laws relating to labor, immigration or taxation.

PART 2. Whenever the words "District Economic Development Boards" appear in the regulations they will be deleted and the words "District Foreign Investment Boards" substituted.

**APPROVALS FOR THE PROPOSED AMENDMENT OF THE
FOREIGN INVESTMENT REGULATIONS
(TITLE 33, CHAPTER 1)**

The Proposed Amendments of the Foreign Investment Regulations have been issued pursuant to the authority vested in me by Section 17 of Title 33 of the Trust Territory Code.

Date _____ /s/ _____
Eusebio Rechucher
Director, Resources and Development

The proposed amendments of the Foreign Investment Regulations have been reviewed by me and are found to be in proper legal form.

Date _____ /s/ _____
Richard I. Miyamoto
Attorney General

The proposed amendments of the Foreign Investment Regulations are hereby approved and shall be promulgated in accordance with Section 1-15 of Title 17 of the Trust Territory Code.

Date _____ /s/ _____
High Commissioner

MARIANA ISLANDS AIRPORT AUTHORITY
RULES AND REGULATIONS

PART 1. GENERAL PROVISIONS

1.1 Authority

The following Rules and Regulations are hereby promulgated by the Mariana Islands Airport Authority in accordance with Public Law No. 6-58 of the Code of the Trust Territory and shall have the force and effect of law.

1.2 Purpose

The purpose of these Rules and Regulations is to provide for and to insure the orderly, safe, and sanitary operation of airports in the Mariana Islands District under the jurisdiction and control of the Mariana Islands Airport Authority.

1.3 Definitions

The following terms, as used in these Rules and Regulations, shall have the following meanings:

(a) "Aircraft" shall mean and include any and all contrivances, now or hereafter used for the navigation of or flight in air or space, including but not limited to airplanes, airships, dirigibles, helicopters, gliders, amphibians, and seaplanes.

(b) "Authority" shall mean the Mariana Islands Airport Authority.

(c) "Airport" shall mean all publicly owned airports in the Mariana Islands District, together with all related facilities. On

Saipan this includes both Kobler Field and Saipan International Airport, formerly known as "Isley Field." Saipan International Airport includes both land controlled by the Trust Territory and land used or to be used by the Authority which is controlled by the United States and designated as the "Joint Use Area" and described in the Joint Use Agreement executed between the Trust Territory and the United States effective May 10, 1972, together with all related facilities owned or operated by the Authority. On Tinian it shall mean West Field. On Rota it shall mean the Rota Airport. And on Pagan it shall mean the Pagan Airport.

(d) "Civil Air Regulations" shall mean United States Civil Air Regulations as currently amended and promulgated by the United States Federal Aviation Administration.

(e) "Manager" shall mean the Manager of the Authority or his duly authorized representative.

(f) "Fuel handling" shall mean the transportation, delivery, fueling, and draining of fuel or fuel waste products.

(g) "Fuel storage area" shall mean and include any portions of the Airport designated temporarily or permanently by the Authority as areas in which gasoline or any other type of fuel may be stored, including but not limited to gasoline tank farms and bulkheads, piers, or wharves at which fuel is loaded.

(h) "Operational area" shall mean any place on the Airport not leased or demised to anyone for exclusive use, and not a public area, highway, or public vehicular area; but shall include the runways, public taxiways, public ramp and apron areas, public cargo ramp and apron areas, public aircraft parking and storage areas, and fuel storage areas.

(i) "Operator" shall mean the owner of an aircraft or any person who is using an aircraft for the purpose of operation by himself or his agents.

(j) "Permission" or "Permit" shall mean permission granted by the Manager unless otherwise herein specifically provided. "Permission" or "Permit" whenever required by these Rules and Regulations shall always mean written permission, except that verbal permission in specific instances may be granted under special circumstances where the obtaining of written permission would not be practicable.

(k) "Person" shall mean any individual, firm, partnership, co-partnership, corporation, trust association, or company (including any assignee, receiver, trustee, or similar representatives thereof) or the United States of America, any State or political subdivision thereof, any foreign government, or the United Nations.

(l) "Airport rules and regulations" shall mean these Rules and Regulations or subsequent amendments thereto.

(m) "Public aircraft parking and storage area" shall mean that area of the Airport to be used for public aircraft parking and storage space for the parking and storing of aircraft, or for the servicing of aircraft with fuel, lubricants, and other supplies, or for making emergency repairs to aircraft, or for any or all such purposes.

(n) "Public cargo ramp and apron area" shall mean and include any portions of the Airport designated and made available temporarily or permanently by the Authority to the public for the loading or unloading, but not storage of freight, mail, supplies, and other cargo, but not passengers to and from

aircraft for the purpose of performing such fueling and other ramp services, or for the purpose of parking mobile equipment actively used in connection with ramp operations, subject to reasonable rules and regulations regarding the use and operation of such equipment. All cargo storage shall be on building areas of the Airport designated for such use.

(o) "Public Taxiway" shall mean and include any public taxiways designated for the purpose of the ground movement of aircraft on the Airport.

(p) "Public vehicular parking area" shall mean and include any portion of the Airport designated and made available, temporarily or permanently, by the Authority for the parking of vehicles.

(q) "Runway area" shall mean and include any portion of the paved runway as well as the clear zones and field area to the lateral clearance lines of said runway.

(r) "Vehicle" shall mean and include automobiles, trucks, buses, motorcycles, horse-drawn vehicles, bicycles, push cars, and any other device in or upon or by which any person or property is or may be transported, carried, or drawn upon land, aircraft excluded.

(s) As used herein, the words "Ingress" and "Egress" refer merely to the use of an area, or portion of the Airport, as a means of going from one place to another without undue delay.

1.4 General Rules

(a) All aeronautical activities at the Airport, and all flying of aircraft departing from or arriving at the Airport, shall be conducted in conformity with applicable provisions of the regulations of the Federal Aviation Administration, the Civil Aeronautics Board, or any successor agencies.

(b) The owner, pilot, agent, or his duly authorized representative agrees, as a condition of use of the Airport, to release or discharge the Authority, its officers, and its employees of and from any liability for any damage which may be suffered by any aircraft and its equipment, and for any personal injury or death, except where such damage, injury, or death is due solely to the negligence of the Authority.

(c) All persons using any part of the Airport shall be held liable for any property damage caused by carelessness and negligence on or over the Airport, and any aircraft being operated so as to cause such property damage may be retained in the custody of the Authority and the Authority may have a lien on said aircraft until all charges for damages are paid. Any person liable for such damage agrees to indemnify fully and to save and hold harmless the Authority, its officers, and its employees from claims, liabilities, and causes of action of every kind, character, and nature and from all costs and fees (including attorney's fees) connected therewith, and from the expenses of the investigation thereof.

(d) The pilot or operator of any aircraft involved in an accident causing personal injury or property damage shall, in addition to all other reports required to be made to other agencies, make a prompt and complete report concerning said accident to the office of the Manager. When a written report of an accident is required by the Civil Air Regulations, a copy of such report may be submitted to the Manager in lieu of the report required above.

(e) Subject to compliance with appropriate Federal Regulations, the aircraft owner shall be responsible for the prompt removal of all disabled aircraft and parts of such aircraft at the Airport, as reasonably directed by the Manager. In the event of his failure or refusal to comply with such directions, such disabled aircraft or any and all parts thereof may be removed by the Authority at the owner's expense and without liability for damage which may be incurred as a result of such removal.

(f) The Manager shall have the right at any time to close the Airport in its entirety or any portion thereof to air traffic, to delay or restrict any flight or other aircraft, and to deny the use of the Airport or any portion thereof to any specified class of aircraft or to any individual or group when he considers any such action to be necessary and desirable to avoid endangering persons or property and to be consistent with the safe and proper operation of the Airport. In the event the Manager believes the condition of the Airport to be unsafe for landings or takeoffs, it shall be within his authority to issue, or cause to be issued, a NOTAM (Notice to Airmen) closing the Airport or any portion thereof.

(g) All aircraft landing or taking off at the Airport shall have a properly functioning two-way radio capable of communicating with the Airport communication system.

(h) The Manager may require from time to time and may designate, at his discretion, appropriate locations for the registration of pilots and aircraft using the Airport, and such pilots shall comply with the requirements of such registration. The payment of rentals, fees, and charges relating to the use of Airport premises and facilities shall be made before takeoff. In lieu of such payment, satisfactory credit arrangements shall be made by the pilot or owner of aircraft with the office of the Authority or such office as may be otherwise designated by the Manager before such pilot leaves the Airport.

1.5 Compliance with Rules with Regulations

No person shall carry on any commercial activity whatsoever at the Airport without the written consent of the Authority.

1.7 Sightseeing

No person shall conduct sightseeing flights at the Airport, except under a permit from the Manager or his duly appointed representative establishing conditions and specifying fees payable to the Airport for such privileges. By "Sightseeing flights" is meant flights on which passengers are carried for hire, and which originate and terminate at the Airport, with no intermediate stops other than emergency stops. Sightseeing passengers shall not be subject to the passenger service fees. Nothing in this section shall be construed as limiting the authority or rights granted by the United States Civil Aeronautics Board under a certificate of public convenience and necessity.

1.8 Parking and Storage of Aircraft

Unless otherwise provided by a lease or other contractual agreement, no person shall use any area of the Airport (other than the public aircraft parking and storage areas) for parking

and storage of aircraft without the permission of the Manager. If, notwithstanding the above prohibition, a person uses such areas for parking or storage as aforesaid, without first obtaining permission, then the Manager shall have the authority to order the aircraft removed, or to cause same to be removed and stored, at the expense of the owner or consignee thereof, without responsibility or liability for damages arising therefrom.

1.9 Storage of Cargo, Etc.

Unless otherwise provided by a lease or other contractual agreement, no person shall use any area of the Airport for storage of cargo or any other property without permission of the Manager. If, notwithstanding the above prohibition, a person uses such areas for storage as aforesaid, without first obtaining such permission, then the Manager shall have authority to order the cargo or any other property removed, or to cause the same to be removed and stored, at the expense of the owner or consignee thereof, without responsibility or liability for damages arising therefrom.

1.10 Use of Operational Areas

No person shall use or occupy an operational area for any purpose whatsoever, except for a purpose pertaining to the landing, takeoff operations and servicing of aircraft, airline activities associated with aircraft, or governmental agencies in the performance of their functions or for a purpose connected with the maintenance and operation of the Airport.

1.11 Payment of Charges

No person shall land an aircraft on or take off from the Airport, or use an operational area, except upon the payment of such fees and charges as may from time to time be approved and published by the Authority, unless such person is entitled to use such area under a lease or other contract providing therefor. Any operating rights under a lease or contract shall be null and void if the payment of fees and charges for the use of the Airport are more than ninety (90) days in arrears, and any subsequent landing or takeoff of an aircraft from the Airport or use of an operational area shall be upon the payment of such fees and charges at the time of use as provided for in Section 12.9 hereof.

1.12 Commercial Photography

No person, except a representative of tenant airline, press or television representative authorized by the Authority in the performance of their duties, shall take still, motion, or sound pictures, nor shall they transmit any program for commercial purpose on the Airport, without permission of the Manager.

PART 2. OPERATION OF VEHICLES

2.1 Required Licenses

No vehicle shall be operated in or upon a public vehicular parking area, or any road within the Airport, or upon any of the operational areas of the Airport unless:

(a) The driver thereof is duly authorized to operate such vehicle under the laws of the Mariana Islands, except that approved ramp equipment may be operated on the public aircraft area by accredited employees certified by the Employer to the Manager as qualified to operate such equipment; and

(b) Such vehicle is registered in accordance with the laws of the Mariana Islands or is specifically authorized by the Manager to be operated on or within the Airport, but not on public highways or parking areas.

2.2 Obeying Signals and Orders

Every person operating a vehicle in or upon a public vehicular parking area, operational area, or any road within the air terminal, must at all times comply with any lawful order, signal, or direction of any authorized representative of the Authority or of any Airport Security Officer. Whenever traffic is controlled by traffic lights, signs, mechanical or electrical signals, or pavement markings, all such shall be obeyed unless an authorized Authority representative or Airport Security Officer directs otherwise.

2.3 Speed Limits

All vehicles operated within the Airport shall comply with the speed limits prescribed and posted by the Manager. Where no limit is posted, the speed limit in that area shall be twenty-five (25) miles per hour.

2.4 Vehicles Within Operational Areas

No vehicle shall be operated within any Operational Area, except as authorized by the Manager, who may require that such vehicles display visible identifying symbols or numbers. The movement of vehicles may be restricted by the Manager to specific zones within the Operational Areas.

2.5 Responsibility in Cases of Accidents

In addition to all other requirements of law, the driver of any vehicles involved in an accident within the Airport area which results in injury or death to any person or damage to property, shall make a report to an Airport Security Officer, or police officer assigned to the Airport, within four (4) hours of such accident.

2.6 Right-of-Way

(a) The driver of a motor vehicle shall, on approaching an intersection, give right-of-way to every vehicle which is approaching to enter said intersection from the main street of entrance or departure to the terminal area whenever traffic is not regulated by traffic signals, signs, or security or police officers.

(b) On approaching a street, intersection, or junction of any road, speed shall be reduced. Likewise, speed shall be reduced on approaching any public conveyance which has stopped to discharge or take on passengers.

2.7 Parking

(a) No person shall park a motor vehicle on the Airport except in an area specifically designated and posted for parking.

(b) No person shall park a motor vehicle in any area on the Airport for a period longer than is prescribed and posted for that space by the Manager.

(c) No person shall park a motor vehicle in a restricted or reserved area on the Airport unless he displays, in the manner prescribed by the Manager, a parking permit issued by the Manager for that area.

(d) No person shall double park a motor vehicle on the roadways of the Airport.

(e) No person shall abandon a motor vehicle on the Airport. A motor vehicle will be presumed abandoned if it is left parked and unattended for a period greater than forty-eight (48) hours, unless it is parked in a space specifically set aside for parking longer than forty-eight (48) hours. In such event, a motor vehicle shall be presumed abandoned if left unattended for a period twenty-four (24) hours longer than the maximum authorized parking period.

(f) No person shall park a motor vehicle on the Airport, in a space marked for the parking of vehicles, in such a manner so as to occupy a part of another marked space.

(g) No person shall leave a motor vehicle unattended or parked on the Airport with a key in the ignition switch, or the motor running, or a key in the door lock, or with a door open.

(h) No person shall park a motor vehicle at any place on the Airport in violation of any sign posted by the Manager.

(i) No person shall park a motor vehicle within ten (10) feet of a firehydrant or in front of a driveway.

(j) Except as otherwise authorized by the Manager no person shall park a motor vehicle for the purposes of cleaning, polishing, or repairing said vehicle except for those minor repairs necessary to remove said vehicle to an authorized area or from the Airport.

(k) Every parked motor vehicle shall be parked, when parallel to the roadway, to its extreme right and at a distance of not more than six (6) inches from the sidewalk or promenade, unless the parking space is otherwise marked. The entrance and exit of passengers shall be on the right-hand side of the vehicle.

2.8 Removal of Vehicles

Whenever a vehicle is parked so as to create a blockage or other hazard to the orderly flow of traffic to, in, or from the Airport, or when a vehicle has been abandoned, the Manager may order the vehicle removed to an authorized parking location, or to the Authority Impound Lot, if no authorized space can be found at the Airport. All abandoned vehicles shall be taken to the Impound Lot where the owners may reclaim

them in accordance with applicable law and regulations, and upon payment of fines or charges established by the Manager.

2.9 Taxicab Operations and Permits

Before being permitted to load passengers at the Airport, a taxicab shall:

- (a) Be currently licensed as a taxi operator by the Mariana Islands.
- (b) Have secured from the Manager a current written authorization enabling such loading.
- (c) Have paid to the Manager the appropriate fees, if any required for said permit.

Taxicabs shall conduct their business at the Airport in a manner and at places to be designated from time to time by the Manager by written notice to the permit holders and otherwise in accordance with these Rules and Regulations.

All taxicabs shall be stopped or parked in such manner and in such areas as may be designated from time to time by the Manager.

Operators of taxicabs shall load passengers at the terminal complex only in designated loading zones as may be from time to time prescribed in writing by the Manager.

Only taxicab operators authorized in writing (endorsed upon their Airport permit) by the Manager may solicit taxi fares on the Airport premises; provided, however, that the Manager will not issue an exclusive authorization under this subparagraph to any one (1) taxi company or taxi operator; and provided further that solicitation shall be expressly restricted to the curbside area outside of the Airport terminal building arrival and departure area designated by the Manager. The term "solicitation" as used in this subparagraph shall be specifically defined to mean the asking of a passenger or other person if he desires a taxicab. Upon request, taxicab operators shall courteously inform passengers or others of alternate means of ground transportation, the location, and frequency, if any exists.

Taxicab drivers or any other persons connected therewith shall be specifically prohibited from soliciting taxicab fares on the Airport at places other than those designated by the Manager. Cruising of taxicabs is prohibited.

Taxicab permits shall be valid for a period of one (1) year commencing at the beginning of the fiscal year of the Airport, which at the present time commences on July 1. Initial permits granted upon the promulgation of these regulations and any permits granted during a fiscal year shall have the annual fees prorated according to the length of time the permits will remain valid. All permits will expire automatically on June 30 of each year.

Each taxicab company or taxicab operator holding a permit shall pay a monthly fee to the Authority, in advance, of five

dollars (\$5.00) per month for each taxicab owned or operated by said permit holder which regularly services flights arriving at the Airport.

Each taxi servicing the Airport must carry the following minimum coverages of insurance:

Liability for bodily injury, including death (limits \$10,000.00 each person, \$20,000.00 each accident) and for property damage (limit \$5,000.00).

2.10 Permit Required for Rent-A-Car Service

No rent-a-car business or solicitation for such business may be conducted upon or within the Airport unless such operation is permitted under the terms of a valid lease agreement with the Airport.

2.11 Group Transportation Permits

No owner or operator of any vehicle carrying passengers for hire, including tour buses or any hotel/motel vehicle carrying hotel guests, shall pick up or unload passengers upon the Airport without a written permit issued by the Manager, which permit among other requirements with respect to safety, licensing and traffic regulations, shall prescribe fees and shall state what privileges are granted by the permit issued. Permits issued under this rule will not be exclusive.

A. Bus, Limousine, or Stretch-Out (Licensed for Hire)

A basic monthly fee of fifty dollars (\$50.00) per operator.

B. Hotel-Motel Vehicles (Owned, Leased, or Operated)

A basic annual fee of twenty-five dollars (\$25.00) per hotel or motel.

C. Time and Place of Payment

1. The monthly permit fees shall be applicable only for the period in which issued and shall be paid to the Manager in advance of providing ground transportation services at the airport.

2. Payments shall be made to the Airport at the Office of the Manager.

PART 3. GENERAL OPERATION ON PUBLIC AIRCRAFT AREA

3.1 Identification

Drivers of all vehicles operating on the Operational Areas shall obtain permission from the Manager or his designee entering upon the taxiways and runways. Between the hours of sunrise and sunset such vehicles shall have a functioning radio receiver in operation or an overhead red light shall be displayed, or it shall be painted bright yellow, or it shall display a checkered flag, not less than three (3) feet square of international orange and white, the checks being at least one (1) foot on each side;

and between the hours of sunset and sunrise conspicuous overhead operating red lights shall be displayed. The Manager shall in all cases specify in writing the identification required.

3.2 Enplaning or Deplaning Passengers.

No vehicle shall move on or across the public ramp and apron areas while passengers are enplaning or deplaning, except in conformity with traffic directives issued by the Manager. No vehicle shall be operated without operating lights on the Operational Area during the hours of darkness.

3.3 Safety of Aircraft Operation

The Manager may suspend or restrict any or all operations without regard to weather conditions whenever such action is deemed reasonably necessary in the interest of safety.

3.4 Deviation from Rules

Any deviation from these Rules shall be coordinated with the Manager prior to conducting operations which are contrary to provisions herein contained, except that the Manager or his designee may temporarily authorize deviation or suspension of portions of the Rules as may be required in the interest of safety. Any deviation from these Rules shall be the sole responsibility of the person conducting the operation which is not in strict accord with the provisions herein contained.

PART 4. TAXIING RULES

4.1 Taxiing and Ground Rules

(a) No aircraft engine shall be run at the Airport unless a pilot or a certificated A & P (airframe and powerplant) mechanic qualified to run the engines of that particular type of aircraft is attending the controls.

(b) No person shall taxi an aircraft on the Airport until he has ascertained that there will be no danger of collision with any persons or objects.

(c) All aircraft shall be taxied at a safe and reasonable speed.

(d) All aircraft operating on the Airport shall be equipped with wheel brakes in proper working order.

(e) No aircraft shall taxi between the airline passenger terminal gates and aircraft parked on the terminal apron.

(f) Where taxiing aircraft are converging, the aircraft involved shall pass each other bearing to the righthand side of the taxiway unless otherwise instructed by Traffic Control.

(g) No aircraft shall be taxied into or out of any hangar under its own power.

(h) All aircraft being taxied, towed, or otherwise moved at the Airport shall proceed with navigation lights on during the hours between sunset and sunrise.

(i) Aircraft engines shall be started or operated only in the places designated for such purposes by the Authority.

(j) All repairs to aircraft or engines shall be made in the areas designated for this purpose. Adjustments and repairs may be performed on air carrier aircraft at gate positions on the terminal apron when such repairs can be accomplished without inconvenience to other persons. Any aircraft being repaired at a gate position shall be moved immediately upon the request of the Manager or his representative. No aircraft engine shall be run up above idle power for test purposes at any gate position.

(k) Aircraft shall not be washed except in areas and in the manner designated by the Authority.

PART 5. TRAFFIC PATTERN, LAND, AND TAKEOFF

5.1 Left-Hand Traffic

All aircraft in flight below fifteen hundred (1,500) feet above the ground surface within a three (3) mile radius of the Airport shall conform to a standard left-hand flow of traffic and to the designated traffic pattern, and to the following rules, unless specifically instructed otherwise by Traffic Control.

(a) The traffic direction shall be as indicated by such devices as a segmented circle or by wind sock.

(b) All landings and takeoffs shall be confined to the paved runway and shall not be conducted on a taxiway or apron, except by helicopters which may land on designated apron areas.

(c) No turn shall be made after takeoff until the airport boundary has been reached and the aircraft has attained an altitude of at least four hundred (400) feet and has ascertained there will be no danger of collision with other aircraft.

(d) Aircraft shall enter the traffic pattern on or before the downwind leg and shall exercise caution and courtesy so as not to cause aircraft already in the pattern to deviate from their course at the discretion of the pilot.

5.2 Ceiling Limitations

When ceiling and/or visibility are less than those authorized by Federal Air Regulations for conduct of Visual Flight Operations, no takeoffs or landings are to be authorized at the Airport, except when proper clearance has been obtained from Traffic Control.

5.3 General Traffic Rules

(a) In advance of any flight test, practice instrument flight, or practice low approach to be conducted within the Airport Clear Zone, the pilot shall make the necessary arrangements with the FAA Airport Traffic Controller on duty and shall receive clearance before starting such maneuvers, and shall observe all local traffic and avoid interference with same.

(b) No motorless aircraft shall land or takeoff from the Airport.

(c) The Authority shall have the right to deny the use of the Airport to any aircraft or pilot violating Authority or Federal Regulations, whether at the Airport or elsewhere.

(d) All aircraft operations shall be confined to hard-surfaced runways, taxiways, and aprons.

5.4 Helicopter Operations Rules

(a) Helicopter aircraft arriving and departing the Airport shall operate under the direction of the Airport communication system at all times while within three (3) miles of the Airport.

(b) Helicopter aircraft shall avoid fixed-wing aircraft traffic patterns and altitudes to the maximum extent possible.

(c) Helicopters shall not be taxied, towed, or otherwise moved with rotors turning unless there is a clear area of at least fifty (50) feet in all directions from the outer tips of the rotors.

(d) Helicopter aircraft shall not be operated within two hundred (200) feet of any area on the Airport where unsecured light aircraft are parked.

(e) During landings and takeoffs, helicopter aircraft shall not pass over any Airport buildings, structures, their adjacent auto parking areas, passenger concourses, or parked aircraft.

PART 6. RULES FOR GROUND OPERATIONS

6.1 Engine Run-Up Restrictions

Aircraft engines shall be started or warmed up only by qualified persons, and at the places designated for such purposes. At no time shall engines be run-up in hangars, shops, other buildings, or when spectators are in the path of propeller streams or jet blasts.

6.2 Aircraft Parking

Aircraft shall not be parked except in areas and in the manner designated for such purposes.

6.3 Area for Repairs

All repairs to aircraft or engines, except emergency repair, shall be made at the spaces designated for this purpose, and not in the area reserved for ramps, aprons, or terminal gate positions.

6.4 Runway Area Restrictions

No person or persons, except personnel authorized by the Manager or his authorized representative, shall be permitted to enter the public runway area.

6.5 Overparking of Aircraft on Apron

Any aircraft operator, upon notice from the Manager, or his authorized representative, shall move or cause an aircraft to be removed from any portion of the public ramp and apron areas within twenty (20) minutes of such notification, notwithstanding the fact that the published tariffs of the Authority may prescribe fees for ramp occupancy by aircraft, establishing definite periods of time for such purposes.

PART 7. CONDITIONS OF USE OF AIRPORT

7.1 Public Apron and Aircraft Parking Area Use

All aircraft, whether operated for revenue or nonrevenue purposes, shall use the Public Apron and Aircraft Parking Area only under the conditions stated in these Rules and Regulations and shall be subject to such fees and charges as may from time to time be approved and published by the Authority.

7.2 Departing Passenger Restrictions

All Saipan originating passengers departing from the Airport and being carried for hire shall be processed through the facilities of the Departure Building, or such other authorized facility, and shall be subject to such fees and charges as may from time to time be approved and published by the Authority.

7.3 Arriving Passenger Restrictions

All Saipan terminating passengers and their baggage being carried for hire arriving at the Airport shall be processed through the facilities of the Arrival Building and shall be subject to such fees and charges as may from time to time be approved and published by the Authority.

7.4 Transit Passenger Restrictions

Passengers transiting Saipan may utilize, in common with the general public, the facilities of the Arrival and Departure Buildings. At any time, when required by the Trust Territory Health, Immigration, and/or Customs regulations, all such transit passengers shall be held during any transit layover in a separate transit lounge provided by the Authority. If transit passengers are so required to use such transit lounge, such passenger use shall be subject to such fees and charges for use thereof as may from time to time be approved and published by the Authority.

7.5 Restrictions on Purchase of Aviation Fuels

No aircraft may be fueled on the Airport unless the operator thereof has a valid agreement with the Authority permitting such fueling, or unless said operator has obtained a written clearance therefor from the Manager. Such fueling clearance shall be issued to an aircraft operator upon showing the Manager that all of these conditions of use of Airport have been or will be responsibly complied with and the fees and charges have been, or will be, paid under the terms hereof.

7.6 Cargo Operations

Except for tenants operating under a bona fide lease which provides otherwise, cargo may be boarded on aircraft only at locations designated by the Manager and subject to the conditions stated in these Rules and Regulations, and shall be subject to such fees and charges as may from time to time be approved and published by the Authority.

PART 8. CONDUCT OF THE PUBLIC

8.1 Obstruction of Public Use

No person shall travel by foot or vehicle on any portion of the Operational Area of the Airport, except upon the roads, walks, or places provided for the particular class of traffic, nor occupy the roads or walks in such manner as to hinder or obstruct their proper use.

8.2 Restricted Areas

No person shall enter any restricted area of the Airport posted as being closed to the public without permission, except persons assigned to duty therein or authorized representatives of the Authority.

8.3 Entrance Into Public Areas

Operational areas, ramps, aprons, and loading positions are closed to the public, and no tenant, either corporate or personal, shall permit any unauthorized person to gain access to the ramp either by private or common-use passageways or through private areas. No person shall enter upon the public ramp and apron area or public cargo ramp and apron area of the Airport without authorization, except persons assigned to duty therein or entering upon the public ramp areas for purposes of embarkation or debarkation.

8.4 Signs and Advertisements

No person shall post, distribute, or display signs, advertisements, circulars, printed or written matter of any kind or character at the Airport or on any leased premises therein where such signs are visible from any public area, except when authorized in writing by the Manager. All signs shall be of a design, size, and character and placed in a manner approved in writing by the Manager, and subject to such fees and charges as may from time to time be approved and published by the Authority.

8.5 Soliciting of Funds

No person shall solicit funds, for any purpose whatsoever, at the Airport.

8.6 Selling, Soliciting, and Entertaining

No person, except those persons or firms authorized by written contract to do so, or any other persons with the written permission of the Manager for specific occasions, shall in or upon any area, platform, stairway station, waiting room, or any other appurtenance of the Airport:

(a) Sell, or offer for sale, any article or merchandise.

(b) Solicit any business or trade, including the carrying of baggage for hire, the shining of shoes or boots blacking, the rental or hire of cars, taxis, or aircraft.

(c) Entertain any persons by singing, dancing, or playing any musical instrument.

(d) Solicit alms.

8.7 Loitering

No person, who is unable to give satisfactory explanation of his presence, shall loiter in or about any toilet area, waiting room, or any other appurtenance of the Airport. Continued and willful violation of this rule by any individual will justify his ejection from the Airport; and admittance again thereto will be barred unless legitimate business can be proved.

8.8 Gambling

No person shall conduct or knowingly permit gambling in any form or operate gambling devices anywhere on the Airport, except as authorized by law.

8.9 Disorderly Conduct

Any person who shall commit any disorderly or obscene act on the Airport will be immediately ejected therefrom and admittance again thereto may be barred by the Management.

8.10 Preservation of Property

No person shall:

(a) Destroy, injure, deface, or disturb in any way any buildings, signs, furniture, equipment, marker, or other structure, tree, flower, lawn, or other property on the Airport.

(b) Walk or operate a vehicle on lawns and seeded areas on the Airport.

(c) Abandon any personal property on the Airport.

(d) Litter or dispose of any waste on any portion of Airport property or portion of access road.

8.11 Disposition of Waste Articles

No person shall dispose of paper, cigars, cigarettes, bottles, or any waste or refuse material, on the floor of any terminal building or grounds adjacent thereto, except in receptacles provided for such purposes.

8.12 Pets

(a) No person shall enter any public building or operational area of the Airport with any pet, except a "seeing-eye" dog, or one properly confined for shipment, on a leash, or confined in such a manner as to be under control.

(b) No tenant of the terminal buildings, or any employees of

such tenant, shall be permitted to keep pets in the terminal buildings or on Airport premises.

8.13 Other Animals

No person shall permit livestock or any other animals under his control or custody to enter the Airport, except one properly confined for shipment. Any stray livestock or animal on the Airport will be disposed of by the Authority in accordance with the laws and ordinances applicable thereto.

8.14 Sanitary Care

No person shall place, discharge, or deposit in any manner whatsoever offal, garbage, or any refuse in or upon any Airport road or operational area, except at such places and under such conditions as the Authority may prescribe. Spitting on the floor or sidewalks of the terminal buildings is prohibited.

PART 9. USE OF PARTICULAR AND DESIGNATED AREAS

9.1 Areas Designated for Specific Uses

Except as otherwise provided for in contracts with the Authority, the use of the following designated areas shall be limited to the purposes stated:

(a) Public aircraft parking and storage areas may be used only for parking and storing aircraft fuel and lubricants which must be in tanks, and other supplies for use on such aircraft, and for making repairs to aircraft.

(b) Public ramp and apron areas may be used only for loading and unloading passengers, cargo, mail and supplies, to or from aircraft, servicing aircraft with fuel and lubricants, performing the operations commonly known as "ramp service," performing inspections, minor maintenance, and other services upon or in connection with aircraft incidental to performing "ramp service" and parking mobile equipment actively used in connection with such operations. Washing of aircraft, vehicles or other equipment is prohibited.

(c) Public taxiways may be used only for the ground movement of aircraft to, from, and between runways, public cargo ramp and apron areas, public ramp and apron areas, public aircraft parking and storage areas, and other portions of the Airport; and for the movement of approved ramp equipment and Airport equipment properly identified.

(d) Runways may be used only for the landing and takeoff of aircraft and for the towing of aircraft to the closest towing exit thereupon after completion of landing roll. No braked wheel turns will be permitted on the runways.

(e) Airport roads may be used as a means of ingress and egress for vehicles to, from, and between the public roads with which such roads connect, and the various buildings and land areas at the Airport abutting upon such roads; and sidewalks along such roads (and other portions of such roads, when designated for that purpose) may be used by pedestrians as a means of

ingress and egress to, from, and between various portions of the Airport.

(f) In case of labor disputes, picketing or other demonstrations shall be confined to the entrance road of the Airport, and in no event within five hundred (500) feet from the terminal buildings.

(g) Hallways, corridors, lobbies, and waiting rooms in passenger terminal buildings may be used as a means of ingress and egress to, from, and between the Airport roads and the ramp and apron space and the various offices and places of business within the terminal buildings. Such hallways, corridors, lobbies and waiting rooms may also be used at such places of business for the purpose of carrying on any transactions authorized by a valid lease, permit, or license from the Authority pursuant to which such place is maintained and operated.

(h) Hallways, corridors, and lobbies in buildings to which members of the public are admitted, other than passenger terminal buildings, may be used as a means of ingress and egress to, from, and between the Airport highways and other portions of the Airport, abutting upon such buildings, and the various offices and other places of business in such buildings.

9.2 Personnel Authorized to use Areas

Nothing herein contained shall be construed to limit the use of any area, or portion of the Airport, by officers or employees of the Authority, or by contractors acting specifically on behalf of the Authority or to prevent any security officer, fireman, or other public officer or employee, from entering upon any part of the Airport when properly required in the performance of his official duties.

9.3 Compliance with Rules and Regulations

The use of the foregoing areas and portions of the Airport is subject to compliance with these Rules and Regulations, and the payment of such rates, fees, or charges as may be established by the Authority for such use.

PART 10. SAFETY PROVISIONS

10.1 Dangerous Acts

No persons in or upon the Airport shall do, or omit to do, any act if the doing or omission thereof endangers unreasonably, or is likely to endanger unreasonably, persons or property.

10.2 Smoking

(a) No person shall smoke or carry lighted cigars, cigarettes, pipes, matches, or any naked flame, in or upon any fuel storage area, public ramp and apron area, public cargo ramp and apron area, or public aircraft parking and storage area, or in any other place where smoking is specifically prohibited by signs, or upon any open space within fifty (50) feet of any fuel carrier or aircraft which is not in motion; nor shall any person throw from an open deck, gallery, or balcony, contiguous to

such areas or such carriers or aircraft, cigars, cigarettes, or similar articles.

(b) No person shall start fires of any type, including flare pot and torches, on any part of the Airport without permission of the Manager.

10.3 Explosives

No person shall, without prior permission of the Manager, keep, transport, handle or store at, in, or upon the Airport any cargo of explosives or other dangerous articles which are barred from loading in or transportation by civil aircraft in the United States, under the provisions of the Civil Air Regulations, promulgated by the Civil Aeronautics Board of the United States. Any waiver of such regulations, or any part thereof, by the Civil Aeronautics Board of the United States, or by any other competent governmental authority, shall not constitute, or be construed to constitute, a waiver of this rule, nor an implied permission to keep, transport, handle, or store such explosives or other dangerous articles at, in, or upon the Airport.

10.4 Use of Fire Extinguishers

Fire extinguishing equipment at the Airport shall not be tampered with at any time, nor shall it be used for any purpose other than fire fighting or fire prevention. All such equipment shall be kept inspected in conformity with the Regulations of the National Board of Fire Underwriters. Tags showing the date of the last inspection shall be attached to each unit, or records acceptable to fire underwriters shall be kept, showing the status of such equipment.

10.5 Storage of Inflammable Materials

No person shall keep or store any volatile inflammable liquids, gasses, signal flares, or other similar material in the hangars or in any other building on the Airport. Such material, however, may be kept in aircraft or vehicles in their installed supply or operating tanks, or in approved containers, or in rooms or areas specifically approved for such storage by the Manager.

10.6 Lubricating Oils

No person shall keep or store lubricating oils in or about the Airport; provided, however, that such material may be kept in aircraft or vehicles in their installed supply or operating tanks, or in containers provided with suitable draw-off devices, or in areas or sealed containers specifically approved for such storage by the Manager.

10.7 Fire Apparatus

All tenants, or lessees, or hangars, or shop facilities shall supply and maintain adequate and readily accessible fire extinguishers and fire equipment of the type approved by the Department of Public Safety. They shall be subject to the periodic inspection of the Department of Public Safety. The Manager may prescribe fire drills for all tenants from time to time.

10.8 Fuel Handling While Engines are Running

Aircraft fueling is prohibited while the engine of the aircraft being fueled is running, unless carried out in accordance with a previously approved company standard operating procedure.

10.9 Proper Grounds

During all fuel handling operations, in connection with any aircraft at the Airport, the aircraft and the fuel dispensing, or draining apparatus, shall be grounded by wire to prevent the possibility of static ignition of volatile liquids.

10.10 Distance from Buildings

Aircraft fuel handling at the Airport shall be conducted at a distance of at least fifty (50) feet from any hangar or other building.

10.11 Fire Extinguishers Required

During fuel handling operations, in connection with any aircraft at the Airport, at least two CO₂ fire extinguishers (15-pound or larger) or other type extinguisher approved by the fire underwriters shall always be immediately available for use in connection therewith.

10.12 When passengers are Aboard

During fuel handling, in connection with any aircraft, no passenger shall be permitted to remain in such aircraft unless a cabin attendant is at the door and a passenger ramp is in position for the safe and rapid debarkation of passengers.

10.13 Smoking Near Aircraft

Smoking is prohibited in or about any aircraft or on any ramp, apron, or loading position. Only personnel engaged in fuel handling or in the maintenance and operation of the aircraft being fueled shall be permitted within a distance of fifty (50) feet of the fuel tanks of such aircraft during the fuel handling operations.

10.14 Starting Engines

No person shall start the engines of any aircraft when there is gasoline, or any type of fuel, on the ground under the aircraft. In the event of the spillage of gasoline, or any type of fuel, no person shall start an aircraft engine in the area in which the spillage occurred, even though the spillage may have been flushed, until permission has been granted for the starting of engines in that area by the Airport Fire Chief or his designee.

10.15 Cleaning of Aircraft

Interior and exterior cleaning of aircraft shall be done only in areas designated or approved for that purpose.

10.16 Fuel and Oil Spillage

(a) In the event of spillage or dripping of fuel, oil, grease, or any other material, except such spillage or dripping as may be normal in aircraft or vehicular operation, which may be hazardous or unsightly or detrimental to the pavement in any area at the Airport, the same shall be removed immediately. The responsibility for the immediate removal of such fuel, oil, grease, or other material will be discharged by the operator of the equipment causing the same, or by the tenant or concessionaire responsible for the deposit thereof.

(b) Receptacles containing waste oil, must be placed in containers provided by the tenant for such purposes for further disposition. Throwing oil on pavement or on any grassed or planted area is prohibited, and any offender shall be liable for damage thereto or subject to Section 11.5 of these regulations.

10.17 Enforcement of Safety Provisions

In case of any violation of these regulations, the Manager shall take such steps as may be required by the situation to prevent any harmful effects upon persons or property, and to preserve the safe and efficient operation of the Airport facilities.

PART 11. MISCELLANEOUS PROVISIONS

11.1 Conformance with U. S. Regulations

All aeronautical activities at the Airport shall be conducted in conformity with the applicable provisions approved by the Federal Aviation Administration. The Air Traffic Rules as contained in the Civil Air Regulations of the United States Federal Aviation Agency and other appropriate rules and regulations of that body as they pertain to aircraft operations on the Airport are hereby adopted by reference and made a part of these rules as though they were fully contained herein.

11.2 Careless or Reckless Operation

No person shall operate an aircraft in a careless or reckless manner so as to endanger the life or property or to constitute a disturbance of the peace.

11.3 Safety of the Public

The Manager shall, at all times, have authority to take such summary action as may be convenient or necessary to safeguard the public in attendance at the Airport.

11.4 Lost and Found Articles

Any person finding mislaid articles at the Airport shall turn them over to a Security Officer or to the office of the Manager. Articles unclaimed by the owner within ninety (90) days after their finding will be considered as lost articles to be disposed of as prescribed by the laws of the Authority. Nothing in this section will be construed to deny the right of scheduled air carriers to maintain lost and found services for their passengers.

11.5 Extent and Application of Rules and Regulations

The provisions of these Rules and Regulations shall be applicable on the entirety of Saipan International Airport premises, herein referred to as the Airport, and any other airport which may be acquired or operated by the Authority so far as their provision may be pertinent to the installations and physical facilities of each airport.

Tenants on the Airport are responsible for their employees' observance of the rules; however, for continued willful and flagrant violation, any employee of any tenant may be ejected or barred from the Airport by the Manager.

11.6 Penalties

(a) The violation of these regulations is punishable by a fine of not to exceed one thousand dollars (\$1,000.00) or by imprisonment not to exceed three (3) months, or both upon conviction by a court of competent jurisdiction. Each violation shall constitute a separate enforceable offense.

(b) Personal property or other goods placed on the Airport premises in violation of these Rules and Regulations may be removed from the place where found by the Manager or his delegate and kept by him until reclaimed by the owners, or if not reclaimed, then disposed of by the Manager. Such articles may not be reclaimed except upon the payment of a fee, to be determined by the Manager, for the cost of storage and removal of the property in question.

(c) Nothing contained within Regulation 11.6 shall in any way alter or restrict the rights and remedies of the parties having valid leases or other operating agreements with the Authority as may be found in the respective agreements with the Authority.

PART 12. SCHEDULE OF FEES AND CHARGES

Effective dates:

(a) Sections 12.1 and 12.5 shall apply from the effective date of these Rules and Regulations.

(b) Through September 30, 1976, the fees and charges set forth in Sections 12.2, 12.3, 12.4, 12.6, 12.7, and 12.8 shall apply, provided that substituting for Section 12.1 landing fees shall be thirty cents (\$0.30) per thousand (1,000) pounds maximum gross certified landing weight of the aircraft as this period, the Section 12.3 service charge shall be consolidated at two dollars and fifty cents (\$2.50) per enplaned revenue passenger for the use of the Interim Terminal Building arrival and departure facilities.

12.1 Landing Fees

A charges of five dollars (\$5.00) minimum fee, or if greater, thirty cents (\$0.30) per thousand (1,000) pounds maximum gross certified landing weight of the aircraft as determined by

FAA for said aircraft for each landing, shall be paid to the Authority.

Exceptions:

(1) Bona fide airline, air taxi, and charter tenant lessees of the Authority on the Airport operating under terms of a valid lease.

(2) Diplomatic, U. S. military, and Mariana Islands Government aircraft.

12.2 Public Apron and Operational Area Charge

A minimum charge of ten dollars (\$10.00), or if greater, five cents (\$0.05) per thousand (1,000) pounds maximum gross certified landing weight, as determined by FAA for said aircraft for each one (1) hour, or fraction thereof, parking on the public apron adjacent to the terminal building shall be paid to the Authority by the aircraft operator--the payment of which shall, in addition to permitting the parking of the aircraft, also permit the use by the aircraft crew and nonrevenue passengers of the public facilities in the Departure Building and on the Airport (but not including use of the Arrival Building and In-Bound Baggage Handling Facilities). Maximum time limit for aircraft apron use is three and one half (3-1/2) hours, after which aircraft must be moved to the Public Aircraft Parking Area.

Exceptions:

(1) Bona fide airline, air taxi, and charter tenant lessees of the Authority on the Airport operating under terms of a valid lease.

(2) Diplomatic, U. S. military, and Mariana Islands Government aircraft.

12.3 Departure Facility Service Charge

All Saipan originating revenue passengers carried for hire departing from the Airport shall be processed through the Departure Building facilities and, to cover costs of operations and maintenance thereof, a service charge calculated on the basis of seventy-five cents (\$0.75) per revenue passenger shall be paid to the Authority by the aircraft operator transporting said passengers from Saipan.

Exceptions:

(1) Bona fide airline, air taxi, and charter tenant lessees of the Authority on the Airport operating under terms of a valid lease.

(2) Diplomatic, U. S. military, and Mariana Islands Government aircraft.

12.4 Aircraft Parking Charge

Aircraft shall be parked at designated locations only:

(a) For aircraft paying the Public Apron and Operational Area charges cited in 12.2 above, aircraft parking charges shall be two cents (\$0.02) per thousand (1,000) pounds maximum gross certified landing weight as determined by FAA for said aircraft for the first twenty-four (24) hours, or fraction thereof, beginning at the time the aircraft moves to the parking area from the public apron; and three cents (\$0.03) per thousand (1,000) pounds for each twenty-four (24) hours, or fraction thereof, thereafter.

(b) For aircraft not requiring use of the Public Apron and thus not subject to a charge therefor, aircraft parking charges shall be a minimum of five dollars (\$5.00) or three cents (\$0.03) per thousand (1,000) pounds (the greater sum) for each twenty-four (24) hours, or fraction thereof, thereafter.

(c) Monthly rates shall be twenty-two (22) times the daily rate. All such charges shall be paid by the aircraft operator to the Authority prior to departure of the aircraft from the assigned parking position.

(d) Locally based aircraft parked on grass area designated by the Manager for such purpose shall pay fifteen dollars (\$15.00) per month, payable in advance.

Exceptions:

(1) Aircraft of bona fide airline, air taxi, and charter tenant lessees of the Authority parked in designated and approved parking positions occupied under a written agreement therefor.

(2) Diplomatic, U. S. military, and Mariana Islands Government aircraft.

12.5 In-Transit Passenger Service Charge

Any aircraft operator using the Airport for an in-transit stop (i.e., not involving Saipan originating or terminating passengers) shall pay a service charge of a minimum of ten dollars (\$10.00) or, if greater, a service charge calculated on the basis of thirty-five cents (\$0.35) for maintaining the public use portion of the terminal buildings utilized by said in-transit passengers.

Exceptions:

(1) Bona fide airline tenant lessees of the Authority on the Airport operating under the terms of a valid lease.

(2) Diplomatic, U. S. military, and Mariana Islands

Government aircraft.

12.6 Catering Fee

A fee equal to five percent (5%) of the gross billings (charges) made for the sale, delivery, boarding, and removal of inflight catering food and beverages shall be paid to the Authority by

the supplier thereof as a condition of access to the Airport.

Exceptions:

(1) Inflight catering provided directly and not by contract, by a bona fide airline lessee of the Airport, or by a concessionaire operating on the Airport, under the terms of a valid lease.

12.7 Fuel Flowage Fee

A fee equal to one and one half cents (\$0.015) for each gallon of aviation gasoline and jet fuel delivered into the tanks of any aircraft on the Airport shall be paid by the purchaser of said gasoline and fuel and collected on behalf of the Airport by the seller thereof; and together with appropriate documentation supporting said sales and collections be transferred by the seller to the Authority by the fifteenth (15th) day of the month following said sale and collection.

Exceptions:

(1) Bona fide airline lessees of the Authority in the Airport operating under the terms of a valid lease.

12.8 Ground Rent

Any exclusive use of ground space on the Airport shall be subject to ground rent.

Any such exclusive use of ground space shall encompass the entire amount of ground space effectively occupied (i.e., in the case of a building or facility, the ground all surrounding area effectively utilized for setbacks, parking, access, etc., shall be included). In the case where such effectively utilized area cannot be precisely described, it shall be assumed that the effective area shall be, at a minimum, equal to five (5) times the ground space occupied by the building or facility.

Ground rent charges shall be for the period January 1, 1976, through December 31, 1978, at the sum of ten cents (\$0.10) per square foot per annum.

Ground rents after January 1, 1979, shall be established by the Authority in 1978 based on valuation of the land in relationship to monetary values at that time prevailing.

NOTE: The above ground rents are for uses in excess of three (3) years. For ground uses of an "interim or temporary nature" defined as being for a period of less than three (3) years, the above ground rents shall apply plus a surcharge of fifty percent (50%) to cover the extra costs to the Authority of preparing the necessary leasehold documents and administering them.

12.9 Payment of Charges

All fees are to be paid in U.S. currency by the aircraft operator to the Duty Officer, Office of the Manager, upon arrival (except in the case of parking charges which are to be paid prior to departure, and fuel flowage fees which shall be paid upon purchase of fuels) unless special arrangements have been made with the Authority in writing in advance.

ADOPTED THIS _____ DAY OF _____, 1976.

MARIANA ISLANDS AIRPORT AUTHORITY

BY: BOARD OF DIRECTORS

/s/
Jesus V. Guerrero
Vice Chairman

ATTEST:

/s/
James F. Mellus
Manager

/s/
Margarita Q. Boyer
Secretary

RULES AND REGULATIONS OF D.U.D. MUNICIPALITY
ALCOHOLIC BEVERAGE CONTROL BOARD

Article I General

Section 1. Authority. These rules and regulations are promulgated pursuant to the authority of District Law 18-36 and D.U.D. Municipal Ordinance No. 71-3.

Section 2. Name. This Board may be cited as "D.U.D. Municipality Alcoholic Beverage Control Board" or "D.U.D. Municipality A.B.C. Board."

Section 3. Definitions. As used herein:

a. Person. "Person" shall mean and shall include an individual, partnership, corporation, association, and any other form of business enterprise or combination thereof.

b. Board. "Board" shall mean the D.U.D. Municipality Alcoholic Beverage Control Board.

c. Beer Tavern. "Beer Tavern" shall mean and include any place or building to which the public is admitted, or to which membership or the right entitling one to enter may be purchased, and in which beer is sold for consumption on the premises.

d. Bar. "Bar" shall mean any place or building to which the public is admitted, or to which membership

or the right entitling one to enter may be purchased, and in which alcoholic beverages other than, or in addition to, beer are sold for consumption on the premises.

e. Package Store. "Package Store" shall mean and include any place or building to which the public is admitted, or to which membership or the right entitling one to enter may be purchased, and in which beer, or other alcoholic beverages, or both, are sold in unopened containers for consumption not on the premises.

f. Licensee. "Licensee" shall mean any person who has been issued and is the current holder of a valid Alcoholic Beverage Control Board license.

g. License. "License" shall mean a license issued by the Board.

Article II Requirements

Section 1. License Requirements. No person shall sell, offer for sale or possess for purpose of sale, whether at retail or wholesale, any alcoholic beverage unless he is the then designated licensee and holder of a duly issued and currently valid license issued by the Board or by the District Administrator in the case of a wholesale business.

Section 2 - License Fees: The following annual alcoholic beverage license fees are hereby established.

- | | |
|------------------|---------------------------------|
| a) Bar | \$ 100.00 per year |
| b) Beer Tavern | \$ 100.00 per year |
| c) Package Store | |
| 1. Retail | \$ 50.00 per year |
| 2. Wholesale | \$ 100.00 per year |
| d) Transfer fee | Same as for the original issue. |

Section 3. Issuance of Licenses. An applicant for original issuance of a license, or renewal or transfer of a license, shall prepare and submit to the Board a completed application therefor on a form as required by the Board accompanied by the license fee fixed for the type of license or licenses for which applied.

The Board may deny or grant such applicant, or issue any license subject to such conditions as it deems appropriate, which conditions shall be endorsed upon the face of the license and any renewal thereof and shall be binding upon all persons to whom the license is transferred. Violation of a condition placed upon a license pursuant to this section shall be grounds for suspension or revocation of such license.

An application for a wholesale liquor license submitted

to the Board for initial review, however, shall be forwarded, not more than than thirty (30) days after receipt, to the District Administrator, accompanied by the recommendation of the Board, for his review and consideration. In the event the District Administrator disapproves the granting of such wholesale license, such determination shall be final and conclusive. If he approves the granting, he shall specify such conditions, if any, upon which such license shall be granted and issue such license in the name of the district. All wholesale liquor license fees shall be deposited forthwith into the District Treasury. From the fee tendered with the application, there shall be retained the sum of \$10.00 as a non-refundable processing fee in the event the application is denied. The balance of said fee shall be refunded to the applicant in the event the application is denied.

Section 4. Term of License. A license shall be valid for a period of one (1) year from date of issue unless sooner suspended or revoked.

Section 5. Transfer of License. No license shall be transferred without the prior written approval of the Board and payment of a license transfer fee and any attempted transfer shall be null and void and of no legal effect.

Section 6. Multiple Businesses. A separate license shall be required for each location wherein or whereon a business activity required to be licensed shall be located and in the event a beer tavern, bar and package store, whether retail or wholesale, or any combination thereof, are located on the same site, a separate license shall be required for each activity; provided, however, the purchase of a bar license shall also entitle the licensee to sell beer and no separate beer tavern license shall be required in such case.

Section 7. Persons Licensed on Effective Date. A person who is the designated licensee and holder of a currently valid license to engage in the business of the sale or production of alcoholic beverages by the municipality on the effective date of Municipal Ordinance No. 71-3, shall be exempt from the payment of the license fees fixed herein for the remainder of the period for which such current license was issued and fees paid; provided, however, each such person shall, not later than 60 days after the date of adoption of these rules and regulations by the Board, apply for and obtain a new license from the Board which license shall contain an expiration date coincident with the expiration date of the existing license.

Section 8. Limitation on Number of Licenses. The number of premises for which a beer tavern or bar license may be issued shall be limited to one for each 1,000, or fraction thereof, inhabitants in the D.U.D. Municipality. The number of premises for which a package store license may be issued shall be limited to

one for each 600, or portion thereof, inhabitants in the D.U.D. Municipality.

Article III Operating Regulations

Section 1. Regulations. Each licensee shall comply with each of the following regulations regarding the operation and conduction of business:

a. Every beer tavern and bar shall employ and have on duty on the premises at all times during selling hours a special policeman who shall maintain peace and quiet; provided further that such special policeman shall wear an approved uniform if directed by the District Administrator. The full names and other particulars regarding each such special policeman shall be supplied upon request of the Board. Such special policeman shall be the employee of the licensee only and not that of the Municipality, District Sheriff or Government, and the licensee shall be solely responsible for his conduct in addition to such special policeman individually.

b. Each beer tavern and bar, and the employees or operators thereof, shall be subject to a sanitary and medical inspection upon application for a license, and at periodic intervals, at the discretion of the Board, and in any event at least once a year.

c. No licensee shall sell or offer for sale any alcoholic beverage, or be open to the public for purposes of sale of alcoholic beverages at any time other than during the following hours:

1) Type of Business	Days	Hours
(a) Beer Tavern	Mon.- Sat.	8 a.m. - 12 p.m.
Beer Tavern	Sunday	CLOSED
(b) Bar	Mon. - Sat.	8 a.m. - 12 p.m.
	Sunday	CLOSED
(c) Retail Package Store	Mon. - Sat.	8 a.m. - 12 p.m.
	Sunday	CLOSED
(d) Wholesale Package Store	Mon. - Sat.	8 a.m. - 12 p.m.
	Sunday	CLOSED

d. Each beer tavern, bar or package store shall be geographically located in such location or position as is satisfactory to the Board and consistent with all zoning ordinances, master plan or other regulations relating to land use.

e. No person under the age of twenty-one (21) shall be allowed into or employed within any beer tavern or bar.

f. Any beer tavern or bar may provide music and permit dancing; provided, however, the Board may prohibit or restrict the days or hours during which such music and/or dancing may be allowed in the event the Board determines such may constitute a public nuisance or be detrimental to the peace and quiet of others.

g. No package store owner, whether retail or wholesale, operator or employee, shall permit the consumption of any alcoholic beverages upon the premises where sold and shall take all steps necessary to actively prevent such.

h. Each licensee shall assure that every licensed premise and the surrounding site or area upon which such is located shall, at all times, be maintained in a clean, tidy, sanitary condition and all empty or discarded bottles, cans, boxes and other trash, debris or refuse of whatever nature shall be immediately removed and deposited in a public garbage or disposal site designated as such by the Municipal, District or Trust Territory Government.

i. Each licensee shall assure compliance with all applicable Trust Territory, District or Municipal laws, regulations or ordinances including, but not limited to, sanitation, health and fire safety or protection laws or regulations.

j. Each licensee shall post and display its Alcoholic Beverage Control License in a prominent location at all times and produce such for inspection upon demand of any law enforcement officer or other authorized person and shall, in addition thereto, produce for inspection any other health permits or business or other licenses, permits, or records upon demand of such person or the Board.

k. Each licensee shall post and display a sign which shall state, in letters not less than 2" high, in English and Marshallese, "No Person Under 21 Years of Age Allowed."

l. Every beer tavern or bar shall be adequately equipped with fire fighting equipment and readily accessible exits, as determined by the Fire Inspector, and the Board, or any Fire Inspector, shall have the right to inspect the premises and require that the necessary equipment or exits be installed if lacking. In the event any licensee shall refuse or fail to install the equipment specified or provide for exits or other specified fire protection measures, the Chairman of the Board shall immediately order the licensed premises closed to the public and the Board shall immediately conduct a meeting to consider and determine whether the license should be suspended or revoked.

Article IV Suspension or Revocation of Licenses and Hearings

Section 1. Violations. Violation of any provision of

District Law 18-36 or Municipal Ordinance No. 71-3 or other ordinance relating to the conduct of the licensee's business, or of any one of these rules or regulations by a licensee, his agent or employee, shall be deemed contrary to the public health, safety, welfare and morals and shall constitute sufficient grounds for the suspension or revocation of a license.

Section 2. Hearings

a. The Board shall have the power and duty to investigate all complaints against a licensee to determine whether the licensee has violated any law, ordinance, rule or regulation regarding the conduct of the business and in this regard the Board shall have the power to conduct hearings, and to subpoena witnesses and records. If, after hearing, the Board finds and determines by substantial evidence the licensee, its agent or employee, has violated any provision of District Law 18-36, Municipal Ordinance No. 71-3, any rule, regulation or order of the Board, or any other law or ordinance in the conduct of its business, the Board may suspend or revoke the licensee's license subject to such conditions as the Board deems appropriate or impose conditions upon which the licensee shall be allowed to retain his license.

b. At such time as the Board determines to conduct any such disciplinary hearing, the Board shall issue and serve an order to show cause upon the respondent licensee directing the licensee to appear at a place and upon a date and time certain, and to show cause why the proposed action or order specified in the order to show cause should not be entered against the licensee. The order to show cause shall also specify with reasonable certainty the grounds upon which such action is proposed to be taken by the Board; provided, however, that in the event the Board determines the public interest so requires it may, in such order, suspend the license immediately and order the premises closed to the public forthwith, subject to making such order final after hearing.

c. A licensee shall be entitled to be represented by counsel and appear and be heard before the Board and to present witnesses on his own behalf at such hearing.

d. Notwithstanding any other provision herein, the Board may conduct such informal investigation regarding any complaints, either on its own motion or at the request of any interested person, and may request a written or oral reply from the licensee to any questions or charges regarding the operation of the business of the licensee.

Article V Alcoholic Beverage Control Board

Section 1. Membership. The Board shall consist of five (5) members appointed by the District Administrator.

Section 2. Meetings. The first members of the Board

appointed by the District Administrator shall hold an organizational meeting not later than 60 days after appointment by the District Administrator and thereafter shall hold regular meetings of the Board on the second Tuesday of January, April, July and October of each year at such time and at such place as shall be fixed by resolution of the Board at its organizational meeting as the regular time and place for meetings. At its first meeting the Board shall elect a chairman who shall thereafter preside at all meetings, and a vice chairman to preside in the absence of the chairman, and a secretary-treasurer. The chairman, or the vice chairman in his absence, may call a special meeting at any time. Notice of such meeting shall state the time and place of such special meeting and a copy of such notice of special meeting shall be given to all other members of the Board.

Section 3. Quorum. A majority of the Board members (inclusive of vacancies) shall constitute a quorum for the transaction of business at any meeting thereof; but fewer than a quorum may adjourn from time to time until a quorum is in attendance. Notice of an adjourned meeting shall be given to the Board members.

Section 4. Board Action. The Board may act only by Board action which shall require a majority vote of the members then present constituting a quorum.

Section 5. Secretary-Treasurer. The Board shall elect one of its members as secretary-treasurer at its first meeting and such person shall keep true and accurate minutes of all meetings of the Board and shall prepare and maintain all other necessary or convenient records for the proper conduct of Board business.

Article VI Effective Date and Amendment of Rules and Regulations

Section 1. Effective Date. These rules and regulations, and all amendments thereto, shall be effective upon approval of the District Administrator and filing a true copy thereof with the Clerk of Courts.

Section 2. Posting. These rules and regulations shall be posted and made public in like manner as ordinances are made public in this Municipality.

Section 3. Amendment. These rules and regulations may be amended from time to time by a two-thirds (2/3) vote of all members of the Board, inclusive of vacancies.

Passed and adopted this 10th day of March, 1972, by a vote of four (4) members of a total Board membership of five (5) members.

Members of Board:

/s/Andrew Hisaiah
Andrew Hisaiah

/s/ Mary Lanwi
Mary Lanwi

/s/ Shiro Riklon
Shiro Riklon

/s/ Jerry Lakabung
Jerry Lakabung

/s/ Kaname Yamamura
Kaname Yamamura

Approved this 15th day of March, 1972.

Oscar de Brum
District Administrator

CONSUMPTION PERMIT REGULATION NO. 1

CONTENT OF PERMITS

Pursuant to Section 7(h)(8) of District Law 18-36 as amended by District Law 20-31, the following regulation is hereby adopted and promulgated to implement the Marshall Islands District Alcoholic Beverage Consumption Permit Act:

Section 1. Requirement of Photograph. All Regular District Consumption Permits issued at Majuro and Kwajalein Atolls shall bear a recent photograph of the person to whom such permit is issued.

Dated: 8/8/73

/s/t/ _____
Oscar de Brum
District Administrator
Marshall Islands

MARSHALL ISLANDS DISTRICT FISHING AUTHORITY LOAN FUND REGULATIONS AND POLICIES

I. Introduction

The Marshall Islands District Fishing Authority was created under Public Law 5-21 and in accordance with the provisions of that Act, the Fishing Authority is empowered to establish and promulgate rules and regulations for the administration of a loan fund subject to the approval of the District Administrator in accordance with P.L. 5-21, Section 10(4). Proceeds for this loan fund have been appropriated under Public Law 5-23 for the purpose of promoting commercial fishing through the district Fishing Cooperative Associations and their members.

II. Administration

A. Fishing Cooperative Associations of the Marshall Islands District shall serve as the initial receiving and screening bodies for all loan applications by their members. The procedures to be followed are:

1. Each member desiring a loan from the Authority shall submit his loan application to the Board of his Association.

2. The Association shall proceed to review his application and may require of the member any pertinent and/or necessary documents.

3. In reviewing all applications, particular care must be taken to establish the character, fishing knowledge and experience, ability and fiscal responsibility of the applicant member as reliably as possible.

4. Upon approval of the loan application by the Association, the application shall be submitted to the Authority with all pertinent comments and recommendations for final review and consideration.

5. The Association as a Fishing Cooperative may also submit a loan application to the Authority for its own purposes.

B. The Marshall Islands District Fishing Authority membership shall consist of a single representative appointed by the Board of Directors of each Fishing Cooperative Association, plus the District Representative of the Division of Marine Resources. These members shall comprise the Board of Directors of the Marshall Islands District Fishing Authority and in the management of the loan fund they shall carry out the basic intent and purpose of providing "the necessary support and guidance to Fishing Cooperative Associations to permit them to become a primary fishery development institution in Micronesia," and in so doing the Board shall:

1. Give primary regard for the economic and fiscal soundness of the applicant's proposed operation and for the character, integrity and ability of the applicant to repay the loan; and secondarily, for the valuation and worth of the collateral offered, if any.

2. Provide financing for productive purposes related to the fishing industry.

3. Provide managerial and administrative advice and assistance to the extent of its capabilities.

III. Criteria for Loan Eligibility

A. The following requirements shall apply before the Marshall Islands District Fishing Authority will consider a loan application:

1. If the loan applicant is an individual, his primary source of income must be fishing and he must be a member in good standing of a Marshall Islands District Fishing Cooperative Association.

2. If the loan applicant is a fishing cooperative association, that cooperative association must be chartered by the High Commissioner to operate in the district of the Marshall Islands.

3. The loan application shall clearly and specifically

state the purpose for which the loan is desired. A feasibility statement, including project expense and revenue, may be required.

4. Loans may only be made for the purpose of initiating or increasing the fishing activities of the fishing cooperative association or its members.

IV. Terms and Conditions

A. Conditions for Granting of Loans shall apply as follows:

1. Five Thousand Dollars (\$5,000) is the maximum amount allowable for a loan to any member or association borrower.

2. Applicants with an outstanding loan or loans amounting to Five Thousand Dollars (\$5,000) total or more with the government or Credit Union or commercial lending institutions shall be required to secure loans from the Marshall Islands District Fishing Authority with collateral equal in value to the fishing authority loan, such value to be determined by the Authority. Applicants with outstanding loan balances of less than Five Thousand Dollars (\$5,000) may be required to furnish security in such form as is approved by the Fishing Authority, if it is determined by the Authority that their financial ability is insufficient to repay the Fishing Authority loan in a timely manner.

3. Subsequent to the granting of a loan, the Authority Board may require the borrower to accept technical advice including managerial and accounting assistance to assure proper utilization of the loan proceeds.

4. The maximum term of any loan may not exceed five (5) years.

5. The District Fishing Authority may fix such additional terms and conditions regarding disbursements and repayment of any loans or any other matter as it may deem appropriate which are not inconsistent with these rules and regulations, including requiring payment of the proceeds directly to materialmen or suppliers.

B. Interest Rates will be charged on the amount of the loan principal outstanding on a simple interest rate basis. Payments shall be made on a monthly basis unless special arrangements are approved by the Authority Board.

Interest rates will be charged as follows:

1. Loans of up to Five Thousand Dollars (\$5,000) will accrue interest at the rate of four percent (4%) per annum on the unpaid balance; provided, however, loans of One Thousand Dollars (\$1,000) or less, but advanced for a period of less than one (1) year, will accrue interest at the rate of one percent (1%) per month.

2. The Board may establish special interest rates for loans made as working or operational capital for fishing cooperative associations.

C. Security for Loans may be required at any time by the Board where it deems necessary. Collateral shall take the form as deemed appropriate and acceptable by the Board. The Board may request the District Department of Lands and Surveys to establish the value of real property and to certify its tenure.

D. Disbursement of any loan proceeds may be made, in total or in part, directly to the vendor, to the member, or to the cooperative association as determined by the Board.

E. Loan Proceeds shall not be used or diverted for any purpose other than that for which the loan was granted.

F. Repayment of Loans shall be made in accordance with the following regulations:

1. Repayment by individual fishermen borrowers shall be not less than thirty percent (30%) of the gross proceeds from the total monthly sales of his fishery products as entered by his fishing cooperative association. The repayment sums, which shall be deducted by the borrower's association, shall be forwarded every month to the Marshall Islands District Fishing Authority. In the event a fisherman borrower will not be able to make the repayment through his proceeds, he shall be required to make the remainder of his repayment in cash to the association responsible for forwarding payment to the Authority.

2. Repayment by an Association borrower shall be made in cash directly to the Marshall Islands District Fishing Authority.

G. Grace Periods may be allowed by the Authority Board for good reason for a period of up to six (6) months at the commencement of the loan period. The borrower will not be required to make principal payments during this period but interest will accrue at established rates.

H. Moratorium on Payments may, upon request by a member and or the Association, be granted by the Authority Board for a period of not more than three (3) months. A request for a moratorium may only be considered for very unusual circumstances or serious illness. Interest will continue to accrue at established rates during this period.

V. Controls and Remedial Actions

A. Investigation and Audit

The Board may instruct the Manager or other representative of the Board or may contract with a

PALAU FISHING AUTHORITY
LOAN FUND REGULATIONS AND POLICIES

finds and determines: In the past, members of the District Legislature who were also District Government employees have been absent from their posts and assigned duties for extended periods of time for reasons relating to their position with the District Legislature, resulting in their failure to devote their full time to, and properly perform their duties to serve the public for which employed and otherwise causing severe and unnecessary strain and disruption in the performance of many Governmental functions and services indispensable to the protection of, and resulting in the endangering of life, health and property of the inhabitants of the Marshall Islands District. It has also become increasingly apparent that the simultaneous holding of, and performance of the duties imposed by the position in the legislative as well as the executive branch of the District Government is not compatible with the full and proper discharge of the duties and responsibilities of the employee's office or position with the District Government to serve the public, within the meaning of P.L. 4C-49, Section 11, and hampers the full and proper performance of not only the employee's duties as responsible full-time employee of the District Government, and creates a direct and present danger to the life, health, safety and welfare of the inhabitants of the Marshall Islands District, but is also incompatible with performance of his duties and responsibilities as a member of the District Legislature.

Section 2. Resignation. Any employee of the Marshall Islands District Government shall be required to, and shall, upon his election to the District Legislature, resign his position held with the District Government prior to the date upon which his term of office is to commence.

Section 3. Campaigning. Any employee who becomes a candidate for election to the District Legislature shall not campaign during normal working or duty hours and in the event he desires to campaign, he shall apply for and take annual leave or leave without pay after obtaining the prior written consent of his supervisor.

Section 4. Effective Date and Applicability. This directive shall be effective immediately and shall be applicable to all current members of the District Legislature as well as those who may become candidates. Members whose terms do not expire in 1973 and who wish to retain their elective offices, shall, on or before January 3, 1973, resign from their position with the District Government. Failure to comply with this District Order shall be grounds for termination of employment. All existing regulations and laws relating to District Government employment are hereby amended in accordance with the within District Order.

Oscar de Brum
District Administrator
Marshall Islands District

Date: October 17, 1972

I. Introduction

The Palau District Fishing Authority was created under Public Law 5-21 and in accordance with the provision of that Act, the Fishing Authority is empowered to establish and promulgate rules and regulations for the administration of a loan fund subject to the approval of the District Administrator in accord with PL 5-21 Section 10(4)(b) and (c). Proceeds for this loan fund have been appropriated under Public Law 5-23 for the purpose of promoting commercial fishing through the District Fishing Cooperatives and their members.

II. Administration

A. Fishing Cooperative Associations of the Palau District shall serve as the initial receiving and screening bodies for loan applications by their members. The procedure to be followed are:

1. Each member desiring a loan from the authority shall submit his loan application to the Board of his Association.
2. The Association shall proceed to review his application and may require of the member any pertinent and/or necessary documents.
3. In reviewing all applications, particular care must be taken to establish the character, fishing knowledge and experience, ability and fiscal responsibility of the applicant member as reliably as possible.
4. Upon approval of the loan application by the Association, the application shall be submitted to the authority with all pertinent comments and recommendations for final review and consideration.
5. The Association as a Fishing Cooperative may also submit a loan application to the authority for its own purposes.

B. The Palau District Fishing Authority membership shall consist of a single representative appointed by the Board of Directors of each Fishing Cooperative Association, plus the District Representative of the Division of Marine Resources. These members shall comprise the Board of Directors of Palau District Fishing Authority and in the management of the loan fund they shall carry out the basic intent and purpose of providing "the necessary support and guidance to Fishing Cooperative Associations to permit them to become a primary fishery development institution in Micronesia," and in so doing the Board shall:

1. Give primary regard for the economic and fiscal soundness of the applicant's proposed operation and for the character, integrity and ability of the applicant to

repay the loan; and, secondarily, for the valuation and worth of the collateral offered, if any.

2. Provide financing for productive purposes.

3. Provide managerial and administrative advice and assistance to the extent of its capabilities.

III. Criteria for Loan Eligibility

A. The following requirements shall apply before the Palau District Fishing Authority will consider a loan application:

1. If the loan applicant is an individual, his primary source of income must be fishing and he must be a member in good standing of a Palau District Fishing Cooperative.

2. If the loan applicant is a fishing cooperative that cooperative must be chartered by the High Commissioner to operate in the district of Palau.

3. The loan application shall clearly and specifically state the purpose for which the loan is desired.

4. Loans may only be made for the purpose of initiating or increasing the fishing activities of the fishing cooperative association or its members.

IV. Terms and Conditions

A. Conditions for Granting of Loans shall apply as follows:

1. Five Thousand Dollars (\$5,000) is the maximum amount allowable for a loan to any member or association borrower.

2. Applicants with an outstanding loan or loans amounting to Five Thousand Dollars (\$5,000) or more with the government or commercial lending institutions shall be required to secure loans from the Palau District Fishing Authority with collateral equal in value to the fishing authority loan. Applicants with outstanding loan balances of less than Five Thousand Dollars (\$5,000) may be required to furnish security if it is determined that their financial ability is insufficient to repay the Fishing Authority Loan in a timely manner.

3. Subsequent to the granting of a loan, the Authority Board may require the borrower to accept technical advice including managerial and accounting assistance to assure proper utilization of the loan proceeds.

4. The maximum term of any loan may not exceed five (5) years.

B. Interest Rates will be charged on the amount of the loan principal outstanding on a simple interest rate

basis. Payments will be made on a monthly basis unless special arrangements are approved by the Authority Board.

Interest rates will be charged as follows:

1. Loans of One Thousand Dollars (\$1,000) and up to Five Thousand Dollars (\$5,000) will accrue interest at rate of four percent (4%) per annum.

2. Loans of One Thousand Dollars (\$1,000) or less but advanced for a period of less than one year will accrue interest at the rate of one percent (1%) per month.

3. The Board may establish special interest rates for loans made as working or operational capital for fishing cooperative associations.

C. Secured Loans may be required by the Board where it deems necessary. Collateral may take the form of real property, savings, stocks and equipment. The Board may request the District Department of Lands and Surveys to establish the value of real property and to certify its tenure.

D. Disbursement of loan proceeds may be made directly to the vendor, to the member, or to the cooperative by the Board.

E. Repayment of Loans shall be made in accordance with the following regulations:

1. Repayment by individual fisherman borrowers shall be no less than thirty percent (30%) of the proceeds from the total monthly sales of his fishery products entered by his fishing cooperative association. The sums, which shall be deducted by his association, shall be forwarded every month to the Palau District Fishing Authority. In the event that a fisherman borrower will not be able to make the repayment through his proceeds, he shall be required to make the remainder of his repayment in cash to the association forwarding authority.

2. Repayment by an Association borrower shall be made in cash directly to the Palau District Fishing Authority.

F. Grace Periods may be allowed by the Board for good reason for a period of up to six (6) months at the commencement of the loan period. The Borrower will not be required to make principal payments during this period but interest will accrue at established rates.

G. Moratorium on Payments may, upon request by a member and or the Association, be granted by the Board for a period of no more than three (3) months. A request for a moratorium may only be considered for very unusual circumstances or serious illness. Interest will continue to accrue at established rates during this period.

V. Controls and Remedial Actions

A. INVESTIGATION AND AUDIT:

The Board may instruct the Manager or other Representative of the Board or may contract with a qualified person or make other arrangement to investigate or audit the accounts of any borrower from the fund in order to ascertain:

1. Whether there is evidence or indication of impending difficulties that might prevent the borrower from repaying the loan in accordance with the loan agreement.
2. Whether the loan has been used for the purpose for which it was granted.
3. Whether management or other assistance is needed to improve the operation.

B. FRAUDULENT APPLICATION:

In the event a loan is made on the basis of what appears to be fraudulent or false information, the Board, upon learning of such application, shall refer the matter to the Office of the District Attorney for appropriate action.

Recommended for Approval by Palau District Fishing Authority:

DATE:

/s/ Toshiro Paulis
Toshiro Paulis, President

September 12, 1973

/s/ Mesubed Yuzi
Mesubed Yuzi, Member

September 12, 1973

/s/ Dudiu Tutii
Dudiu Tutii, Member

September 12, 1973

Approved: _____
Thomas O. Remengesau
District Administrator
Palau District

Approved as to Form: _____
District Attorney, Palau

PALAU ALCOHOLIC BEVERAGE CONTROL BOARD
Koror, Palau 96940

June 11, 1974

Memorandum

To: All People of Palau All Cabaret, Club and Bar-Restaurant Licensees

From: Chairman, Alcoholic Beverages Control Board

Subject: Regulation Regarding the Employment of Security Guards and Inspection of Identification Cards

In accordance with Section 305(f) of the Palau Alcoholic Beverage Control Act the ABC Board hereby issues the following regulation in connection with the sale of alcoholic beverages by all holders of cabaret, club and bar-restaurant licensees.

Section 307(h) of the ABC Act already requires that all licensees are required to inspect Identification Cards or passports to determine that each person entering their premises is of legal age. To insure that this regulation is being adequately enforced, effective June 15, 1974, each holder of a cabaret, club or bar-restaurant license shall be required to employ and post a security guard at the entrance to each of their respective establishments for the primary purpose of checking ages and to see that other Alcoholic Beverage Control Act regulations are being strictly observed.

Any licensee not complying with the above regulation shall be subject to having its license suspended or revoked.

Tosiwo Nakamura

cc: District Administrator, Palau
Speaker, Palau Legislature
Mayor, Koror Municipality
District Attorney
Palau Defender
Chief of Police
Members, ABC Board

TRUST TERRITORY OF THE PACIFIC ISLANDS
Office of the District Administrator
Ponape, Eastern Caroline Islands 96941

ALCOHOLIC BEVERAGE CONTROL REGULATIONS

PART 1. GENERAL PROVISIONS

1.1 Authority. These regulations have been promulgated by the Alcoholic Beverage Control Board, Ponape District, and approved by the District Administrator, Ponape District, of the Trust Territory of the Pacific Islands in accordance with Section 3-1, Chapter 3, of the Ponape District Code.

1.2 Purpose. The purpose of these regulations is to provide control of the use of alcoholic beverages in order to promote the public safety, health and welfare of the people of Ponape District.

PART 2. DEFINITIONS

2.1 Alcoholic Beverage

a. Means alcohol, spirits, beer and wines, and shall also include every liquid or solid containing alcohol, spirits, beer or wines and capable of being consumed as a beverage by human beings, but shall not include Ponapean Sakau (piper methysticum) or its derivatives.

b. "Beer" includes any beverage containing more than 3.2 percent of alcohol by weight and obtained by the alcoholic fermentation of barley, rice or other grain, malt, and similar products, including yeast. Beer may or may not contain hops or other vegetable products and includes among other things, beer, ale, stout, lager, porter and other malt or brewed liquors, but does not include sake, known as Japanese rice wine.

c. "Wine" means and includes any beverage containing more than 0.5% alcohol by weight and not more than 24% alcohol by volume, obtained by the fermentation of the natural contents of fruits, vegetables, honey, milk or other products containing sugar whether or not other ingredients are added, and includes vermouth and sake, known as Japanese rice wine.

d. "Sparkling wine" means champagne or any artificially carbonated wine. (P.L. 172-69, 5/29/69)

2.2 Minor. "Minor" means any person under twenty-one years of age.

2.3 Licensee. "Licensee" means any individual, association, partnership or corporation having a duly issued license to operate an establishment or club pursuant to Section 3-5, Chapter 3 of the Ponape District Code.

2.4 Establishment. "Establishment" means any place, including without limitation bars, restaurants, hotels, or retail stores but excluding religious organizations when conducting services, which sells, gives, offers to sell or give away, or otherwise dispenses alcoholic beverages to the general public.

2.5 Club. "Club" means an organization which operates a place for social purposes, whether or not for pecuniary gain, having a bona fide membership list and officers.

PART 3. OPERATION OF ESTABLISHMENTS AND CLUBS

3.1 Licensees. Only licensees may operate an establishment or club.

3.2 Restriction on sale or consumption. No alcoholic beverage shall be sold or consumed within 200 feet of any hospital, dispensary, school, church, prayer house, municipal office, court house, or on a public

playground. No alcoholic beverage shall be sold or otherwise provided to any person during an election day while the polling places in that municipality are open. (P. L. 172-69, 5/29/69)

3.3 No Consumption at Stores. The consumption of alcoholic beverages shall not be permitted at an off-sale establishment or club, whether wholesale or retail.

3.4 Conduct of On-Sale Business Generally. The consumption of alcoholic beverages at an on-sale establishment or club shall not be encouraged directly or indirectly but shall be confined to the supply of the demand for alcoholic beverages in a dignified and orderly manner in accordance with the provisions of Chapter 3 of the Ponape District Code and these regulations.

3.5 Consumption Forbidden in Certain Places. The consumption of alcoholic beverages by any person shall not be permitted at any place on the premises of any establishment or club except if adequate tables, waiter or waitress facilities and trash receptacles are provided.

3.6 Condition of Premises. The premises, including all furniture, furnishings and equipment, of all establishments and clubs shall, at all times, be clean, sanitary, sufficiently lighted, safe and in good repair, and shall otherwise be in compliance with all other applicable territorial, district or municipal laws and regulations pertaining to health, safety and other conditions. At on-sale establishments and clubs, drinking glasses must be washed and effectively cleaned between each use; and separate toilet facilities shall be provided for males and females and, at all times, maintained in a clean and sanitary condition.

3.7 Unauthorized Alcoholic Beverages. No licensee shall keep at or sell, give, offer to sell or give, or otherwise dispense from his establishment or club any alcoholic beverage which is not authorized by his license.

3.8 Hours of Sale. All licensees shall strictly comply with the hours of sale or other operations prescribed by law.

3.9 Sale to Intoxicated Persons. A licensee, or his agents and employees, shall not sell, give, offer to sell or give, or otherwise dispense any alcoholic beverages to any habitual or common drunkard or obviously intoxicated person.

3.10 Sale to Minors. A licensee, or his agents and employees, shall not sell, give, offer to sell or give, or otherwise dispense any alcoholic beverages to a minor, or to any adult where there is reasonable cause to believe that said adult is supplying alcoholic beverages to a minor or permitting a minor to consume the same, nor permit any minor to consume any alcoholic beverages at his establishment or club. For purposes of preventing violation of this regulation, a licensee, or his

agents and employees shall refuse to sell, give, offer to sell or give, or otherwise dispense any alcoholic beverages to or not allow the consumption of any alcoholic beverages by any person who is unable to produce adequate written evidence that he is 21 years of age or older.

3.11 Stacking Drinks. A licensee, or his agents and employees, shall not sell, give, offer to sell or give, or otherwise dispense more than one drink of any alcoholic beverage at any time.

3.12 Table Hopping Prohibited. A licensee, or his agents and employees, shall not permit any person to walk aimlessly about or from table to table at his establishment or club carrying a glass or other open container of any alcoholic beverage.

3.13 Noise. A licensee, or his agents and employees, shall not permit noise at his establishment or club from persons, music, entertainment or any other source that unreasonably disturbs any hotel guests, restaurant patrons, store invitees, or neighboring residents.

3.14 Refilling Containers. A licensee, or his agents and employees, shall not refill any alcoholic beverage container with alcoholic beverages and shall not sell, give, offer to sell or give, or otherwise dispense any alcoholic beverage from a refilled container.

3.15 Full Containers. A licensee or his agents or employees, of an on-sale establishment or club shall not sell, give, offer to sell or give, or otherwise dispense a full container of any alcoholic beverage, other than one container of beer or wine at any one time to any one person for consumption at his establishment or club.

3.16 Consumption While on Duty. A licensee, or his agents and employees, shall not consume or be permitted to consume any alcoholic beverages while on duty at his establishment or club.

3.17 Employment of Minors. A licensee, or his agents and employees, shall not employ any minor to sell, give, offer to sell or give or otherwise dispense any alcoholic beverages at his establishment or club.

3.18 Dangerous Weapons Prohibited. Possession of any firearm, machete, dirk, dagger, switchblade knife or any other kind of knife, blackjack, billy, fighting knuckles, or any other dangerous weapon by any person, other than law enforcement officers while on and in the performance of duty, is not permitted at any on-sale establishment or club. For purposes of enforcing this regulation, a licensee of an on-sale establishment or club shall have at least one male employee on duty, at all times during hours of operation, who shall search all persons for such weapons prior to entry upon his establishment or club. Any person who refuses to allow such search shall not be permitted to enter his establishment or club. A licensee, or his agents and

employees, who finds any such weapon or is not allowed to search any person seeking entrance at his establishment or club shall immediately either seize such weapon and turn it over to a law enforcement officer or make a report thereof to a law enforcement officer.

PART 4. CONSUMPTION PERMIT

4.1 Permit Required. No person shall consume any alcoholic beverage at or obtain any alcoholic beverage from any establishment or club unless he or she has been issued and is in possession of an alcoholic beverage consumption permit, except for official receptions or bona fide parties if prior written approval is granted by the District Administrator. Non-residents of Ponape who enter Ponape District with the intent to stay less than 30 days shall be exempt from the above permit. In lieu of such permit a consumption card will be issued, free of charge, by the customs officer. Those who stay over 30 days must have a permit. Applications for such permits shall be made to and issued by the Chief of Police, upon approval of the Alcoholic Beverage Control Board. A fee of \$5.00 for each new permit issued and \$2.50 for each duplicate permit issued in place of each lost, stolen or destroyed original permit shall be collected by the Chief of Police and deposited by the District Treasurer to be used by the ABC Board to support an office of a full-time employee to enforce said regulations. Cards must be renewed each year by paying a fee of \$3.00. All expenditures must be reviewed and authorized by the District Administrator. The permit shall contain the following information:

- (1) Permittee's name.
- (2) Permittee's address.
- (3) Date and place of birth.
- (4) Height, weight and color of hair and eyes.
- (5) Photograph.
- (6) Permittee's signature.
- (7) Approval of the Chief of Police and Chairman of the Alcoholic Beverage Control Board.

The attendant on duty at any establishment shall be required to verify all ABC consumption cards prior to entry.

4.2 Refusal of Permit. Issuance of an alcoholic beverage consumption permit may be refused to any person who:

- (1) Has been acquitted of any criminal charge by reason of insanity.
- (2) Has been adjudicated mentally incompetent.

(3) Has been treated in a hospital for mental illness, drug addiction, or alcoholism.

(4) Has been convicted of any criminal offense involving actual or attempted personal injury or death or a violation of Chapters 3 or 4 of the Ponape District Code or any regulations adopted pursuant thereto.

(5) Has violated, caused or permitted a violation, or failed or refused to comply with any provision of Chapter 3 of the Ponape District Code or any regulations adopted pursuant thereto.

(6) Has misrepresented a material fact on his application to obtain or renew a permit.

Issuance of an alcoholic consumption permit may also be refused whenever issuance would be contrary to the public interest.

4.3 Sale to Non-Permittees Prohibited. A licensee, or his agents and employees, shall not knowingly sell, give, offer to sell or give, or otherwise dispense any alcoholic beverage at his establishment or club to any person who has not been issued and/or is not in possession of a valid alcoholic beverage consumption permit. For purposes of preventing violations of this regulation, a licensee, or his agents or employees, may require any person to produce his alcoholic beverage consumption permit before selling, giving, offering to sell or give or otherwise dispensing any alcoholic beverage to him, and the Alcoholic Beverage Control Board shall, from time to time, provide all licensees with the names of persons who have been refused such permits or whose permits have been suspended or revoked.

PART 5. ENFORCEMENT

5.1 Authority of Board Members and Board Employees. Each member of the Alcoholic Beverage Control Board shall have the authority to issue citations, make arrests and do all other things within the power of a law enforcement officer in connection with violations of Title 3 or 4 of the Ponape District Code and all regulations adopted pursuant thereto.

5.2 Inspections. Each member of the Alcoholic Beverages Control Board and Board employees shall have the right at all times, without notice and without legal process, to visit and have immediate access to every part of a licensee's establishment or club for the purpose of making an examination and inspection of manner of conducting operations and all books and records.

5.3 Revocation and Suspension of Licenses. A license or permit of any kind or class may be revoked or suspended upon concurrence of a majority of the members of the Alcoholic Beverage Control Board at a

duly called meeting on any of the following grounds:

(1) Acquittal of any criminal charge by reason of insanity.

(2) Adjudication of mental incompetency.

(3) Treatment in a hospital for mental illness, drug addiction, or alcoholism.

(4) Violation of, causing or permitting a violation of, or failure or refusal of, to comply with any provision of Chapter 3 of the Ponape District Code or any regulations adopted pursuant thereto.

(5) Conviction of any criminal offense involving actual or attempted personal injury or death or violation of Title 4 of the Ponape District Code or any regulations adopted pursuant thereto.

(6) Misrepresentation of a material fact in obtaining or renewing a license or permit.

(7) Continuation of a license or permit would be otherwise contrary to the public interest.

ABC BOARD - PONAPE

Amendment No. 1

Amendments to Alcoholic Beverage Control Regulations

ABC Board Regulations 4.2, Refusal of Permit, is hereby amended as follows:

(4) Has been convicted of any criminal offense with a dangerous weapon, provided that the above has occurred less than one year prior to the application for permit.

(5) Has been convicted of any section less than one year prior to the application for permit of Chapters 3 and 4 of the Ponape District Code, except 3-10 of Chapter 3; or has violated, caused or permitted a violation or failed or refused to comply with any provision of the said chapters or any regulations adopted pursuant thereto.

(7) Has been convicted of drunk and disorderly conduct less than one year prior to application for permit.

Part 4 CONSUMPTION PERMIT

4.1 Permit Required. No person shall consume any alcoholic beverage at or obtain any alcoholic beverage from any establishment or club unless he or she has been issued and is in possession of any alcoholic beverage consumption permit, except for official receptions or bona fide parties if prior written approval is granted by the District Administrator. Non-residents of Ponape who enter Ponape District with the intent to stay less than 30 days shall be exempt from the above

permit. In lieu of such permit a consumption card will be issued, for a fee of one dollar by an ABC official.

Those who stay over 30 days must have a permit. Applications for such permits shall be made to and issued by the Chief of Police, upon approval of the Alcoholic Beverage Control Board. A fee of \$5.00 for each new permit issued and \$2.50 for each duplicate permit issued in place of each lost, stolen or destroyed original permit shall be collected by the Chief of Police and deposited by the District Treasurer to be used by the ABC Board to support an office of a full-time employee to enforce said regulations. Cards must be renewed each year by paying a fee of \$3.00. All expenditures must be reviewed and authorized by the District Administrator. The permit shall contain the following information:

- (1) Permittee's name.
- (2) Permittee's address.
- (3) Date and place of birth.
- (4) Height, weight and color of hair and eyes.
- (5) Photograph.
- (6) Permittee's signature.
- (7) Approval of the Chief of Police and Chairman of the Alcoholic Beverage Control Board.

This amendment shall become effective three days after filing with the Clerk of Courts, Ponape District.

CERTIFICATION

This amendment has been promulgated by the Alcoholic Beverage Control Board this 7th day of July, 1972.

DARO WEITAL
Chairman

This amendment has been approved by me as District Administrator, Ponape District, 7th day of July 1972.

Harry U. Brown
Acting District Administrator

RECORDING

Filed this 10th day of July 1972.

Clerk of Courts, Ponape District

5.4 Hearing Procedures. A licensee shall be given at least ten (10) days' written notice of any proposed suspension or revocation of his license, delivered to him

personally or by registered mail, and shall be entitled to personally present, with or without counsel, at the hearing thereon before the Alcoholic Beverage Control Board and present such evidence as he desires on the issue.

PART 6. PENALTIES

Pursuant to the provisions of Section 3-16, Chapter 3 of the Ponape District Code, every person who shall be in violation of any of these regulations shall be deemed guilty of a criminal offense, and upon conviction thereof, shall be fined not more than one hundred dollars (\$100) or imprisoned not more than six (6) months or both.

PART 7. EFFECTIVE DATE

These regulations shall become effective ten (10) days after filing with the Clerk of Courts, Ponape District.

CERTIFICATION

These regulations have been promulgated by the Alcoholic Beverage Control Board this 2nd day of February 1972.

DARO WEITAL
Chairman

These regulations have been approved by me as District Administrator, Ponape District, this 2nd day of February 1972.

J. Boyd Mackenzie
District Administrator

RECORDING

Filed this 1st day of May 1972.

Assistant Clerk of Courts, Ponape District

ABC BOARD - PONAPE

Amendment No. 2

Amendments to Alcoholic Beverage Control Regulations

Part 4. CONSUMPTION PERMIT. 4.1 Permit Required. No person shall consume any alcoholic beverage at any establishment, club or elsewhere within Ponape District, or obtain any alcoholic beverage from an establishment or club within Ponape District, unless he or she has been issued and is in possession of a valid alcoholic beverage consumption permit, except at official receptions, parties, dinners, or other similar affairs

sponsored by a branch, including any executive department or agency, of the Trust Territory Government or the government of any political subdivision thereof, or at bona fide private parties, dinners or any similar affairs, whether held at an establishment, club or elsewhere within Ponape District, if prior written approval for such consumption at the governmental or private affair is granted by the District Administrator.

Part 5. ENFORCEMENT. 5.1 Authority of Board Members and Board Employees. Each member of the Alcoholic Beverage Control Board and Board Inspectors shall have the authority to issue citations, make arrests and do all other things within the power of a law enforcement officer in connection with violations of Title 3 or 4 of the Ponape District Code and all regulations adopted pursuant thereto.

This Amendment shall become effective 3 days after filing with the Clerk of Courts, Ponape District.

CERTIFICATION

This Amendment has been promulgated by the Alcoholic Beverage Control Board this 10th day of October, 1972.

Daro Weital, Chairman

This Amendment has been approved by me as District Administrator, Ponape District, this 2nd day of November, 1972.

Leo A. Falcam
District Administrator

RECORDING

Filed this 2nd day of November, 1972.

Asst. Clerk of Courts, Ponape District

TRUST TERRITORY OF THE PACIFIC ISLANDS
Office of the District Administrator
Truk, Eastern Caroline Islands 96942
PUBLIC PARKS AND HISTORICAL SITES
REGULATIONS
CHAPTER I

TRUK LAGOON DISTRICT MONUMENT

PART 1. GENERAL PROVISIONS

1.1 Authority. These regulations have been promulgated by the District Administrator, Truk District, in accordance with Sections 5 and 6 of Truk District Law 21-5, and shall have, including any amendments thereto, the force and effect of law.

1.2 Purpose. These regulations are designed to facilitate the administration, protection and development of the Truk Lagoon District Monument.

1.3 Definition of the Truk Lagoon District Monument. The Truk Lagoon District Monument consists collectively of all ships, other vessels and aircraft, and any and all parts thereof, which formerly belonged to or were a part of the armed forces of Japan and were sunk to or otherwise deposited on the bottom of the Truk Lagoon prior to December 31, 1945.

1.4 Authorized Representative. The District Economic Development Officer, Truk District, is designated as the authorized representative of the District Administrator, Truk District, for the purpose of administering Truk District Law 21-5 and these regulations.

PART 2. PERMITS TO EXAMINE

2.1 Permit Required. All persons who dive to or by any other means seek and obtain access to any Japanese ship, other vessel or aircraft, or any and all parts thereof, located in the Truk Lagoon and part of the Truk Lagoon District Monument, for the purpose of examination or gathering any object or objects therefrom, shall first obtain a permit therefor from the District Economic Development Officer.

2.2 Qualifications of Permittee. No permit shall be issued to any person who intends to engage in scuba diving or other manner of diving to any Japanese ship, other vessel or aircraft, or any and all parts thereof, located in the Truk Lagoon and part of the Truk Lagoon District Monument, without presenting a duly issued and valid certificate of qualification or other satisfactory evidence of qualification to the District Economic Development Officer; provided, however, that the District Economic Development Officer may, in his discretion, issue a permit to any person not having such satisfactory evidence of qualification who agrees to dive only when accompanied by a licensed Trukese Diving Guide.

2.3 Scope of Permit. The permit shall allow examination only of the Japanese ships, other vessels, and aircraft, or any and all parts thereof, located in the Truk Lagoon and part of the Truk Lagoon District Monument, unless the gathering or removal of objects therefrom is approved specifically by the District Administrator or District Economic Development Officer, Truk District. Any such authorized gathering or removal of objects shall be in writing, which shall describe the objects with particularity and must be attached to the permit to examine.

2.4 Fees. A fee of not more than two dollars (\$2.00) may, in the District Economic Development Officer's discretion, be charged for issuance of any permit. Any fee collected shall be used to promote and develop diving activity or to construct, purchase, and maintain

diving facilities in Truk District, subject to use for any necessary and proper expense in administering Truk District Law 21-5 and these regulations.

PART 3. SAFETY REQUIREMENTS

3.1 Safety Rules Prescribed. The following safety rules and precautions shall apply to all scuba diving or other diving to any Japanese ship, other vessel or aircraft, or any and all parts thereof, located in the Truk Lagoon and part of the Truk Lagoon District Monument.

(a) No Night Diving. Diving at night shall not be done without the prior written permission of the Harbor Master, who is the District Director of Public Works, Truk District.

(b) Buddies. Diving shall not be done without at least one "buddy."

(c) Underwater Lights. Divers shall at all times carry an underwater light while diving.

(d) Entry into Ships. Divers shall not enter the holds, cabins or other portions of any ship or other vessel without first knowing where they are going and how to get out. Use of a rope or other means as a guide is encouraged wherever possible.

3.2 Additional Safety Rules. The District Economic Development Officer may issue and publish other rules and regulations as he may determine are desirable or necessary from time to time to promote safe diving.

PART 4. PENALTIES

Pursuant to the provisions of Section 7 of Truk District Law 21-5, any person who shall violate any of these regulations shall be deemed guilty of a misdemeanor and, upon conviction thereof, shall be fined not more than one thousand dollars (\$1,000) or imprisoned for a period of not more than six months, or both.

PART 5. PUBLICATION

The District Economic Development officer shall post these regulations, and any amendments thereto, or a summary thereof, conspicuously at such public places and utilize such other means as he determines is best suited to inform the public generally and prospective divers specifically of their contents and purposes.

PART 6. EFFECTIVE DATE

These regulations shall become effective on the first day of May, 1972.

CERTIFICATION

Pursuant to the authority vested in me as District Administrator, Truk District, and in accordance with Sections 5 and 6 of Truk District Law 21-5, these regulations hereinabove set forth have been promulgated and approved by me this 5th day of April, 1972.

Juan A. Sablan
District Administrator

YAP FISHING AUTHORITY LOAN FUND REGULATIONS AND POLICIES

I. Introduction

These regulations have been promulgated by the Yap District Fishing Authority with the approval of the District Administrator, Yap District, in accordance with Section 10 of Trust Territory Public Law 5-21.

II. Administration

A. Fishing Cooperative Associations of the Yap District shall serve as the initial receiving and screening bodies for loan applications by their members. The following procedures must be followed:

1. Each member desiring a loan from the Yap District Fishing Authority shall submit his loan application to the Board of his Association.

2. The Association shall proceed to review his application and may require of the member any pertinent or necessary documents.

3. In reviewing all applications, particular care must be taken to establish the character, fishing knowledge and experience, ability and fiscal responsibility of the applicant member as reliably as possible.

4. Upon approval of the loan application by the Association, the application shall be submitted to the Authority with all pertinent comments and recommendations for final review and consideration.

5. The Association as a fishing cooperative association may also submit a loan application to the Authority for its own purposes.

B. The Yap District Fishing Authority shall consist of those persons designated in Section 10(2) of Public Law 5-21. These members shall comprise the Board of Directors of Yap District Fishing Authority and in the management of the loan fund they shall carry out the basic intent and purpose of Public Law 5-21. In so doing the Board shall:

1. Give primary regard for the economic and fiscal soundness of the applicant's proposed operation and for the character, integrity and ability of the applicant to repay the loan; and, secondarily, for the valuation and worth of the collateral offered, if any.

2. Provide financing for productive purposes.
3. Provide managerial and administrative advice and assistance to the extent of its capabilities.

III. Criteria for Loan Eligibility

A. The following requirements shall apply before the Yap District Fishing Authority will consider a loan application:

1. The application must be made by more than one fisherman.
2. Fishing must be the primary source of income of the applicants, and they must be members in good standing of a fishing cooperative association in Yap District.
3. If the loan applicant is a fishing cooperative, that cooperative must be chartered by the High Commissioner to operate in the district of Yap.
4. The loan application shall clearly and specifically state the purpose for which the loan is desired.
5. Loans may only be made for the purpose of initiating or increasing the fishing activities of the fishing cooperative association or its members.

IV. Terms and Conditions

A. Conditions for the granting of loans shall be as follows:

1. Three Thousand Dollars (\$3,000) is the maximum amount allowable for a loan to any group or association borrower. However, at the discretion of the Board of Directors of the Authority, a larger loan may be considered under unusual circumstances.
2. Applicants with an outstanding loan or loans amounting to Five Thousand Dollars (\$5,000) or more with the Government or commercial lending institutions shall be required to obtain secured loan from the Yap District Fishing Authority Loan Fund. Applicants with outstanding loan balances of less than Five Thousand Dollars (\$5,000) may be required to furnish security if it is determined that their financial ability is insufficient to repay the Fishing Authority loan in a timely manner.
3. Subsequent to the granting of a loan, the Board of Directors may require the borrower to accept technical advice, including managerial and accounting assistance, to assure proper utilization of the proceeds.
4. The maximum term of any loan may not exceed two (2) years.

B. Interest rates will be charged on the amount of the loan principal outstanding on a simple interest rate basis. Payments will be made on a monthly basis unless special arrangements are approved by the Board of Directors. Interest rates will be charged as follows:

1. Loans of One Thousand Dollars (\$1,000) and up to Three Thousand Dollars (\$3,000) will accrue interest at the rate of three percent (3%) per annum.

2. Loans of One Thousand Dollars (\$1,000) or less but advanced for a period of less than one year will accrue interest at the rate of one percent (1%) per month.

3. The Board may establish special interest rates for loans made as working or operational capital for fishing cooperative associations.

C. Secured Loans may be required by the Board where it deems necessary; collateral may take the form of real property, savings, stocks and equipment. The Board may request the District Department of Lands and Surveys to establish the value of real property and to certify its tenure.

D. Disbursement of loan proceeds may be made directly to the vendor, to the member, or to the cooperative by the Board.

E. Repayment of loans shall be made as follows:

1. Repayment by individual fisherman borrowers shall be no less than thirty percent (30%) of the proceeds from the total monthly sales of his fishery products entered by his fishing cooperative association. The sums, which shall be deducted by his association, shall be forwarded every month to the Yap District Fishing Authority. In the event that a fisherman borrower will not be able to make the repayment through his proceeds, he shall be required to make the remainder of his repayment in cash to the association.

2. Repayment by an association shall be made in cash directly to the Yap District Fishing Authority.

F. Grace Period may be allowed by the Board for good reason for a period of up to six (6) months at the commencement of the loan period, but interest will accrue at established rates.

G. Moratorium on Payments may, upon request by a member or the Association, be granted by the Board for a period of no more than three (3) months. A request for a moratorium may only be considered for very unusual circumstances or serious illness. Interest will continue to accrue at established rates during this period.

V. Controls and Remedial Actions

A. Investigation and Audit. The Board may instruct the Manager or other representative of the Board or may contract with a qualified person or make other arrangement, to investigate or audit the accounts of any borrower from the fund in order to ascertain:

1. Whether there is evidence or indication of impending difficulties that might prevent the borrower from repaying the loan in accordance with the loan agreement.

2. Whether the loan has been used for the purpose for which it was granted.

3. Whether management or other assistance is needed to improve the operation.

B. Fraudulent Application

In the event a loan is made on the basis of what appears to be fraudulent or false information, the Board, upon learning of

such applicant on, shall refer the matter to the offices of the District Attorney for appropriate action.

VI. These regulations shall take effect upon the approval of the District Administrator.