

## EXECUTIVE ORDER NO. 181

*Establishing a Joint Task Force of the National Government and Ngardmau State Government to Address Improvements to and the Expansion of the Port of Ngardmau and to Study the Feasibility of Establishing a Free-trade Zone Within the State of Ngardmau And to Make Appropriate Recommendations Based on Such Study*

**WHEREAS**, Article VI of the Constitution of the Republic of Palau declares it to be the responsibility of the National Government of the Republic of Palau to promote the national economy; and

**WHEREAS**, the national economy is best promoted by ensuring that each state, region, and sector of the Republic of Palau optimizes the allocation and use of its respective resources and reaches its own full economic potential, subject to the need to protect environmental quality; and

**WHEREAS**, various leaders from the National Government and the Ngardmau State Government have suggested that the optimal use of resources of Ngardmau State would include and be furthered by the creation of a free-trade zone in that State; and

**WHEREAS**, the Fourth Kelulul Ngardmau in its Thirty-Seventh Special Session adopted a resolution (hereinafter, "Resolution 4-17-00") requesting that a task force be formed to study the feasibility of establishing a free-trade zone in Ngardmau State and to make recommendations based on such study; and

**WHEREAS**, Resolution 4-17-00 urges that the above-referenced task force be a joint task force comprised of National Government, Ngardmau State Government, Association of Governors, and private sector representatives; and

**WHEREAS**, the establishment of a task force as suggested by Resolution 4-17-00 appears to be an appropriate function of the duties of the National Government to promote economic development and is within the authority of the President pursuant to Article VIII of the Constitution of the Republic of Palau and Title 2 of the Palau National Code,

**NOW, THEREFORE**, IT IS HEREBY ORDERED that there be, and hereby is, established the "Joint Task Force To Study the Feasibility of Establishing a Free-Trade Zone in Ngardmau" (hereinafter "Task Force") with the following characteristics, powers, and duties:

1. Composition

The Task Force shall be composed of nine members allocated according to the following schedule:

a. two (2) members shall be selected by, shall represent, and shall serve at the will of the President;

b. three (3) members shall be selected by, shall represent, and shall serve at the will of the Governor of Ngardmau;

c. two (2) members shall be selected by, shall represent, and shall serve at the will of the Association of Governors; and

d. two (2) members shall be selected by, shall represent, and shall serve at the will of the Olbiil Era Kelulau.

2. Time for Appointments/Organizational Meeting

a. The various nominating bodies shall notify the President of the identity of their nominees within fifteen (15) days of the effective date of this Executive Order.

b. The President shall call the first meeting of the Task Force, which meeting shall undertake appropriate organizational measures and shall occur not later than twenty (20) days from the effective date of this Executive Order.

3. Duties of the Task Force

a. The Task Force shall undertake a comprehensive review of the existing conditions and facilities of the port of Ngardmau and identify options for expansion and improvement of the port.

b. The Task Force shall undertake a comprehensive study of the feasibility and advisability of establishing a free-trade zone in Ngardmau, taking into account all relevant factors, including, but not limited to, the existing demand for the use of the Ngardmau port, the existing marine facilities at Ngardmau port, the existing tax, duty and customs regimes in place for use of the Ngardmau port, the need for legislative changes or initiatives to create the free trade zone, the estimated change in demand for the use of the Ngardmau port if the free-trade zone is established, the ability to effectively respond to any anticipated increase in demand on the existing facilities at Ngardmau port resulting from the creation of the free-trade zone, reasonably anticipated costs in improving facilities at Ngardmau port to accommodate increased usage, reasonably anticipated increases in businesses and/or employment resulting from creation of the free-trade zone, and the reasonably anticipated impact on National and State Government revenues resulting from creation of the free-trade zone.

c. The Task Force shall consult with and enlist the aid of knowledgeable persons in both the public sector and the private sector in gathering and analyzing data relevant to its review of the port of Ngardmau and its study of the feasibility and advisability of the creation of a free trade zone in Ngardmau State.

d. The Task Force shall work with the National Government to obtain any technical and/or financial assistance which might be available from outside the Republic, either from other governments or from international organizations, for gathering and analyzing data or for

completing any other duty of the Task Force.

e. Based on the results of its review and study, the Task Force shall prepare a report of its conclusions, including in such report the options for expanding and improving the port of Ngardmau, the likely costs and impacts of doing so, the Task Force's views of the feasibility of establishing a free-trade zone in Ngardmau, the desirability of doing so, what barriers or impediments to doing so currently exist and how they could be overcome, suggested drafts of any legislation which would be required to create the free-trade zone, and suggestions for a process for actual creation and operation of the free-trade zone.

4. Financing of Task Force Operations

No member of the Task Force will be compensated for efforts associated with the operation of the Task Force. Each office, agency, and employee of the National Government is hereby directed to cooperate fully with the Task Force, including, but not limited to, by providing assistance in locating and obtaining information, by providing requested data free of any copying fees or other charges, and by allowing the Task Force reasonable access to and use of facilities for Task Force meetings. Financial assistance from foreign governments or international organizations may be sought by or on behalf of the Task Force in order to further the Task Force's operations, provided that all such assistance shall be in the form of grants to either the National Government or Ngardmau State Government and shall be specifically earmarked for the purposes and functions of the Task Force. Nothing herein shall be construed to prevent either a request for appropriations or the actual appropriation of funds for the operations of the Task Force. The Task Force shall maintain full and complete records of all funds received, including the identity of the source of such funds, and all expenditures made in the course of its operations.

5. Life Span of Task Force

The Task Force shall submit its conclusions and report to the President, the presiding officers of the Olbiil Era Kelulau, the Governor of Ngardmau, the Kululul Ngardmau, and the Association of Governors no later than September 30, 2000. Unless otherwise set forth in a future Executive Order, the Task Force will disband no later than thirty (30) days thereafter.

***SO ORDERED THIS 20<sup>th</sup> DAY OF JULY, 2000.***

Kuniwo Nakamura  
President of the Republic of Palau