

## EXECUTIVE ORDER NO. 192

*Re-establishing a Task Force composed of the National Government, the Ngardmau State Government, the Association of Governors and the Olbiil Era Kelulau to address the feasibility of establishing a free-trade Zone in Ngardmau State*

**WHEREAS**, Executive Order No. 181 established a Joint Task Force to study the feasibility of establishing a Free-trade Zone in Ngardmau State; and

**WHEREAS**, Executive Order No. 181 expired without final conclusions or recommendations on the feasibility of establishing such a free-trade zone; and

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

**WHEREAS**, various leaders from the National Government and the Ngardmau State Government have recommended that the optimal use of the 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 the National Government, the Ngardmau State Government, the 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 a "Ngardmau Free-trade Zone Task Force" (hereinafter "Task Force") as formerly established in Executive Order No. 181, 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 members shall be selected by, shall represent, and shall serve at the will of the President;

b. Three members shall be selected by, shall represent, and shall serve at the will of the Governor of Ngardmau;

c. Two members shall be selected by, shall represent, and shall serve at the will of the Association of Governors; and

d. Two 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 the 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 market sought by creating a free-trade zone 'in Ngardmau;
- The current demand for the use of the Port of Ngardmau;
- The current marine facilities at the Port of Ngardmau;
- The current tax, duty and customs regimes in place for the use of the Port of Ngardmau;
- The need for legislative action to create the Ngardmau free-trade zone;
- The estimated change in demand for the use of the Port of Ngardmau if the free-trade zone is established;
- The environmental impact of establishing a free-trade zone in Ngardmau;
- The ability to effectively respond to an anticipated increase in the demand on the existing facilities at the Port of Ngardmau resulting from the creation of the free-trade zone;
- The anticipated costs required to improve the Port of Ngardmau facilities to accommodate increased usage;
- The anticipated increases in businesses and/or employment resulting from the creation of the free-trade zone in Ngardmau; and
- The anticipated impact on the National Government and the Ngardmau State Government revenues resulting from creation of the free-trade zone.

c. The Task Force shall consult with and enlist the aid of knowledgeable individuals in both the public and private sectors, domestic or otherwise, 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 Nation [sic] Government to obtain any technical and/or financial assistance that 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 and recommendations, including the following:

- The available options for expanding and improving the Port of Ngardmau;
- The anticipated costs and impacts of such expansion;
- The feasibility and desirability of establishing a free-trade zone in Ngardmau;
- The existing and future barriers or impediments to establishing a free-trade zone in Ngardmau and recommendations as to how such impediments can be overcome;
- Recommended draft legislation required to create the Ngardmau free-trade zone;
- Recommend Environmental protection measures to be included in the draft legislation; and
- Recommendations for a comprehensive process to establish a Ngardmau free-trade zone that includes anticipated time frames and costs.

#### **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 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. Reports to the President**

a. Periodic Reporting. The Task Force shall report to the President every two months after the effective date of this Order on the progress made on establishing Ngardmau as a trade-free zone.

b. Final Report. The Task Force shall provide a comprehensive final report to the

President, no later than March 31, 2002, summarizing its findings and recommendations regarding the establishment of Ngardmau as a trade-free zone.

**6. Term of Task Force**

The Task Force shall continue in existence until a final report has been presented to the President, or as otherwise ordered.

*IN WITNESS WHEREOF*, I have hereunto set my hand and affixed my official seal this 27<sup>th</sup> day of March, 2001, at the State of Koror, Republic of Palau.

Tommy E. Remengesau, Jr.  
President of the Republic of Palau