

AN ACT

To exempt certain contracts and acts related to the power plant proposed by International Power Systems Company, Limited, from certain laws, to appropriate funds for the project, and for related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

1           Section 1. Legislative findings and purposes.

2           (a) In Senate Joint Resolution Nos. 53, 126, and 205, the Olbiil  
3 Era Kelulau has declared the generation and reliable transmission of  
4 electrical power insufficient to meet the needs of the Republic of Palau  
5 and are matters of the highest national importance.

6           (b) In order to achieve these objectives the Republic of Palau  
7 desires to enter into agreements with suppliers, financial institutions  
8 and other parties for the construction, operation and financing of a power  
9 station, fuel storage facility, transmission system, and related facilities  
10 (herein referred to as "the project").

11           (c) Senate Joint Resolution No. 205 expressed approval of a  
12 proposal for the Republic of Palau to enter into contracts with IPSECO  
13 International Power Systems, Ltd. (IPSECO) to implement the project and  
14 requested the President of Palau to introduce such legislation as is  
15 necessary to implement this proposal.

16           (d) The Olbiil Era Kelulau determines that RPPL 1-20 does not  
17 authorize the President to enter into contracts relating to the project  
18 and that the President of the Republic of Palau should be provided with  
19 specific statutory authority to enter into and implement such agreements  
20 as may be necessary for the project.

21           (e) It is the intention of the Olbiil Era Kelulau that this legis-  
22 lation grants to the President of the Republic of Palau all necessary

1 authority to implement the project and supercedes any provision of existin  
2 legislation that is inconsistent herewith.  
3

1 Section 2. Grant and delegation of authority; ratification;  
2 approval.

3 (a) The President of the Republic of Palau is hereby empowered,  
4 for, on behalf of, and in the name of the Republic of Palau to enter into  
5 agreements for the construction, operation and financing of the project  
6 including but not limited to agreements with IPSECO and with private or  
7 public lenders providing for the borrowing of money, the establishment of  
8 lines of credit and the furnishing of guarantees in relation thereto;  
9 provided, however, that the President shall not be authorized to enter into  
10 any contract for the construction of the project until he first announces  
11 his intention to provide for the immediate financing and construction of  
12 transmission lines to each of the 10 states of Babeldaob.

13 (b) The grant of authority in subsection (a) shall include the  
14 power (I) to enter into any loan, guarantee or other agreement with any  
15 foreign government or foreign governmental entity as required in connection  
16 with the project; ~~\*and (II) to waive the immunity of the Republic of Palau~~  
17 ~~from suit, attachment or execution to such extent as the President shall~~  
18 ~~determine consistent with the constitution.~~

19 (c) The President may delegate to the Vice President the power to  
20 enter into such agreements as are authorized under this act.

21 Section 3. Reconciliation with other laws. Any agreement  
22 authorized hereunder may be executed and implemented irrespective of any  
23 provisions of Sections 105 and 107 of the Palau District Code, Public Law  
24 No. 6-108, Public Law No. 7-5-4, Public Law No. 7-6-1, RPPL No. 1-16, and  
25 RPPL No. 1-20 or any other existing laws, rules, or regulations which may  
26 be in conflict therewith.

1           Section 4. Authorizati on.

2           There is hereby authorized to be appropriated from the National  
3 Treasury such sums as may be necessary to finance the costs of the project

4           Section 5. Revolvi ng fund Appropriati on.

5

1 (a) There is created within the National Treasury, a special  
2 revolving fund, to be called the "Power Plant Fund", into which net  
3 revenues from the project shall be deposited and from which all expendi-  
4 tures for the repayment of principal or interest on any loans made under  
5 the authority granted in this Act shall be made, without fiscal-year  
6 limitation.

7 (b) There is hereby appropriated to the Minister of Administration  
8 such sums as may be necessary to repay all principal and interest on any  
9 loans made under the authority granted in this Act in Fiscal Year 1983  
10 and thereafter until all loans are extinguished, without fiscal-year  
11 limitation.

12 (c) The Director of the Bureau of National Treasury shall  
13 administer the Power Plant Fund.

14 (d) If the Director of the Bureau of National Treasury determines  
15 that the moneys of the Fund are in excess of current needs, he may request  
16 the investment of such amounts by the Minister of Administration.

17 (e) The Director of the Bureau of National Treasury shall submit  
18 to both houses of the Olbiil Era Kelulau within 15 days after the beginning  
19 of each calendar quarter, a full and complete report on the status of the  
20 Power Plant Fund.

21 Section 6. Effective date. This Act shall take effect upon the  
22 approval by the President of the Republic of Palau, or upon its becoming  
23 law without such approval, unless otherwise provided by law.

PASSED: April 21, 1983

/s/ \_\_\_\_\_  
Carlos H. Salii, Speaker

/s/ \_\_\_\_\_  
Kaleb Udoi, President

RPPL NO. 1-54  
(Introduced as H. B. No.  
1-0247-10, HD1, HD2)

---

---

House of Delegates

The Senate

Approved this 22<sup>nd</sup> day of April, 1983.

/s/ \_\_\_\_\_  
Haruo I. Remel i i k, President  
Republic of Pal au

*\*Suspended on May 5, 1983 by Hi com per Sec. Order 3039.*