

USG 9/18/72

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TITLE VI
TRADE AND COMMERCE

Micronesian
Control of
Imports

Section 601

The Government of Micronesia may establish, change or eliminate import duties and other regulations including internal charges, laws and conditions governing the importation of and commerce in goods from outside of Micronesia, subject only to compatibility with relevant United States international obligations, other provisions of this Compact and other agreements between Micronesia and the United States.

03 - 024119

USA 9/19/72

TITLE VI⁷
TRADE AND COMMERCE

Treatment
of Micronesia
Goods

Section 602

The Government of the United States will grant to Micronesian goods treatment no less favorable than that extended to any other non-United States goods.

024120

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FALLBACK

Section 602
502

The Government of Micronesia shall accord to goods and commerce from the United States from whatever place and by whatever type of carrier arriving, treatment no less favorable than that accorded like products [of any third country] in all matters relative to: (a) customs duties, as well as other charges, regulations and formalities levied upon or in connection with importation and exportation; and (b) internal taxation, sale, distribution, storage and use. The same rule shall apply with respect to the international transfer of payments for imports and exports.

024121

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TITLE VI

TRADE AND COMMERCE

Treatment of Section 603
U.S. Goods

The Government of Micronesia will grant to United States goods, treatment no less favorable than that extended to any other non-Micronesian goods.

024122

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⁶⁰³
Section 503

1. The Government of the United States shall accord to goods and commerce from Micronesia ~~[from whatever place and by whatever type of carrier arriving]~~ treatment no less favorable than that accorded like products of any third country in all matters relative to: (a) customs duties, as well as other charges, regulations and formalities levied upon or in connection with importation and exportation; and (b) internal taxation, sale, distribution, storage and use. The same rule shall apply with respect to the international transfer of payments for imports and exports.

2. All articles the growth or product of Micronesia, or manufactured or produced in Micronesia which do not contain foreign materials to the value of more than 50 percent of their total value, coming to the customs territory of the United States directly and all articles previously imported into the customs territory of the United States with payment of all applicable duties and taxes imposed upon or by reason of importation which were shipped from the United States without remission refund or drawback of such duties or taxes directly to Micronesia from which they are being returned by direct shipment, are exempt from duty.

024123

⁶⁰³
Section 503 continued

3. In determining whether an article produced or manufactured in Micronesia contains foreign materials to the value of more than 50 percent, no material shall be considered foreign which, at the time such article is entered, may be imported into the customs territory from a foreign country and entered free of duty.

4. Articles excepted from the provisions of Section 503, paragraph 2 above are:

(Watches)

(Tuna)

(Textiles)

(Shoes)

(Petroleum)

(Other)

024124

TITLE VI
TRADE AND COMMERCE

Aviation and Section 604
Maritime
Commerce

(a) In the exercise of its authority and responsibility under Section 201(a), the Government of the United States will apply to Micronesia and the Government of Micronesia will enforce appropriate international treaties, agreements and standards which relate to air and maritime commerce.

(b) The Government of the United States agrees to obtain the consent of the Government of Micronesia before granting any new authority to any United States or foreign air carrier for international air commerce to or from Micronesia, except for aircraft operated for or under the control of the Government of the United States in connection with activities under Title III.

(c) The Government of Micronesia will be responsible for the regulation of domestic air and maritime commerce between points wholly within the territory of Micronesia.

Section 604

A. Mr. de Graffenried proposes following language as possible fallback. Softer tone than original, which follows format given to Micronesians in August.

"(a) International air and maritime commercial treaties and agreements may be extended to Micronesia pursuant to the provisions of Titles II and V.

"(b) Applicable international standards and regulations shall be enforced by the Government of Micronesia.

"(c) All air and maritime commerce conducted wholly within Micronesia shall be under the authority of the Government of Micronesia, except for aircraft operated for or under the control of the Government of the United States in connection with activities under Title III.

Foreign and international air and marine commerce shall be under the authority of the Government of the United States; provided however, that no new authority shall be granted to any United States or foreign air carrier for international air commerce to or from Micronesia without the prior consent of the Government of Micronesia."

B. Interior may propose additional language concerning services wholly within Micronesia.

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