

AGREED DRAFT July 12, 1974

Section 603

(a) The Government of Micronesia shall have the power to regulate domestic air and maritime commerce between points each of which is within Micronesia to the extent that such regulation does not conflict with the treaties and international agreements applicable to Micronesia pursuant to Section 501(a) and the authority of the United States pursuant to Title II of this Compact and does not conflict with appropriate regulations of the Federal Aviation Agency.

(b) The Government of the United States shall obtain the consent 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.

Section 604

The currency of the United States will continue to be the official legal tender for Micronesia until such time as the Government of Micronesia acts to institute its own currency. The terms and conditions of an appropriate currency transitional period shall be as mutually agreed.

TITLE VII

Citizenship and Nationality

Section 701

Every person who is a citizen of the Trust Territory of the Pacific Islands on the day preceding the effective date of this Compact, or who thereafter becomes a citizen of Micronesia by birth, and who has not taken

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