

Utilities Consolidation Act, RPPL No. 9-04 2013

PALAU

To merge the water and sewer utilities of the Republic under the umbrella of the Palau Public Utilities Corporation, and for other related purposes.

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

Section 1. Short Title.

This Act shall be known as and may be cited as, “The Utilities Consolidation Act.”

Section 2. Government Corporation Merger. The government owned corporation known as the Palau Water and Sewer Corporation, which was created by RPPL No. 8-31, is to be merged into the government owned public corporation known as the Palau Public Utilities Corporation, which was created by RPPL No. 4-13. The merger set forth in this section shall take place in accordance with this Act.

Section 3. Amendment. Section 29 of RPPL No. 8-31 is hereby amended to state as follows:

“Section 29. Effective Date.

A. The provisions of this Act shall, after being signed into law by the President or otherwise becoming law without being signed by the President, come into effect by

Executive Order of the President to that effect, and the President may order that certain provisions of this Act shall take effect at different times.

B. The President may make any Executive Orders which are consistent with this Act and necessary for its effective implementation, and for the establishment of the PWSC and the commencement of its operations, including arrangements for the engagement of management expertise in the transitional phases.

C. This Act shall cease to have legal effect, or sunset, on the date that a bill to merge the Palau Water and Sewer Corporation into another entity becomes law.”

Section 4. Amendment. RPPL No. 4-13, as amended, and codified in Chapter 4 of Title 37 of the Palau National Code, entitled, “Palau Utilities Corporation,” also known as the Palau Public Utilities Corporation, or “P.P.U.C.,” is hereby stricken and replaced with Section 5 of this Act.

Section 5. Amendment. Chapter 4 of Title 37 of the Palau National Code, entitled, “Palau Utilities Corporation,” also known as the Palau Public Utilities Corporation, shall be inserted and state as follows:

“Chapter 4

Table of Contents

Palau Public Utilities Corporation

§ 402. Definitions.

§ 403. Creation of corporation; general provisions.

§ 404. Board of directors; terms, vacancies, quorum and compensation.

- § 405. Public meetings and official documents.
- § 406. Chief Executive Officer.
- § 407. Review of contracts.
- § 408. Review of major business negotiations.
- § 409. Fiscal authority of corporation; audits.
- § 410. General Corporate Powers.
- § 411. Powers and responsibilities of PPUC.
- § 412. Rates; rate making process.
- § 413. PPUC funds.
- § 414. Cross-subsidization prohibited.
- § 415. Prohibition of free or discounted services.
- § 416. Tampering; unauthorized connections; penalties
- § 402. Definitions.

In this chapter:

(a) “Board” means the Board of Directors of the Palau Public Utilities Corporation.

(b) “Charges” include all forms of revenue derived by the PPUC from users of electricity, water, waste water services, installation fees, service reconnection fees, equipment fees, demand rates, and any other similar services provided by PPUC to the public for a fee that generates revenue for PPUC.

(c) “Cost of capital” means the cost to the corporation that consists of the cost of debt and the cost of equity, except for depreciation expenses of donated assets.

(d) “Customer” or “user” means any natural person, individual, clan, association, business, partnership, company, joint venture, corporation, government entity, non-profit organization, or any other legally cognizable entity.

(e) “Production costs” means the cost incurred by PPUC when producing a service.

(f) “Public corporation” means an entity wholly-owned by the national government, doing business as a corporation formed under the laws of the Republic.

(g) “Rates” means the dollar amounts charged for electricity, water, or waste water services to particular users or class of users according to the approved tariff schedules.

§ 403. Creation of corporation; general provisions.

(a) There is created a public corporation, to be called the Palau Public Utilities Corporation (PPUC), which shall operate in the form and manner prescribed by this chapter.

(b) PPUC is exempt from all national and state taxes or fees and from all state government regulations or control. However, nothing in this chapter shall exempt employees, suppliers, and independent contractors of PPUC from their tax obligations, and PPUC shall be liable for employees’ contributions to the Social

Security System, Medical Savings Fund, and the Civil Service Pension Plan of the Republic in a manner provided by law.

§ 404. Board of directors; terms, vacancies, quorum and compensation.

(a) The affairs of the PPUC shall be directed, and its corporate powers exercised, by a Board of Directors.

(b) All powers vested in the PPUC shall be exercised by the Board, except to the extent that this chapter or the Board delegates powers to the Chief Executive Officer of the PPUC or other persons as expressly provided therein.

(c) Composition.

(1) The PPUC Board shall consist of seven (7) voting members that shall be called "Directors," which shall be appointed by the President with the advice and consent of the Senate.

(2) Four (4) Board member positions shall be held by individuals in possession of a bachelor degree and with at least two years' experience in electric utilities management, water utility management, waste water management, finance, management, public administration, or law.

(3) A nationally elected public official or a nationally appointed public official shall not serve on the Board.

(4) An employee of PPUC shall not serve on the Board.

(5) Board members of PPUC shall not serve as employees of PPUC.

(d) Board member terms.

(1) Three (3) Board members shall serve a term of three (3) years at which time the Board member may be reappointed by the President with the advice and consent of the Senate.

(2) Two (2) Board members shall serve a term of five (5) years at which time the Board member may be reappointed by the President with the advice and consent of the Senate.

(3) Two (2) Board members shall serve a term of four (4) years at which the Board member may be reappointed by the President with the advice and consent of the Senate.

(4) Board members may be reappointed for three (3) years at which Board members shall not serve longer than 3 consecutive terms.

(e) Removal of a Board Member. A Board member may resign or be removed prior to the end of term by the President of the Republic for cause, including conflict of

interest as defined in 33 PNC § 604, or where there is an abuse of power, or grievous dereliction of duty.

(f) The Board shall organize annually by electing one of its members as Chairman and another as Vice Chairman. The Chairman and Vice Chairman may be removed from office by a vote of not less than four (4) members of the Board. The Board shall designate a Secretary, who may or may not be a member of the Board itself, to keep the minutes and records of the Board.

(g) The Board shall promulgate a code of conduct and ethics that shall govern the conduct of members of the Board.

(h) Vacancies. Any member appointed to fill a vacancy on the Board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed by the President, with the advice and consent of the Senate, for the remainder of such term.

(i) Quorum. The Chairman or four (4) members of the Board may call meetings. Any four (4) members of the Board shall constitute a quorum. The concurrence of a majority of all Directors present at any meeting, and in no event, of less than a majority of a quorum shall be necessary for any official action taken by the Board unless otherwise provided herein. No vacancy in the membership of the Board shall impair the right of the quorum to exercise all of the rights and perform all of the duties of the Board.

(j) Members of the Board shall be entitled to fifty dollars (\$50) per board meeting, which shall be capped at \$500 a quarter, with compensation and per diem at established national government rates when traveling on the business of the PPUC.

§ 405. Public meetings and official documents.

General and annual meetings of the Board shall be open to the public and official documents shall be available for public inspection, including employment contracts.

§ 406. Chief Executive Officer.

(a) The Board shall appoint one (1) person to be the Chief Executive Officer of PPUC and to serve as a non-voting member of the Board. The Board shall use its best efforts to appoint as Chief Executive Officer a person with appropriate training, broad experience and demonstrated ability in the operational, financial, personnel, and other aspects of managing an electricity, water and waste water services company, or similar installation.

(b) The Board shall fix the compensation of the Chief Executive Officer and said compensation shall be pursuant to a written contract of employment. The Chief Executive Officer serves at the will of the Board.

(c) The Chief Executive Officer shall have, in accordance with the oversight of and policies established by the Board, charge and control of the operation and maintenance of the facilities of the PPUC, and of construction of any additions, modifications in or replacement of any part of such PPUC facilities. The powers of the Chief Executive Officer shall include:

(1) To ensure that all rules and regulations of the PPUC are enforced;

(2) To attend, unless excused by the Board, all meetings of the Board and submit reports on the affairs of the PPUC as required by the Board;

(3) To keep the Board advised on the needs of the PPUC and to approve demands for payments of obligations within the purposes and amounts budgeted by the Board;

(4) To prepare or cause to be prepared all plans and specifications for the construction and repair of works and facilities operated by the PPUC;

(5) To select, hire and terminate the employees of the PPUC, including to contract for professional, legal, accounting, technical and advisory services;

(6) To plan, organize, and control the services of such employees in the exercise of the powers of the PPUC under the general direction of the Board and the policies established by the Board;

(7) To cause to be compiled and published, within one hundred and twenty (120) days after the end of each fiscal year, a financial statement showing the results of operations for the preceding fiscal year and the financial status of the PPUC on the last day thereof. The publication shall be made in the manner provided by the Board and shall be sent to both houses of the Olbiil Era Kelulau and the President of the Republic; and

(8) To perform such other and additional duties as the Board may require.

§ 407. Review of contracts.

The Chief Executive Officer and the Board shall ensure that all legal agreements and contracts are reviewed and approved as to form and legality by an attorney with responsibility for assisting the PPUC or by the Attorney General.

§ 408. Review of major business negotiations.

Whenever PPUC enters into business negotiations involving the transfer of operating or managerial control to a party other than the PPUC, it shall notify the President of the Republic of Palau and the presiding officers of the Olbiil Era Kelulau in writing of these negotiations, and secure prior approval of the President and the Olbiil Era Kelulau.

§ 409. Fiscal authority of corporation; audits.

(a) PPUC shall establish and maintain records and accounts of all of its financial transactions; and shall have full charge of its financial affairs.

(b) The Public Auditor shall monitor the financial affairs of PPUC, comment on its annual financial statement as appropriate, and review its audits. The Public Auditor may, if he deems it necessary or appropriate, investigate the financial affairs of PPUC, compelling disclosure of all operations, books, records, procedures, and transactions of PPUC. The Public Auditor shall report his findings concerning PPUC to the President and the Olbiil Era Kelulau.

§ 410. General Corporate Powers.

(a) The PPUC shall have the power to do all things necessary or convenient to be done in connection with or incidental to the performance of the functions and all things related to the performance of its functions, including the following:

(1) to have succession and to sue and be sued in its corporate name;

(2) to purchase, operate, use and dispose of in any lawful manner, any type of property, whether real, personal, or mixed; and, pursuant to Article XIII, Section 7 of the Constitution, PPUC may request that the President exercise the Eminent Domain power of the National Government to expropriate private land for a public purpose of PPUC;

(3) to enter into contracts; provided that employees earning more than \$40,000 a year shall be hired on a contractual basis with performance benchmarks for a maximum of two years;

(4) to adopt and use a corporate seal;

(5) to adopt, amend, or repeal its bylaws;

(6) to obtain the services of suppliers, employees, agents, attorneys, auditors, and independent contractors upon such terms and conditions as it deems appropriate; however, no health insurance shall be provided to PPUC employees, other than Palau Health Insurance. There shall be no prohibition of private health insurance for employees acquiring such health insurance at their own expense;

(7) to investigate, research, and implement where feasible and practicable the application of appropriate renewable energy resources, including solar power, tidal power and wind generated power, and other energy sources for electricity, water and waste water services; and

(8) to carry out any other such duties or responsibilities necessary to carry out the purposes of this chapter.

§ 411. Powers and responsibilities of PPUC.

(a) PPUC shall be responsible for the electricity operations of the Republic, which shall include the following powers and responsibilities:

(1) To generate acquire, exchange, transport, distribute, market, and otherwise supply electricity;

(2) To undertake, maintain and operate any works, system, facilities apparatus, or equipment required for any purpose referred to in subparagraph (1);

(3) To utilize its expertise and resources to provide consultative, advisory or other services that will earn sufficient revenue in order to fund its operating costs, production costs, and full recovery of the cost of its capital;

(4) To develop and utilize any technology, software, or other intellectual property that relates to a function referred to in this Section;

(5) To manufacture and market any product that relates to a function referred to in subparagraph (1), (2), or (4);

(6) To undertake actions, including policies, procedures, standards, codes of practice and practice directions relating to any work intended to form part of, or to be directly or indirectly connected to any systems or works of the PPUC in providing electricity services, that will earn sufficient revenue in order to fund its operating costs, production costs, and full recovery of the cost of its capital;

(7) To adopt electricity service regulations to set electrical standards for the power system and any renewable energy systems; and

(8) To refuse any substandard connection that does not meet the requirements of subsection (7) above.

(9) PPUC shall establish and implement a structure of rates for its electrical services and facilities calculated to ensure that adequate and equitable charges are imposed for its services.

(b) PPUC shall be responsible for the water and waste water operations of the Republic, which shall include the following powers and responsibilities:

(1) To acquire, store, treat, distribute, market, and otherwise supply water for any purpose;

(2) To collect, store, treat, market, and dispose of wastewater;

(3) To undertake, maintain, and operate any works, system, facilities, apparatus or equipment required for any purpose referred to in subparagraph (1) or (2);

(4) To use its expertise and resources to provide consultative, advisory, or other services that will earn sufficient revenue in order to fund its operating costs, production costs, and full recovery of the cost of its capital;

(5) To develop and turn to account any technology, software, or other intellectual property that relates to a function referred to in subparagraph (1), (2), or (3); and

(6) To manufacture, market, and sell, any product to its consumers that relates to a function referred to in subparagraph (1), (2), or (3);

(7) To undertake actions, including policies, procedures, standards, codes of practice and practice directions relating to any work intended to form part of, or to be directly or indirectly connected to any systems or works of the PPUC in providing water and waste water services that will earn sufficient revenue in order to fund its operating costs, production costs, and full recovery of the cost of its capital;

(8) To adopt water and waste water regulations to set water and waste water standards for the water and waste water system, taking into account the potential environmental impact involved in setting such regulations;

(9) To exercise the powers provided by the Underground Utility Damage Prevention Act (37 PNC § § 501-511) as operator of the water and waste water systems, and exercise the rights and powers vested in the Director of Public Works under the Sewer Use Act (34 PNC Chapter 12); and

(10) PPUC shall establish and implement a structure of rates for its water and waste water services and facilities calculated to ensure that adequate and equitable charges are imposed for its services.

§ 412. Rates; rate making process.

(a) The rates set by PPUC for the electricity operations of the Republic that are in effect on the effective date of this act shall be the rates of PPUC on the effective date of this Act.

(b) The rates set by the Palau Water and Sewer Corporation for the water and waste water operations of the Republic that are in effect on the effective date of this Act shall be the rates of PPUC on the effective date of this Act in Airai and Koror State. All other outlying states' water rates shall be rates from 2011 until such time as determined by PPUC, that is appropriate for subsection (d) to apply in the determination of future rates for outlying states; provided that the 2011 rates shall remain in effect for the outlying states for not less than two years from the effective date of this act.

(c) Future electricity rates shall be designed on the equitable basis of meeting PPUC's operational costs and recovering the cost of capital of PPUC.

(d) Future water rates shall be assessed on the basis of quality and volume of water used. Waste water rates shall be assessed on the basis of usage and the manner of such usage. Customers may be classified for the purpose of assessing water and waste water rates in accordance with this policy. All future rates shall be designed on the basis of achieving full cost recovery, meeting PPUC's operational costs, and recovering the cost of capital of PPUC.

(e) The Board may adopt rates distinguishing between commercial and residential users, and may set preferential rates for individuals or households with low demand or low income.

(f) Rate making process. Prior to the adoption of new rates or a new rate structure, PPUC shall provide not less than thirty (30) calendar days notice of the proposed action by posting written notice at the President's Office, at the Judiciary Building, all state offices and public bulletin boards on businesses, at least once a week in a newspaper with national circulation, and announced on the radio at least four (4) times daily on ten (10) consecutive business days, within the first twenty-five days after it is posted.

(g) The notice required by subsection (e) shall include the following:

(1) The legal authority for the rate increase.

(2) A short statement that sets forth the reasons for the rate increase.

(3) The time and place of the public hearing, as required in subsection (h).

(4) Where, when, and how interested persons may present their views on the rate increase.

(h) The Board shall conduct a public hearing at which the views of the public may be heard.

(i) Only after having complied with the provisions of this Section may the PPUC Board adopt the proposed tariff schedule. All rates and charges must be in the tariff schedule, and shall be filed at the President's office. The effective date of the rates shall be the day the tariff schedule is filed at the President's office. The new tariff schedule shall also be publicized and be made available to the general public.

§ 413. PPUC funds.

(a) PPUC shall be responsible for the collection of all payments of electric, water and waste water service bills and related fees and charges of PPUC; such funds shall be deposited to one or more bank accounts established at the direction of the PPUC Board of Directors.

(b) Funds which have been appropriated by the National Government for PPUC operations subsidies, for capital improvements, or for other purposes shall be deposited to the PPUC bank account(s) by the National Treasury immediately following each quarterly allotment by the Bureau of Program, Budget and Management.

(c) U.S. Federal or other grants received in the name of the National Government on behalf of PPUC shall be the responsibility of PPUC; therefore, PPUC will be responsible for preparation of all federal reports and forms required to receive federal grant cash and account for federal expenditures and obligations. Funds received by the National Government for such grants shall be transferred to the PPUC bank account(s) immediately upon their receipt. The PPUC shall have authority to apply for and accept financial assistance from any nation or organization and deposit such funds directly to its bank account(s).

(d) The Board and the Chief Executive Officer shall have authority to expend all such monies deposited to PPUC bank accounts, including signature authority on checking and savings accounts; the National Treasury shall not have authority to withdraw funds from PPUC accounts.

(e) The Board and the Chief Executive Officer shall be responsible for insuring that all PPUC purchasing is done in accordance with generally accepted management practices and in accordance with U.S. federal regulations in the case of federal grants; that all funds are properly accounted for and expended only for necessary and proper expenses of the PPUC and, as applicable, in compliance with federal grant regulations and conditions.

(f) Any part of any Memorandum of Understanding between PPUC and the National Government which conflicts with this section shall be void.

§ 414. Cross-subsidization prohibited.

(a) Water and waste water operations shall be treated as a separate business segment from the electricity operations of PPUC. PPUC shall adopt an organizational structure delineating a chain of management for water and waste water operations that is distinctively separate from electricity operations. Shared administrative costs and expertise shall be allocated to the two separate business

segments based on the United States standard of cost accounting applicable to utilities.

(b) PPUC shall maintain two separate accounts within its general account for:

(1) the electrical generation operations of PPUC; and

(2) the water and waste water operations of PPUC.

(c) The electricity generation operation of PPUC shall not be utilized to subsidize the water and waste water operations of PPUC. The water and waste water operations of PPUC shall not be utilized to subsidize the electrical generation operations of PPUC.

(d) Any surplus revenue generated by—

(1) the electrical generation operations of PPUC shall remain in the account created for the electrical generation operations.

(2) the water and waste water operations of PPUC shall remain in the account created for the water and waste water operations.

(3) However, the Board may approve loan agreements specifying terms of repayment with interest for loans of surplus funds generated by either the water and waste water operations or electricity operation to the other operation.

(e) Any grants from an outside entity that are provided to PPUC for the electricity generation operations shall be placed into the account for the electricity generation operations. Any grants from an outside entity that are provided to PPUC for the water and waste water operations shall be placed into the account for the water and waste water operations.

(f) The electricity generation operations shall be responsible for its own operating costs and recovering the cost of its capital. The water and waste water operations shall be responsible for its own operating costs and recovering the cost of its capital.

(g) Nothing in this section shall be interpreted to prohibit the development of shared services between the electricity generation operations and the water and waste water operations that will result in lower costs to the consumer or increased revenue to the Corporation.

§ 415. Prohibition of free or discounted services.

(a) No officer or employee of the Palau Public Utilities Corporation may receive free utility service, or any discount for such service that is not generally available to customers of PPUC.

(b) The national government and state government shall not receive free or discounted services, or any other favorable treatment, unless such free or

discounted service is generally available to the customers of PPUC. Notwithstanding any other law, the national government and state government shall be charged interest for the failure to pay the bills of PPUC, including interest charges so defined in the tariff schedule of PPUC.

§ 416. Tampering; unauthorized connections; penalties.

(a) For the purposes of this section, the term “pollutant” means any liquid, gaseous, or solid substance that contaminates the water so as to change the physical or chemical condition of it in such a manner as to make the water unclean, noxious, offensive, or impure, or so as to be detrimental to the health, safety, or welfare of persons using, consuming, or residing in the vicinity of the water.

(b) Any person who knowingly and willfully—

(1) discharges or introduces any pollutant into a water system of the PPUC or any water source used by the PPUC for the water it supplies, or who causes or permits another person to so discharge or introduce a pollutant; or

(2) tampers, interferes with or damages any pipes, fittings or appliances forming part of a water supply or waste water system so as to interfere with the supply or service, or who causes or permits another person to so tamper, interfere or damage; then

(3) such person shall be guilty of a misdemeanor, and upon conviction thereof, shall be imprisoned for a period of not more than one year, or fined not less than \$100.00 or more than \$1,000.00 per day of violation, or both.

(c) Any person who knowingly and willfully tampers with an electrical generator, power line, or other infrastructure that is owned by PPUC shall be guilty of a misdemeanor and imprisoned for a period of not more than five (5) years, or fined not less than \$100.00 nor more than \$1,000.00 per day of violation, or both.

(d) Any person who makes an unauthorized connection to a PPUC electrical system or water or waste water system operated by the PPUC, or who causes any other person to make an unauthorized connection to any electrical, water or waste water system operated by the PPUC, shall be guilty of a misdemeanor, and upon conviction thereof, shall be imprisoned for a period of not more than one year, or fined not less than \$100.00 nor more than \$1,000.00 per day of violation, or both.

(e) Any person who negligently commits any of the offenses set forth in subsection (b) of this section, or who knowingly and willfully violates any regulation, rule, permit, order, standard or code of practice adopted and applying hereunder, shall be guilty of a misdemeanor, and upon conviction thereof, shall be punished by a fine of not less than \$50.00 nor more than \$1000.00 per day of violation.

(f) Any person who commits any offense which involves the unlawful taking of water and waste water services, or electrical power from a system operated by the PPUC shall be liable to pay for the electricity, water or waste water service unlawfully taken, as assessed by the PPUC, at a penalty rate according to the tariff schedule.”

Section 6. Transition of authority of water and waste water operations to PPUC.

(a) On the effective date of this Act all employees that are currently employed by the Bureau of Public Works, the Rural Sanitation, and the Palau Water and Sewer

Corporation shall be transferred to PPUC. All persons that are employed by or transferred to PPUC shall be employed in accordance with the personnel manual approved by the Board of the PPUC, and shall be subject to the direction and control of the Chief Executive Officer.

(b) All employees who were employed by the Palau National Government or the Palau Water and Sewer Corporation prior to the commencement of this Act and who were engaged in the performance of any functions to be undertaken by the PPUC, shall be transferred to the PPUC with benefits and terms no less favorable than those they were entitled to immediately prior to the commencement of this Act.

(c) On the effective date of this Act PPUC shall receive and assume ownership of all working capital, cash, accounts receivable, books, records, files, maps, and other rights, obligations, accounts payable, assets, agreements and privileges pertaining to the property owned, used or derived by the Palau National Government or the Palau Water and Sewer Corporation for the provision of water and waste water services prior to the commencement of this Act.

(d) On the effective date of this Act all water and waste water facilities, installations, premises, equipment, and related property of the Palau National Government or the Palau Water and Sewer Corporation that has been used for or in connection with the operation of water and waste water systems and the provision of water and waste water services prior to the commencement of this Act shall be transferred to PPUC.

(e) Subject to subsection (f), the liabilities of the Palau National Government and the Palau Water and Sewer Corporation shall not transfer to PPUC. Subject to subsection (f), all liabilities of the Palau National Government and the Palau Water and Sewer Corporation that are related to the water and waste water operations of the Republic shall be deemed to be debts of the national government.

(f) As set forth in the loan agreement with the Asian Development Bank, the government is required to provide a grant of up to \$2,600,000 and a loan of up to \$6,000,000 to PPUC as a part of the financing arrangement in budgetary support of the transfer of the water and waste water operations to an independent entity. Any amount of funds provided as a loan to PPUC that is provided to PPUC pursuant to this subsection and the loan agreements shall be the sole liability that transfers to PPUC following the effective date of this Act.

(g) The President shall appoint a Transition Committee to oversee the transition and transfer process set forth in this Section. The Committee shall include one (1) person from the Bureau of Public Works, one person (1) from the Palau Water and Sewer Corporation, one (1) person from Palau Public Utilities Corporation, and one (1) person with experience in inventory and the transfer of assets and shall execute a memorandum of understanding to document the transfer of assets, liabilities, and employees from the Palau Water and Sewer Corporation, the water and waste water operations of the Bureau of Public Works, and the Rural Sanitation Office to PPUC.

Section 7. Severability.

If any provision of this Act is found to be invalid or unconstitutional by a court of competent jurisdiction, then the offending part or portions may be severed from the rest of the bill and the remaining parts or portions shall continue in full force and effect.

Section 8. Effective date.

This Act shall take effect upon its approval by the President of the Republic of Palau, or upon its becoming law without such approval.

PASSED: May 23, 2013

Approved this 6th day of June, 2013

/s/ _____
Tommy E. Remengesau, Jr.

