

A BILL FOR AN ACT

To amend Title 7, Chapter 13, Section 7.1313 to require consultation with the Kosrae State Legislature and the Governor of the State of Kosrae before any increase in the price of diesel or gasoline fuel sold for domestic use in the State of Kosrae; and for other purposes.

BE IT ENACTED BY THE KOSRAE STATE LEGISLATURE

1           Section 1. Purpose. To amend Title 7, Chapter 13, Section 7.1313 so as to ensure  
2 that the pricing of diesel and gasoline fuel sold for domestic use is fair and reasonable by  
3 requiring MPC to enter into a process of consultation with the Kosrae State Legislature and  
4 the Governor of the State of Kosrae before any increase may take

5           Section 2. Amendment. Title 7, Chapter 13, Section 7.1313 is hereby amended to  
6 read as follows:

7                   “Section 7.1313. Increase in the rate of services provided. The Corporation  
8 may increase the cost of diesel or gasoline fuel sold for domestic use in the State of Kosrae,  
9 only after exhaustive consultation with the Governor and Legislature, and they have  
10 concluded that such increases are not unreasonably high, restrictive or discriminatory due to  
11 the abuse of the Corporation’s dominant position in the industry. Domestic use includes  
12 Kosraean fuel retailers, majority owned Kosraean businesses and Kosrae State Government.

13           The Corporation may increase or decrease the price of aviation or jet fuel as it deems  
14 appropriate under common business practices and contractual obligations. The Corporation  
15 may increase or decrease the price of diesel or gasoline, for non-domestic use, as it deems  
16 appropriate under common business practices and contractual obligations.

17           The Corporation may increase or decrease the price of fuel sold to the Kosrae  
18 Utilities Authority as it deems appropriate under common business practices and contractual  
19 obligations, subject to a maximum price equal to the actual purchase price of the fuel at the  
20 refinery plus \$0.40 per gallon. The Corporation shall provide a written explanation to the

