

A BILL FOR AN ACT

To further amend Public Law No. 10-072 by amending Section 1 thereof, by changing the name of the Corporation, by amending Sections 6,7,8 and 9 thereof relating to the composition of the Board of Directors of the Corporation, and by amending Section 19 thereof, by changing the requirement for the chief executive officer of the Corporation, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

1 Section 1. Section 1 of Public Law No. 10-072 is hereby
2 amended to read as follows:

3 "Section 1. Establishment of Corporation. Caroline
4 Islands Air, Incorporated, hereinafter referred to
5 as the "the Corporation", is hereby established as a
6 public corporation under the laws of the Federated
7 States of Micronesia. After July 1, 2010 the name
8 Caroline Islands Air shall be changed to Micronesian
9 Air Service. It is the intent of Congress that the
10 Corporation shall be subject to annual financial
11 review, as set forth in section 23 of this act, and
12 that, at the earliest practical opportunity, and
13 following a resolution of Congress calling for the
14 same, the National Government shall dissolve the
15 Corporation, and a new, non-governmental
16 corporation, in which shares shall be offered for
17 sale to the general public, shall thereupon be
18 established, which corporation shall continue to

1 provide the air transportation services previously
2 provided by the Corporation."

3 Section 2. Section 6 of Public Law No. 10-72, as amended
4 by Public Law No. 10-103, is hereby further amended to read
5 as follows:

6 "Section 6. Board of Directors - Composition.

7 (1) The Board shall be composed of five voting
8 members. [~~The Secretary of the National Government~~
9 Department of Transportation, Communication and
10 Infrastructure, or his designee, shall be a member
11 of the initial Board of Directors; the other members
12 shall be appointed by the President.] One member of
13 the Board shall be a representative of the National
14 Government, and there shall be one member
15 representing each of the States. All appointments to
16 the Board, on or after the effective date of this
17 Act shall be made by the President of the Federated
18 States of Micronesia with the advice and consent of
19 Congress. The appointment of any State
20 representative on the Board shall be upon the
21 recommendation to the President by the Governor of
22 the pertinent State. The chief executive officer of
23 the Corporation shall serve ex officio as a member
24 of the Board but he or she shall have no rights to
25 vote."

1 ~~[-(2) Subsequent members of the Board shall be~~
2 ~~appointed by the President upon the expiration of~~
3 ~~the term of the incumbent member, or upon the~~
4 ~~removal of a member of the Board under the~~
5 ~~provisions of section 10 of this act.]"~~

6 Section 3. Section 7 of Public Law No. 10-072 is hereby
7 amended to read as follows:

8 "Section 7. Board of Directors - Organizational
9 meeting.

10 ~~[-(1)]~~ Within thirty days of the date this act becomes
11 law, and annually thereafter on such dates as are
12 set by the Board, the Board shall meet to select its
13 officers and to conduct such other business as it
14 shall deem advisable.

15 ~~[-(2) At the first such meeting, the appointed~~
16 ~~members of the Board shall determine by random~~
17 ~~selection the length of their initial terms, with~~
18 ~~three members serving initial terms of one year, and~~
19 ~~two serving initial terms of two years.]"~~

20 Section 4. Section 8 of Public Law No. 10-072 is hereby
21 amended to read as follows:

22 "Section 8. Board of Directors - Terms of office
23 and Term Limitations. Terms of office shall be for
24 a period of three years and shall be staggered such
25 that not more than two of the five terms expire in

1 one year, except that the initial terms of office
2 and the filling of vacancies shall be as provided by
3 this act. The terms of office shall commence on the
4 date of the organizational meeting of the Pohnpei
5 Board. However, the rights and powers of a member
6 whose term has expired shall remain in effect until
7 the first meeting of the Board following the
8 appointment of that member's successor; except that
9 no member shall remain in office in this manner for
10 longer than one year after the end of his or her
11 term."

12 Section 5. Section 9 of Public Law No. 10-072 is hereby
13 amended to read as follows:

14 "Section 9. Board of Directors - Vacancies.

15 (1) Each vacancy on the Pohnpei Board shall be
16 filled for the unexpired portion of the term in the
17 manner [~~set forth in subsection (2) of section 6 of~~
18 ~~this act~~] as provided by section 6 of this Act.

19 [~~Upon determination that a vacancy exists, the~~
20 ~~chairman or, in his absence, the presiding officer~~
21 ~~of the Board shall issue a notice of vacancy to all~~
22 ~~members of the Board and the parties responsible~~
23 ~~for filling the vacancy.] The chairman or, in his
24 absence, the presiding officer of the Board shall
25 notify the President and the Governor of the state~~

1 represented, if applicable, of an impending vacancy
2 on the Board not less than ninety (90) days prior
3 to the expiration of the term of a member or
4 immediately upon removal, resignation or death.

5 (2) Any vacancy occasioned by failure to make an
6 appointment prior to the expiration of the previous
7 term, or by failure to make an appointment within
8 sixty days of receipt of notice that a vacancy
9 exists, shall be filled by appointment by the
10 Speaker of Congress, subject to the advice and
11 consent of Congress, or an authorized committee
12 thereof. An appointee of the President or the
13 Governor shall be entitled to consideration if such
14 appointment is made prior to that of the Speaker."

15 Section 6. Section 19 of Public Law No. 10-72 is
16 hereby amended to read as follows:

17 "Section 19. Management. There shall be a chief
18 executive officer of the Corporation, whose
19 compensation, title, and term of office shall be
20 determined by the Board. The chief executive
21 officer shall [~~be responsible for the management of~~
22 ~~the operations of the Corporation, and shall~~], in
23 accordance with the policies established by the
24 Board, retain, direct, and terminate the services
25 of employees. The Chief Executive Officer shall

1 not be one of the pilots employed by the
2 Corporation. Subject to the Board's approval, in
3 the event that the chief executive officer is not a
4 citizen of the Federated States of Micronesia, the
5 chief executive officer shall select and train a
6 citizen of the Federated States of Micronesia to
7 take over the responsibilities of the chief
8 executive officer as soon as feasible."

9 Section 7. This act shall become law upon approval by
10 the President of the Federated States of Micronesia or upon
11 its becoming law without such approval.

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13 Date: 01/07/10

Introduced by: /s/ Dion G. Neth

Dion G. Neth

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