
AN ACT

To amend Sections 1 through 5 of Public Law No. 6-132, as amended by Public Law No. 1-55, on utilization of lateritic and other soil deposits, and for other purposes.

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

- 1 Section 1. Public Law No. 6-132, Sections 1 through 5, as
2 amended by Public Law 1-55, is hereby amended to read as follows:
- 3 "Section 1. The President of the Federated States of
4 Micronesia is hereby authorized and directed to enter
5 into a franchise agreement with a foreign or domestic
6 business venture, which is hereinafter referred to
7 as 'company', for the purpose of securing franchise
8 rights for the Federated States of Micronesia to use
9 patented methods relating to lateritic soil in the
10 process of manufacturing bricks, blocks, roofing tile,
11 and floor tile, as well as all other building components.
12 All negotiations with and selection of the company shall
13 be made in accordance with applicable laws, U.S. Secretary
14 of Interior Orders, and standard Federated States of
15 Micronesia procedures for business entering into franchise
16 agreements with the Federated States of Micronesia.
- 17 "Section 2. The said franchise agreement shall provide
18 sufficient latitude to the company to establish and put
19 in operation a pilot plant in one of the states of the
20 Federated States of Micronesia, using lateritic and other
21 soil deposits in the Federated States of Micronesia; to
22 train residents of the Federated States of Micronesia to

1 operate such a plant; and to determine the feasibility
2 of constructing and operating similar plants at other
3 locations in the Federated States of Micronesia. The
4 company shall furnish information to the President as to
5 the cost estimate of all equipment involved in the
6 industrial process, given the size of the plant specified
7 by the President; approximate shipping cost from the
8 place of origin to the Federated States of Micronesia; and
9 approximate cost of installation under the supervision
10 of an engineer of the company. The President shall seek
11 to include in the agreement such conditions and terms as
12 will be required by the company to research the possibilities
13 of firing limestone locally for hydrated lime, or producing
14 other materials required in the industrial process. The
15 President is authorized to include such other and additional
16 conditions, terms, limitations and stipulations as he shall
17 deem necessary, proper or appropriate and acceptable to the
18 company. The President is authorized to conduct negotiations
19 with the state governments concerning the location of the
20 pilot plant and to consider previous recommendations relating
21 to the location of the pilot plant.

22 "Section 3. The sum of \$100,000, or so much thereof as may
23 be necessary, is appropriated from the General Fund of the
24 Congress of Micronesia and allotted to the President of the
25 Federated States of Micronesia for the purpose of carrying

1 out the provisions of this act. The sum herein appropriated
2 shall be available for the purposes herein specified until
3 spent, or until the purposes of this act have been achieved.

4 "Section 4. The President shall administer and expend the
5 sum herein appropriated solely for the purpose of this act.

6 "Section 5. The President shall submit to the Congress of
7 the Federated States of Micronesia, an annual report of
8 his activities pursuant to this act, with his recommendations
9 as to additional ways and means to better effectuate the
10 provisions of this act."

11 Section 2. This act shall become law upon approval by the President
12 of the Federated States of Micronesia, or upon its becoming law
13 without such approval.

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August 1, 1980



Tosiwo Nakayama
President
Federated States of Micronesia