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AN ACT

To amend certain sections of Public Law No. 5-72, as amended by Public Law No. 6-131, relating to the Micronesian Coconut Processing Authority, to appropriate funds for FY 1980 therefor, and for other purposes.

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

1       Section 1. Section 2 of Public Law No. 5-72, as amended by Public  
2 Law No. 6-131, is further amended to read as follows:

3       "Section 2. Creation of Authority. There is hereby created a  
4 government authority, to be known as the Federated States of  
5 Micronesia Coconut Processing Authority, hereafter called the  
6 Authority, to process, manufacture and sell oils and other  
7 products derived from copra, coconuts, and the coconut tree."

8       Section 2. Section 3 of Public Law No. 5-72, as amended by Public  
9 Law No. 6-131, is further amended to read as follows:

10       "Section 3. Principal Office. The Authority's principal office  
11 shall be located in the State of Truk, and the Authority shall  
12 be deemed, for purposes of venue in civil actions, to be a  
13 resident thereof. The Authority may establish offices in such  
14 other States as it may deem necessary or appropriate for the  
15 conduct of its operations."

16       Section 3. Section 5 of Public Law No. 5-72, as amended by Public  
17 Law No. 6-131, is further amended to read as follows:

18       "Section 5. Management of Authority.

19               (1) The Authority shall be managed and its powers  
20 exercised by the Board of Directors, hereinafter referred to as  
21 the Board, which shall consist of five persons appointed to  
22 terms of three years by the President of the Federated States of



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1           Micronesia with the advice and consent of the Congress of the  
2           Federated States of Micronesia. New appointments shall be made  
3           in the same manner as original appointments.

4           (2) Any vacancy occurring on the Board during a term of  
5           office shall be filled by appointment by the remaining directors,  
6           and any director so appointed shall serve for the unexpired  
7           term of the director he replaces.

8           (3) Any director may be removed from office upon the  
9           affirmative vote of four members of the Board.

10          (4) Members of the Board shall be paid at the rate of  
11          thirty dollars per day when actually performing Authority  
12          business; PROVIDED, HOWEVER, that officials and employees of  
13          state governments or the Government of the Federated States of  
14          Micronesia who are members of the Board shall not receive any  
15          compensation. Members will be paid per diem and travel expenses  
16          incidental to travel required to fulfill their responsibilities  
17          under this act at standard government rates.

18          (5) The Board shall appoint a President and Vice President  
19          of the Authority, and any other officers it deems necessary. No  
20          member of the Board shall serve as an officer or an employee of  
21          the Authority. The officers of the Authority may be removed  
22          from office as provided in the bylaws of the Authority.

23          (6) The President of the Federated States of Micronesia  
24          shall appoint one member of the Board as acting Chairman, who  
25          shall call the first Board meeting. At the first meeting of



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1           the Board the members shall elect a chairman by majority vote.  
2           The Chairman may be replaced by the affirmative vote of three  
3           members of the Board of Directors."

4           Section 4. Section 7 of Public Law No. 5-72, as amended by Public  
5 Law No. 6-131, is further amended to read as follows:

6           "Section 7. Audit. The books and records of the Authority shall  
7           be audited annually, or at such time as the President of the  
8           Federated States of Micronesia may direct, by qualified indepen-  
9           dent auditors."

10          Section 5. Section 8 of Public Law No. 5-72, as amended by Public  
11 Law No. 6-131, is further amended to read as follows:

12          "Section 8. Tax exemption. It is hereby declared that the  
13          purpose for which the Authority is created is a public purpose  
14          for the benefit of the people of the Federated States of Micronesia,  
15          and that the Authority shall not be required to pay any taxes or  
16          assessments on any of the property acquired or to be acquired by  
17          it, or on its operations or activities."

18          Section 6. Section 9 of Public Law No. 5-72, as amended by Public  
19 Law No. 6-131, is further amended to read as follows:

20          "Section 9. Debts of Authority not public debts. The debts or  
21          obligations of the Authority shall not be debts or obligations  
22          of the Government of the Federated States of Micronesia, nor  
23          shall it be responsible for the same."

24          Section 7. Section 10 of Public Law No. 5-72, as amended by Public  
25 Law No. 6-131, is further amended to read as follows:



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1           "Section 10. Annual reports. The Authority shall file with the  
2           President and the Congress of the Federated States of Micronesia,  
3           within thirty days after the close of each fiscal year, a report,  
4           sworn to by the members of the Board of Directors, stating the  
5           name and address of the Authority, containing a profit and loss  
6           statement for the preceding fiscal year and a statement of its  
7           assets and liabilities as of the close of such year, and stating  
8           the names and addresses of all directors and officers of the  
9           Authority. Such report shall be made available to the general  
10          public without charge."

11          Section 8. Public Law No. 5-72, as amended by Public Law No. 6-131,  
12          is further amended to add a new Section 12 to read as follows:

13               "Section 12. Membership in International Organizations. The  
14               Authority is authorized to become a member of international  
15               organizations concerned with the development and marketing of  
16               coconut tree products."

17          Section 9. Appropriation.

18               (1) The sum of \$5,000, or so much thereof as may be  
19               necessary, is hereby appropriated from the General Fund of the Congress of  
20               the Federated States of Micronesia for FY 1980 for the purpose of defraying  
21               the expenses incurred in the organization of the Authority.

22               (2) The sum appropriated by Subsection (1) shall be allotted  
23               by the Director of Finance to the President of the Federated States of Micro-  
24               nesia, who shall be legally responsible to the Congress of the Federated  
25               States of Micronesia for ensuring that the funds are used only for the



1 purposes specified in Subsection (1), and that no obligations are incurred  
2 in excess of the sum appropriated. Any part of this appropriation not  
3 obligated as of September 30, 1980 shall revert to the General Fund of the  
4 Congress of the Federated States of Micronesia, or its successor.

5 (3) The President of the Federated States of Micronesia  
6 shall submit a report to the Congress of the Federated States of Micronesia  
7 before May 1, 1980 which shall provide for the full accounting of the  
8 obligations incurred against the sum appropriated by Subsection (1).

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

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July 5, 1979



Tosiwo Nakayama  
President  
Federated States of Micronesia