A BILL FOR AN ACT

To amend sections 1 through 5 of Public Law No. 6-132, as amended by Public Laws Nos. 1-55 and 1-119, on utilization of lateritic and other soil deposits, and for other purposes.

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

Section 1. Sections 1 through 5 of Public Law No. 6-132, as amended by Public Laws Nos. 1-55 and 1-119, is hereby amended to read as follows:

"Section 1. The Secretary of Resources and Development of the Federated States of Micronesia is hereby authorized and directed to undertake development of lateritic soils and other resources utilizing domestic or foreign expertise, including, but not limited to, entering into a franchise agreement with a foreign or domestic business venture, which is hereinafter referred to as 'company', for the purpose of securing franchise rights for the Federated States of Micronesia to use patented methods relating to lateritic soil in the process of manufacturing bricks, blocks, roofing tile, and floor tile, as well as all other building components. All negotiations with and selection of the company shall be made in accordance with applicable laws, U.S. Secretary of Interior Orders, and standard Federated States of Micronesia procedures for businesses entering into franchise agreements with the Federated States of Micronesia.

Section 2. In the event the Secretary of Resources and Development elects to enter into a franchise agreement pursuant to section 1 of this act, the franchise agreement shall provide sufficient latitude to the company to establish and put in operation a pilot plant in one of the states of the
Federated States of Micronesia, using lateritic and other soil deposits in the Federated States of Micronesia; to train residents of the Federated States of Micronesia to operate such a plant; and to determine the feasibility of constructing and operating similar plants at other locations in the Federated States of Micronesia. The company shall furnish information to the President Secretary of Resources and Development as to the cost estimate of all equipment involved in the industrial process, given the size of the plant specified by the President Secretary of Resources and Development; approximate shipping cost from the place of origin to the Federated States of Micronesia; and approximate cost of installation under the supervision of an engineer of the company. The President Secretary of Resources and Development shall seek to include in the agreement such conditions and terms as will be required by the company to research the possibilities of firing limestone locally for hydrated lime, or producing other materials required in the industrial process. The President Secretary of Resources and Development is authorized to include such other and additional conditions, terms, limitations and stipulations as he shall deem necessary, proper or appropriate and acceptable to the company. The President Secretary of Resources and Development is authorized to conduct negotiations with the state governments concerning the location of the pilot
plant and to consider previous recommendations relating to
the location of the pilot plant.

Section 3. The sum of $100,000, or so much thereof as
may be necessary, is appropriated from the General Fund of
the Federated States of Micronesia and allotted to
the President of the Federated States of Micronesia for the
purpose of carrying out the provisions of this act. The sum
herein appropriated shall be available for the purposes herein
specified until spent, or until the purposes of this act have
been achieved.

Section 4. The Secretary of Resources and
Development shall administer and expend the sum herein
appropriated solely for the purpose of this act,

Section 5. The Secretary of Resources and
Development shall submit to the Congress of the Federated
States of Micronesia, an annual report of his activities
pursuant to this act, with his recommendations as to additional
ways and means to better effectuate the provisions of this
act."

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

Date: 5/24/82

Introduced by: Luke N, Man
(By request)