
AN ACT

To amend Public Law No. 4C-53, as amended by Public Law No. 1-103, to provide for the sale of the assets of the boat-building program, and for other purposes.

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

1 Section 1. Section 6 of Public Law No. 4C-53, as amended by Public
2 Law 1-103, is hereby further amended to read as follows:

3 "Section 6. Termination of Program and Sale of Assets.

4 (1) The boat-building program established pursuant to this
5 act shall be terminated and its assets sold to any private
6 corporation which is organized, in accordance with all applicable
7 laws, for the express purpose of operating the boat-building
8 program as a private business. To be eligible to purchase the
9 assets of the boat-building program, a private corporation must
10 possess a charter and suitable by-laws which provide in sub-
11 stance:

12 (a) That among the primary purposes for which the
13 corporation is formed are the manufacture and sale of ferro-
14 cement boats, and the operation of a boat repair facility in
15 the Truk Lagoon;

16 (b) That the minimum amount of paid-in capital with
17 which the corporation will commence business is \$15,000;

18 (c) That no individual shareholder shall own more
19 than ten percent of the outstanding shares of common stock
20 issued by the corporation; and

21 (d) That provision is made whereby non-management
22 employees of the corporation are permitted to acquire one

1 hundred shares of common stock each, at a price which is no more
2 than 25% of par value; PROVIDED, HOWEVER, that a non-management
3 employee has been employed by the boat-building program or the
4 corporation for a period of at least three years.

5 (2) Immediately after the effective date of this act, the
6 Governor of the State of Truk shall cause to be published on a
7 nationwide basis a solicitation for bids pursuant to this section,
8 and shall take such other steps deemed by him to be appropriate
9 to generate bidder interest in the purchase of the assets of the
10 boat-building program. All bids shall be sealed and shall be
11 opened 60 days after the effective date of this act. No bid shall
12 be accepted unless received from a private corporation which meets
13 the requirements of this section, as determined by the Attorney
14 General of the State of Truk. The minimum acceptable bid shall be
15 a sum equal to the present market value of the assets of the boat-
16 building program, minus its liabilities, as determined by the
17 Governor of the State of Truk, who shall provide a report of his
18 calculations to the Congress of the Federated States of Micronesia.
19 Liabilities of the boat-building program shall be assumed by the
20 buyer.

21 (3) All proceeds resulting from the sale of the assets of
22 the boat-building program pursuant to this section shall be
23 deposited in the General Fund of the Federated States of
24 Micronesia; PROVIDED, HOWEVER, that the Governor of the State
25 of Truk is authorized to deduct from said proceeds all expenses

1 incurred through his compliance with Subsection (2) of this
2 section, but not to exceed the amount of \$500.00."

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

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March 3, 1981

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Tosiwo Nakayama
President
Federated States of Micronesia

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