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:

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

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

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

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

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

"Section 5. Management of Authority."

(1) The Authority shall be managed and its powers exercised by the Board of Directors, hereinafter referred to as the Board, which shall consist of five persons appointed to terms of three years by the President of the Federated States of
Micronesia with the advice and consent of the Congress of the
Federated States of Micronesia. New appointments shall be made
in the same manner as original appointments.

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

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

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

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

(6) The President of the Federated States of Micronesia
shall appoint one member of the Board as acting Chairman, who
shall call the first Board meeting. At the first meeting of
the Board the members shall elect a chairman by majority vote.

The Chairman may be replaced by the affirmative vote of three
members of the Board of Directors."

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

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

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

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

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

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

Section 7. Section 10 of Public Law No. 5-72, as amended by Public
Law No. 6-131, is further amended to read as follows:
"Section 10. Annual reports. The Authority shall file with the
President and the Congress of the Federated States of Micronesia,
within thirty days after the close of each fiscal year, a report,
sworn to by the members of the Board of Directors, stating the
name and address of the Authority, containing a profit and loss
statement for the preceding fiscal year and a statement of its
assets and liabilities as of the close of such year, and stating
the names and addresses of all directors and officers of the
Authority. Such report shall be made available to the general
public without charge."

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

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

Section 9. Appropriation.

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

(2) The sum appropriated by Subsection (1) shall be allotted
by the Director of Finance to the President of the Federated States of Micron-
nesia, who shall be legally responsible to the Congress of the Federated
States of Micronesia for ensuring that the funds are used only for the
purposes specified in Subsection (1), and that no obligations are incurred in excess of the sum appropriated. Any part of this appropriation not obligated as of September 30, 1980 shall revert to the General Fund of the Congress of the Federated States of Micronesia, or its successor.

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

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

July 5, 1979

Tosiwo Nakayama
President
Federated States of Micronesia