
AN ACT

To amend sections 1 through 6 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:

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

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

18 Section 2. In the event the Secretary of Resources and
19 Development elects to enter into a franchise agreement pursuant
20 to section 1 of this act, the franchise agreement shall provide
21 sufficient latitude to the company to establish and put in opera-
22 tion a pilot plant in one of the states of the Federated

1 States of Micronesia, using lateritic and other soil deposits
2 in the Federated States of Micronesia; to train residents of the
3 Federated States of Micronesia to operate such a plant; and to
4 determine the feasibility of constructing and operating similar
5 plants at other locations in the Federated States of Micronesia.
6 The company shall furnish information to the Secretary of Resources
7 and Development as to the cost estimate of all equipment involved
8 in the industrial process, given the size of the plant specified
9 by the Secretary of Resources and Development; approximate ship-
10 ping cost from the place of origin to the Federated States of
11 Micronesia; and approximate cost of installation under the super-
12 vision of an engineer of the company. The Secretary of Resources
13 and Development shall seek to include in the agreement such condi-
14 tions and terms as will be required by the company to research
15 the possibilities of firing limestone locally for hydrated lime,
16 or producing other materials required in the industrial process.
17 The Secretary of Resources and Development is authorized to include
18 such other and additional conditions, terms, limitations and stipu-
19 lations as he shall deem necessary, proper or appropriate and
20 acceptable to the company. The Secretary of Resources and Develop-
21 ment is authorized to conduct negotiations with the state govern-
22 ments concerning the location of the pilot plant and to consider
23 previous recommendations relating to the location of the pilot
24 plant.
25 Section 3. The sum of \$100,000, or so much thereof as may

1 be necessary, is hereby appropriated from the General Fund of
2 the Federated States of Micronesia for the fiscal year ending
3 September 30, 1982, for the purpose of carrying out the provi-
4 sions of this act,

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

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

13 Section 6. All funds appropriated by this act shall be
14 allotted, managed, administered, and accounted for in accordance
15 with applicable law, including, but not limited to, the Financial
16 Management Act of 1979. The allottee shall be responsible for
17 ensuring that these funds, or so much thereof as may be necessary,
18 are used solely for the purpose specified in this act, and that
19 no obligations are incurred in excess of the sum appropriated.
20 The authority of the allottee to obligate funds appropriated by
21 this act shall lapse as of September 30, 1983."

