

R+D/J+C+O  
A BILL FOR AN ACT

To amend sections 8, 9, and 15 of Public Law No. 2-10, which establishes a telecommunications corporation, in regard to compensation of directors, the effective date the chief executive officer must be a citizen, and the annual and sick leave of the Corporation's employees, and for other purposes.

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

1 Section 1. Section 8 of Public Law No. 2-10 is hereby amended to  
2 read as follows:

3 "Section 8. Board of Directors.

4 (1) Establishment. The affairs of the Corporation shall  
5 be managed and its corporate powers exercised by a Board of  
6 Directors, hereinafter referred to as "the Board."

7 (2) Composition. The Board shall be composed of  
8 nine members. Three members shall be appointed by the  
9 President of the Federated States of Micronesia with the  
10 advice and consent of the Congress. The Governor of each  
11 State of the Federated States of Micronesia shall appoint  
12 one member of the Board with the advice and consent of the  
13 respective State legislature. The Vice President of the  
14 Federated States of Micronesia and the chief executive officer  
15 of the Corporation shall serve ex officio as members of the  
16 Board with full rights of membership.

17 (3) Organizational meeting. On September 1, 1981, and  
18 annually thereafter during the month of September on such  
19 dates as are set by the Board, the Board shall meet to  
20 select its officers and to conduct such other business as  
21 it shall deem advisable. At the first such meeting, the  
22 appointed members of the Board shall determine by lot the  
23 length of their initial terms with three members serving  
24 initial terms of one year, two serving initial terms  
25 of two years, and two serving initial terms of three years.

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1 The President of the Federated States of Micronesia may, by  
2 Executive order, set the first organizational meeting for  
3 another date not later than December 31, 1981, when he has  
4 determined that a majority of the Board has not been appointed  
5 or confirmed prior to September 1, 1981.

6 (4) Terms of office. Terms of office shall be for a  
7 period of three years, except that the initial terms of  
8 office and the filling of vacancies shall be as provided by  
9 this act. The terms of office shall commence on September 1, 1981,  
10 or on the date of the organizational meeting of the Board,  
11 whichever occurs first.

12 (5) Vacancies. Each vacancy on the Board shall be filled  
13 for the unexpired portion of the term in the same manner as  
14 originally filled. Upon a determination that a vacancy exists,  
15 the chairman or, in his absence, the presiding officer of the  
16 Board shall issue a notice of vacancy to all members of the  
17 Board and the parties responsible for filling the vacancy.  
18 Any vacancy occasioned by failure to make a nomination to the  
19 Congress or a State legislature prior to the expiration of the  
20 previous term, or by failure to submit a nomination within  
21 60 days of receipt of notice that a vacancy exists, or within  
22 10 days of receipt of notice of rejection of nomination, shall  
23 be filled by nomination of the Speaker of the Congress or the  
24 Speaker of the State legislature, subject to advice and  
25 consent of the Congress or the legislature or an authorized

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1 committee thereof; PROVIDED, HOWEVER, that the nomination of  
2 the President or Governor shall be entitled to consideration  
3 if such nomination is made prior to that of the Speaker.

4 (6) Removal.

5 (a) Members of the Board may be removed from the  
6 Board for failure to attend three consecutive meetings of the  
7 Board.

8 (b) A member may be removed by a 2/3 majority  
9 vote of all other members of the Board for neglect of duty  
10 or malfeasance in office. Notification of intent to call for  
11 removal pursuant to this subsection shall be made at least  
12 30 days in advance, by means which shall be described in the  
13 bylaws of the Corporation, and shall include a summary of  
14 the basis of the charges against the member and identification  
15 of the witnesses to be called and evidence to be used.

16 (c) The Supreme Court of the Federated States of  
17 Micronesia shall have jurisdiction to hear claims of wrongful  
18 removal.

19 (7) Officers. The Board shall elect from among its  
20 members a chairman, vice chairman, and secretary-treasurer.  
21 The chairman shall ordinarily preside at Board meetings. In  
22 his absence the vice chairman shall preside. The bylaws shall  
23 provide for determination of the presiding officer in the  
24 absence of these officers.

25 (8) Regular meetings. Regular meetings shall be held not

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1 less than once per calendar quarter, at such times and place  
2 or places as shall be determined by the bylaws.

3 (9) Special meetings. Special meetings shall be called  
4 by the chairman on his own initiative, or by petition of 1/3  
5 of the members, pursuant to notice as shall be provided in the  
6 bylaws.

7 (10) Quorum. A quorum of all regular business of the  
8 Board shall be five members.

9 (11) Executive committee. There shall be an executive  
10 committee of the Board composed of the chairman, vice chairman,  
11 and secretary-treasurer, or their individually designated  
12 substitutes chosen from among the membership of the Board. The  
13 executive committee shall meet with the chief executive officer  
14 at least once per calendar quarter at such times and places  
15 as shall be determined by the bylaws. The executive committee  
16 shall be empowered to conduct all business of the Board, except  
17 that the executive committee shall not have the authority to  
18 terminate the services of the chief executive officer, to retain the  
19 the services of a new chief executive officer, to alter the senior  
20 levels of the administrative structure of the Corporation, to  
21 approve the budget of the Corporation, or to increase the  
22 indebtedness of the Corporation beyond such limits as are  
23 provided in the bylaws, without the concurrence of the Board.

24 (12) Record of meetings. The secretary-treasurer, or in  
25 his absence another member designated by the bylaws, shall keep

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1 full and accurate minutes of all meetings.

2 (13) Compensation of directors. Directors who are  
3 employees of the National Government or a State government of the  
4 Federated States of Micronesia shall receive no additional  
5 compensation for their service as members of the Board. The  
6 compensation of members who are not government employees shall  
7 be as determined by the Board. All members of the Board shall  
8 be entitled to ~~compensation for travel and~~ per diem for travel  
9 at established Federated States of Micronesia Government rates  
10 when serving the Corporation."

11 Section 2. Section 9 of Public Law No. 2-10 is hereby amended to  
12 read as follows:

13 "Section 9. Management. There shall be a chief executive  
14 officer of the Corporation, whose compensation, title, and  
15 term of office shall be determined by the Board. The chief  
16 executive officer shall be responsible for the management of the  
17 operations of the Corporation, and shall, in accordance with  
18 policies established by the Board, retain, direct, and  
19 terminate the services of employees. Effective January 1, 1982,  
20 the chief executive officer must be a citizen of the Federated  
21 States of Micronesia."

22 Section 3. Section 15 of Public Law No. 2-10 is hereby amended to  
23 read as follows:

24 "Section 15. Transition.

25 (1) The Corporation shall commence provision of services

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1 in the Federated States of Micronesia at such time as it has  
2 acquired title to or control over the telecommunications  
3 equipment and other related property of any entity including  
4 the Trust Territory of the Pacific Islands which is located  
5 in the Federated States of Micronesia, or as may otherwise  
6 be agreed between the Government of the Federated States of  
7 Micronesia and the Government of the Trust Territory of the  
8 Pacific Islands. The Corporation shall determine the manner  
9 and terms upon which it shall assume its responsibilities  
10 under this act, in accordance with applicable law.

11 (2) The Corporation shall undertake to employ the employees  
12 of the Trust Territory Government and the State governments who  
13 are employed in good standing in telecommunications services  
14 at the time that the Corporation commences operation of tele-  
15 communications services. Nothing herein shall require the  
16 Corporation to hire such employees at positions commensurate  
17 with their former responsibilities, or at the rate of wages  
18 previously received; however, each such employee shall retain  
19 his rights to accrued sick leave and annual leave not in  
20 excess of ~~100 hours each~~ the amounts allowed for each by  
21 section 10.3 (a), (b), and (c) of the Public Service System  
22 Regulations."

23 Section 4. This act shall become law upon approval by  
24 the President of the Federated States of Micronesia or upon its  
25 becoming law without such approval.

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C.B. No.

2-140

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Date:

10/19/81

Introduced by:

Jack Fritz

*Jack Fritz*

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