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AN ACT

To amend Sections 1 through 5 of Public Law No. 6-132, on utilization of lateritic and other soil deposits, to appropriate funds therefor, and for other purposes.

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

1       Section 1. Public Law No. 6-132, Sections 1 through 5, is hereby  
2 amended to read as follows:

3           "Section 1. The President of the Federated States of Micronesia  
4 is hereby authorized and directed to enter into a franchise  
5 agreement with a foreign or domestic business venture, hereinafter  
6 referred to as 'company,' for the purpose of securing  
7 franchise rights for the Federated States of Micronesia to use  
8 patented methods relating to lateritic soil in the process of  
9 manufacturing bricks, blocks, roofing tile, and floor tile, as  
10 well as all other building components. All negotiations with and  
11 selection of the company shall be made in accordance with  
12 applicable laws, U.S. Secretary of Interior Orders, and standard  
13 Federated States of Micronesia procedures for businesses entering  
14 into franchise agreements with the Federated States of  
15 Micronesia."

16       "Section 2. The said franchise agreement shall provide sufficient  
17 latitude to the company to establish and put in operation a  
18 pilot plant in one of the states of the Federated States of  
19 Micronesia, using lateritic and other soil deposits in the  
20 Federated States of Micronesia; to train residents of the Federated  
21 States of Micronesia to operate such a plant; and to determine the  
22 feasibility of constructing and operating similar plants at other

1 locations in the Federated States of Micronesia. The company  
2 shall furnish information to the President as to the cost  
3 estimate of all equipment involved in the industrial process,  
4 given the size of the plant specified by the President; approxi-  
5 mate shipping cost from the place of origin to the Federated  
6 States of Micronesia; and approximate cost of installation under  
7 the supervision of an engineer of the company. The President  
8 shall seek to include in the agreement such conditions and terms  
9 as will be required by the company to research the possibilities  
10 of firing limestone locally for hydrated lime, or producing other  
11 materials required in the industrial process. The President is  
12 authorized to include such other and additional conditions, terms,  
13 limitations and stipulations as he shall deem necessary, proper  
14 or appropriate and acceptable to the company. The President is  
15 authorized to conduct negotiations with the state governments  
16 concerning the location of the pilot plant."

17 "Section 3. The sum of \$100,000, or so much thereof as may be  
18 necessary, is appropriated from the General Fund of the Congress  
19 of Micronesia and allotted to the President of the Federated  
20 States of Micronesia for the purpose of carrying out the provisions  
21 of this act. The sum herein appropriated shall be available for  
22 the purposes herein specified until spent."

23 "Section 4. The President shall administer and expend the sum  
24 herein appropriated solely for the purpose of this act."

25 "Section 5. The President shall submit to each regular session

1 of the Congress of the Federated States of Micronesia, an  
2 annual report of his activities pursuant to this act, with his  
3 recommendations as to additional ways and means to better  
4 effectuate the provisions of this act."

5 Section 2. This act shall take effect upon approval by the President  
6 of the Federated States of Micronesia, or upon its becoming law without  
7 such approval.

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November 28, 1979



Tosiwo Nakayama  
President  
Federated States of Micronesia