

## CHAPTER 6

### Lateritic Soil Development Franchises

#### SECTIONS

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#### **§ 601. Agreements authorized.**

The Secretary of Resources and Development of the Federated States of Micronesia is authorized and directed to undertake development of lateritic soils and other resources utilizing domestic or foreign expertise, including, but not limited to, entering into a franchise agreement with a foreign or domestic business venture, which is referred to in this chapter as “company,” for the purpose of securing franchise rights for the Federated States of Micronesia to use patented methods relating to lateritic soil in the process of manufacturing bricks, blocks, roofing tile, and floor tile, as well as all other building components. All negotiations with the selection of such company shall be made in accordance with applicable laws, U.S. Secretary of Interior Orders, and standard Federated States of Micronesia procedures for businesses entering into franchise agreements with the Federated States of Micronesia.

**Source:** PL 6-132 § 1; PL 1-55 § 1 (part); PL 1-119 § 1 (part); PL 2-52 § 1 (part).

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code.

#### **§ 602. Contents of agreement.**

In the event the Secretary of Resources and Development elects to enter into a franchise agreement pursuant to section 601 of this chapter, the franchise agreement shall provide sufficient latitude to the company to establish and put in operation a pilot plant in one of the States of the Federated States of Micronesia, using lateritic and other soil deposits in the Federated States of Micronesia; to train residents of the Federated States of Micronesia to operate such a plant; and to determine the feasibility of constructing and operating similar plants at other locations in the Federated States of Micronesia. The company shall furnish information to the Secretary of Resources and Development as to the cost estimate of all equipment involved in the industrial process, given the size of the plant specified by the Secretary of Resources and Development; approximate shipping cost from the place of origin to the Federated States of Micronesia; and approximate cost of installation under the supervision of an engineer of the company. The Secretary of Resources and Development shall seek to include in the agreement such conditions and terms as will be required by the company

to research the possibilities of firing limestone locally for hydrated lime, or producing other materials required in the industrial process. The Secretary of Resources and Development is authorized to include such other and additional conditions, terms, limitations and stipulations as he shall deem necessary, proper or appropriate and acceptable to the company. The Secretary of Resources and Development is authorized to conduct negotiations with the State governments concerning the location of the pilot plant and to consider previous recommendations relating to the location of the pilot plant.

**Source:** PL 6-132 § 2; PL 1-55 § 1 (part); PL 1-119 § 1 (part); PL 2-52 § 1 (part).

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code.

### **§ 603. Appropriation.**

The sum of \$100,000, or so much thereof as may be necessary, is appropriated from the General Fund of the Federated States of Micronesia for the fiscal year ending September 30, 1982, for the purpose of carrying out the provisions of this chapter.

**Source:** PL 6-132 § 3; PL 1-55 § 1 (part); PL 1-119 § 1 (part); PL 2-52 § 1 (part).

**Cross-reference:** The statutory provisions on the FSM Congress are found in title 3 of this code.

### **§ 604. Administration of appropriation.**

The Secretary of Resources and Development shall administer and expend the sum herein appropriated solely for the purpose of this chapter.

**Source:** PL 6-132 § 4; PL 1-55 § 1 (part); PL 1-119 § 1 (part); PL 2-52 § 1 (part).

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code.

### **§ 605. Annual report to Congress.**

The Secretary of Resources and Development shall submit to the Congress of the Federated States of Micronesia, an annual report of his activities pursuant to this chapter, with his recommendations as to additional ways and means to better effectuate the provisions of this chapter.

**Source:** PL 6-132 § 5; PL 1-55 § 1 (part); PL 1-119 § 1 (part); PL 2-52 § 1 (part).

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.

### **§ 606. Use of funds.**

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

**Source:** PL 6-132 § 6; PL 1-55 § 1 (part); PL 1-119 § 1 (part); PL 2-52 § 1 (part).

**Cross-reference:** The statutory provisions on the President and the Executive are found in title 2 of this code. The statutory provisions on the FSM Congress are found in title 3 of this code.