

## Title 23.

### Agriculture and Marketing.

#### Chap. 1. Micronesian Coconut Processing Authority, §§ 1 to 11.

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#### CHAPTER 1.

##### MICRONESIAN COCONUT PROCESSING AUTHORITY.

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**Cross reference.** — Licensing of copra trade, 33 TTC ch. 2.

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**§ 1. Purposes.** — The Congress of Micronesia recognizes that products derived from the coconut tree are one of the major sources of income for the majority of the people of Micronesia. Because the price of copra has been erratic on the world market in recent years, steps must be taken to preserve and revitalize this essential industry. The purpose of this chapter is to establish a government authority to process, manufacture and sell, at a profit, products derived from the coconut tree and to preserve and revitalize the copra industry. (P.L. No. 5-72, § 1.)

**§ 2. Creation.** — There is hereby created a government authority, to be known as the Micronesian coconut processing authority, hereafter called the authority, to process, manufacture and sell oils and other products derived from copra, coconuts, and the coconut tree. (P.L. No. 5-72, § 2.)

**§ 3. Principal office.** — The board of directors shall determine the district in which the authority's principal office shall be located, 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 places as it may deem necessary or appropriate for the conduct of its operations. (P.L. No. 5-72, § 3.)

**§ 4. General powers.** — The authority shall have the following general powers:

(1) To engage in the manufacture and processing of oils and other products derived from copra, coconut, or the coconut tree.

(2) To purchase or otherwise acquire, operate, maintain, lease, sell and dispose of factories, warehouses, facilities, machinery, expellers, grinders, presses, filters, cookers, tanks and other apparatus, raw materials, equipment, utensils, supplies, parts and other goods, wares, products and merchandise

related to the business of manufacturing, storing, processing and selling out and other produces derived from copra, coconuts, or the coconut tree.

(3) To improve and construct improvements upon any land or other real property owned or leased by the authority.

(4) To enter into and perform such contracts, leases, cooperative agreements, or other transactions as may be necessary in the conduct of its business and on such terms as it may deem appropriate.

(5) To buy, sell, hold for investment, and deal in securities of every description including mortgages, bonds, debentures, promissory notes, commercial papers, and securities of other classes.

(6) To determine the character of and the necessity for its obligations and expenditures, and the manner in which they shall be incurred, allowed, and paid.

(7) To sue and be sued in its own name; provided, that neither the Congress of Micronesia, the Trust Territory government or any political subdivision thereof, nor the United States government shall be liable for any debts of the authority, nor shall any action be brought in any court of the Trust Territory against the Congress of Micronesia, the Trust Territory government or any political subdivision thereof or the United States government because of any activities, actions, or omissions of the authority, its officers, employees or agents.

(8) To appoint such officers, attorneys, agents and employees, to vest them with such powers and duties, and to fix and pay such compensation to them for their services as the authority may determine; to require bonds for the faithful performance of their duties and to pay the premiums for such bonds.

(9) To execute, in accordance with its bylaws, all instruments necessary or appropriate in the exercise of any of its powers.

(10) To take such other actions as may be necessary or appropriate to carry out the powers herein or hereafter specifically conferred upon it. (P.L. No. 5-72, § 4.)

**§ 5. Management.** — (1) The authority shall be managed and its powers exercised by the board of directors which shall consist of seven persons appointed to terms of four years by the High Commissioner with the advice and consent of the Congress of Micronesia or any authorized joint committee thereof; provided, that three of the initial appointments shall be for three years and one of the initial appointments shall be for two years, as designated by the High Commissioner. There shall be one board member appointed from each of the six administrative districts in the Trust Territory and one member appointed at large. New appointments to a term of office shall be made in the same manner as original appointments.

(2) Any vacancy occurring in the board of directors 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 by the High Commissioner for incompetence, neglect of duty, or criminality.

(4) Members of the board of directors shall be paid at the rate of thirty dollars per day when actually performing authority business. If a member of the board is concurrently employed in another post in the government of the Trust Territory, he shall receive his regular salary during the period the board is convened in lieu of thirty dollars per day. Members will be paid per diem and travel expenses incidental to travel required to fulfill their responsibilities under this chapter on the same basis as regular government employees.

(5) The authority shall have at least the following officers: a president, a vice-president, a treasurer and a secretary. These officers shall be appointed by the board of directors for a term of office which shall not exceed four years. No member of the board shall simultaneously 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 High Commissioner shall appoint one member of the board as acting chairman, whose only function shall be to call the first board meeting. At the first meeting of the board of directors the members shall proceed to elect a chairman by majority vote. The chairman may be replaced by the affirmative vote of two-thirds of the members of the board of directors. (P.L. No. 5-72, § 5.)

**§ 6. Bylaws.** — The board of directors, by an affirmative vote of a majority of the whole board, may adopt, amend, alter or repeal such bylaws for the authority as are not inconsistent with this chapter, providing for the management of the business of the authority, the regulation of its affairs, the organization, conduct and meetings of the board of directors, the duties of the officers of the authority, the officers required to furnish bonds and the amounts thereof, and any other matter not inconsistent with the purposes of the authority; provided, that the bylaws shall not be adopted, amended, altered or repealed at any meeting of the board of directors unless written notice of any proposed action to change the bylaws has been sent by certified mail to each director two weeks prior to such meeting. (P.L. No. 5-72, § 6.)

**§ 7. Audit.** — The books and records of the authority shall be thoroughly examined and audited annually, at such time as the High Commissioner may direct, by qualified independent auditors appointed by the High Commissioner. An audit of the authority may be conducted more frequently if deemed necessary by the High Commissioner. (P.L. No. 5-72, § 7.)

**§ 8. Tax exemption.** — It is hereby found and declared that the purpose for which the authority is created is a public purpose for the benefit of the people of Micronesia, and that, therefore, 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. (P.L. No. 5-72, § 8.)

**§ 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 Trust Territory or any political subdivision thereof, or the Congress of Micronesia, or the United States government, and neither the government of the Trust Territory or any political subdivision thereof, the Congress of Micronesia, nor the United States government shall be responsible for the same. (P.L. No. 5-72, § 9.)

**§ 10. Annual reports.** — The authority shall file with the High Commissioner and the Congress of Micronesia, within ninety 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. (P.L. No. 5-72, § 10.)

**§ 11. Wilfully defrauding authority.** — (1) Any director, officer, employee or agent of the authority who embezzles, abstracts, or wilfully misapplies any moneys, funds, credits or securities of the authority, or who wilfully makes any false entry in any book, report or statement of the authority, or does any other act with intent to defraud the authority, (2) or any individual who knowingly aids or abets any director, officer, employee or agent in any violation of this section, shall be guilty of a felony and, upon conviction, shall be fined not more than twenty thousand dollars, or imprisoned for not more than ten years, or both. (P.L. No. 5-72, § 11.)