
A BILL FOR AN ACT

To further amend Public Law No. 10-072 by amending Section 1 thereof, by changing the name of the Corporation, by amending Sections 6,7,8 and 9 thereof relating to the composition of the Board of Directors of the Corporation, and by amending Section 19 thereof, by changing the requirement for the chief executive officer of the Corporation, and for other purposes.

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

1 Section 1. Section 1 of Public Law No. 10-072 is hereby
2 amended to read as follows:

3 "Section 1. Establishment of Corporation. Caroline
4 Islands Air, Incorporated, hereinafter referred to
5 as the "the Corporation", is hereby established as a
6 public corporation under the laws of the Federated
7 States of Micronesia. After July 1, 2007 the name
8 Caroline Islands Air shall be changed to Micronesian
9 Air Service. It is the intent of Congress that the
10 Corporation shall be subject to annual financial
11 review, as set forth in section 23 of this act, and
12 that, at the earliest practical opportunity, and
13 following a resolution of Congress calling for the
14 same, the National Government shall dissolve the
15 Corporation, and a new, non-governmental
16 corporation, in which shares shall be offered for
17 sale to the general public, shall thereupon be

1 established, which corporation shall continue to
2 provide the air transportation services previously
3 provided by the Corporation."

4 Section 2. Section 6 of Public Law No. 10-72, as amended
5 by Public Law No. 10-103, is hereby further amended to read
6 as follows:

7 "Section 6. Board of Directors - Composition.

8 (1) The Board shall be composed of five voting
9 members. [~~The Secretary of the National Government~~
10 ~~Department of Transportation, Communication and~~
11 ~~Infrastructure, or his designee, shall be a member~~
12 ~~of the initial Board of Directors; the other members~~
13 ~~shall be appointed by the President.] One member of
14 the Board shall be a representative of the National
15 Government, and there shall be one member
16 representing each of the States. All appointments to
17 the Board, on or after the effective date of this
18 Act shall be made by the President of the Federated
19 States of Micronesia with the advice and consent of
20 Congress. The appointment of any State
21 representative on the Board shall be upon the
22 recommendation to the President by the Governor of
23 the pertinent State. The chief executive officer of
24 the Corporation shall serve ex officio as a member
25 of the Board but he or she shall have no rights to~~

1 vote."

2 ~~[-(2) Subsequent members of the Board shall be~~
3 ~~appointed by the President upon the expiration of~~
4 ~~the term of the incumbent member, or upon the~~
5 ~~removal of a member of the Board under the~~
6 ~~provisions of section 10 of this act.]"~~

7 Section 3. Section 7 of Public Law No. 10-072 is hereby
8 amended to read as follows:

9 "Section 7. Board of Directors - Organizational
10 meeting.

11 ~~[-(1)]~~ Within thirty days of the date this act becomes
12 law, and annually thereafter on such dates as are
13 set by the Board, the Board shall meet to select its
14 officers and to conduct such other business as it
15 shall deem advisable.

16 ~~[-(2) At the first such meeting, the appointed~~
17 ~~members of the Board shall determine by random~~
18 ~~selection the length of their initial terms, with~~
19 ~~three members serving initial terms of one year, and~~
20 ~~two serving initial terms of two years.]"~~

21 Section 4. Section 8 of Public Law No. 10-072 is hereby
22 amended to read as follows:

23 "Section 8. Board of Directors - Terms of office
24 and Term Limitations. Terms of office shall be for
25 a period of three years and shall be staggered such

1 that not more than two of the five terms expire in
2 one year, except that the initial terms of office
3 and the filling of vacancies shall be as provided by
4 this act. The terms of office shall commence on the
5 date of the organizational meeting of the Pohnpei
6 Board. However, the rights and powers of a member
7 whose term has expired shall remain in effect until
8 the first meeting of the Board following the
9 appointment of that member's successor; except that
10 no member shall remain in office in this manner for
11 longer than one year after the end of his or her
12 term."

13 Section 5. Section 9 of Public Law No. 10-072 is hereby
14 amended to read as follows:

15 "Section 9. Board of Directors - Vacancies.

16 (1) Each vacancy on the Pohnpei Board shall be
17 filled for the unexpired portion of the term in the
18 manner [~~set forth in subsection (2) of section 6 of~~
19 ~~this act~~] as provided by section 6 of this Act.

20 [~~Upon determination that a vacancy exists, the~~
21 ~~chairman or, in his absence, the presiding officer~~
22 ~~of the Board shall issue a notice of vacancy to all~~
23 ~~members of the Board and the parties responsible~~
24 ~~for filling the vacancy.] The chairman or, in his
25 absence, the presiding officer of the Board shall~~

1 notify the President and the Governor of the state
2 represented, if applicable, of an impending vacancy
3 on the Board not less than ninety (90) days prior
4 to the expiration of the term of a member or
5 immediately upon removal, resignation or death.

6 (2) Any vacancy occasioned by failure to make an
7 appointment prior to the expiration of the previous
8 term, or by failure to make an appointment within
9 sixty days of receipt of notice that a vacancy
10 exists, shall be filled by appointment by the
11 Speaker of Congress, subject to the advice and
12 consent of Congress, or an authorized committee
13 thereof. An appointee of the President or the
14 Governor shall be entitled to consideration if such
15 appointment is made prior to that of the Speaker."

16 Section 6. Section 19 of Public Law No. 10-72 is hereby
17 amended to read as follows:

18 "Section 19. Management. There shall be a chief
19 executive officer of the Corporation, whose
20 compensation, title, and term of office shall be
21 determined by the Board. The chief executive
22 officer shall [~~be responsible for the management of~~
23 ~~the operations of the Corporation, and shall~~], in
24 accordance with the policies established by the
25 Board, retain, direct, and terminate the services

1 of employees. The Chief Executive Officer shall not
2 be one of the pilots employed by the Corporation.

3 Subject to the Board's approval, in the event that
4 the chief executive officer is not a citizen of the
5 Federated States of Micronesia, the chief executive
6 officer shall select and train a citizen of the
7 Federated States of Micronesia to take over the
8 responsibilities of the chief executive officer as
9 soon as feasible."

10 Section 7. This act shall become law upon approval by
11 the President of the Federated States of Micronesia or upon
12 its becoming law without such approval.

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14 Date: 5/15/07

Introduced by: /s/ Peter Sitan

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Peter Sitan

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/s/ Fredrico O. Primo

Fredrico O. Primo

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