

NITIJELA OF THE MARSHALL ISLANDS

22ND CONSTITUTIONAL REGULAR SESSION, 2001

BILL NO. 51 N.D.2

P.L. 2001-33

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An Act

To amend the Marshall Islands National Telecommunications Authority Act of 1990, to remove restrictions on share ownership, and modify the power of the Authority in relation to the setting of rates and charges.

BE IT ENACTED BY THE NITIJELA OF THE MARSHALL ISLANDS:

Section 1. Short Title.

This Act may be cited as the Marshall Islands National Telecommunications Authority (Amendment) Act, 2001.

Section 2. Amendments.

The Marshall Islands National Telecommunications Authority Act of 1990, 40 MIRC, Chapter 1 (“the principal Act”), is hereby amended as follows:

(A) Section 107 (2) (e) of the principal Act is amended to read as follows:

“(e) shall in accordance with the provisions of Sections 3, 4, 5, 6, and 7 of the Marshall Islands Administrative Procedure Act 1979, 6 MIRC, Chapter 1, set and collect rates and charges, and promulgate rules and regulations, with respect to the provision of telecommunication services; provided, however, that rates and charges shall not be set so that for any fiscal year the anticipated annual net profit shall be more than twenty per cent (20%) of anticipated annual revenues; and provided, further, that annual net profits earned in excess of twenty per cent (20%) of annual gross revenues shall within the next fiscal year be used by the

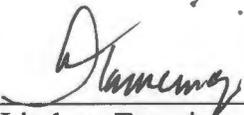
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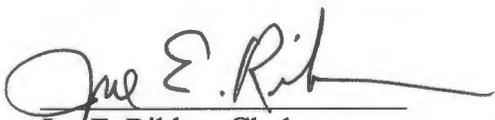
(1) that the Nitijela Bill No. 51 ND-2 has been passed by the Nitijela of the Marshall Islands on the 12th day of October, 2001; and

(2) that I am satisfied that Nitijela Bill No 51 ND2 has been passed in accordance with the Constitution of the Republic of the Marshall Islands and the Rules of the Nitijela .

I hereby place my signature before the Clerk of the Nitijela this 24th day of October, 2001.

Attest:


Litokwa Tomeing, Speaker
Nitijela of the Marshall Islands


Joe E. Riklon, Clerk
Nitijela of the Marshall Islands

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Authority either to maintain or expand its system or provide rebates to its customers;”

(B) Section 112 (4) (b) and (c) of the principal Act is amended, and new Subsection (4)(d) and (e) are inserted, to read as follows:

“(b) only citizens, legal residents, corporations or entities of the Republic of the Marshall Islands shall be permitted to purchase or own shares; provided however, that upon the expiration of three years after the effective date of this Act, the Board and the shareholders may permit foreign investors to purchase or own up to a cumulative total of twenty-five percent (25%) of the shares at a given time;

(c) no person, corporation, foreign investor, or entity other than the Government, shall be permitted to purchase or own more than fifty per cent (50%) of the authorized capital stock;

(d) Government shall, in addition to the authorized capital stock issued to it under Subsection (3) of this Section, retain 51% of the remaining unsold authorized capital stock under this Subsection; provided further, that the Cabinet may at its discretion, when it deems necessary and appropriate, sell or otherwise dispose of up to 50% of the Government’s total capital stock; and

(e) As used in this Section:

(i) “citizen” and its grammatical variations means the citizen of the Republic of the Marshall Islands as defined in the Constitution and any other laws of the Republic;

(ii) “legal resident” and its grammatical variations means a person who

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is not a citizen of the Republic, but who has during the period of ten (10) consecutive years prior to the date of request to purchase or own shares, ordinarily and lawfully resided in the Republic;

(iii) "corporation" and its grammatical variations means a domestic corporation duly registered and incorporated in the Republic, which has been established and doing business in the Republic for a minimum period of ten (10) years prior to the request to purchase or own shares and is up to date in the payment of all its taxes; and

(iv) "entity" and its grammatical variations includes RMI local governments, government agencies or authorities, local schools, churches, unincorporated partnerships, business or concerns."

(C) Section 114 (2) of the principal Act is amended to read as follows:

"(2) The Authority shall, at the discretion of the Board, invest any of its monies in excess of the amount necessary for meeting the immediate requirements of the Authority, to ensure the greatest return commensurate with sound financial policies.

Section 3. Effective date.

The Act shall take effect on the date of certification in accordance with Article IV, Section 21 of the Constitution.

Certificate

I hereby certify: