A RESOLUTION

Authorizing the Telecommunications Corporation of the Federated States of Micronesia [dba "Federated States of Micronesia Telecommunications Corporation"], pursuant to title 212, section 231(5), to incur debt and agree to liens or security interests in the assets of the Corporation.

1. WHEREAS, the Telecommunications Corporation of the Federated States of Micronesia [doing business as "Federated States of Micronesia Telecommunications Corporation"] (hereinafter referred to as the "Corporation") is the sole provider of telecommunications service within the Federated States of Micronesia; and

2. WHEREAS, the Corporation wishes to replace its international satellite transmission system with a submarine fiber optic cable network; and

3. WHEREAS, Tyco Telecommunications, the largest supplier of submarine cable systems worldwide, is placing a submarine cable between Guam and Australia; and

4. WHEREAS, the Corporation has assured Congress that placement of this cable presents the Federated States of Micronesia with a "rare opportunity" for fiber connectivity; and

5. WHEREAS, the Corporation must seek a loan of approximately $17.8 million from the United States Department of Agriculture to fund its participation cost in a project to access this submarine cable; and

6. WHEREAS, title 21, section 231(5) provides that the Corporation shall not assume any debt that will be repaid later than 365 days from the date of execution, or agree to a lien or other security interest in the assets of the Corporation as
security for a debt, without the approval by resolution of the Congress; now, therefore,

BE IT RESOLVED by the Thirteenth Congress of the Federated States of Micronesia, Second Special Session, 2003, that the Congress hereby authorizes the Corporation to assume debt for the purpose expressed herein in an amount not to exceed $17.8 million, which debt may be repaid later than 365 days from the date of execution, and to agree to a lien or other security interest in the assets of the Corporation as security for such debt;

BE IT FURTHER RESOLVED that a certified copy of this resolution be transmitted to the President of the Federated States of Micronesia, the Secretary of the Department of Transportation, Communication and Infrastructure of the Federated States of Micronesia, and the Chief Executive Officer of the Telecommunications Corporation of the Federated States of Micronesia.

Date: 9/03/03

Introduction by: /s/ Peter M. Christian

Peter M. Christian