A BILL FOR AN ACT

To further amend sections 203 and 205 of title 21 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-52, 20-13 and 20-101, for the purpose of providing more flexibility for the FSM Telecommunications Corporation concerning operations, management and ownership, and for other purposes.

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

Section 1. Section 203 of Title 21 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Laws Nos. 18-52, 20-13 and 20-101, is hereby further amended to read as follows:

"Section 203. Powers and responsibilities of the Corporation. The Corporation has the following powers and responsibilities:

(1) to operate as a provider of all telecommunications within the Federated States of Micronesia and between points in the Federated States of Micronesia and points outside thereof;

(2) to operate and manage such services on the basis of commercially accepted practices, treating all users of telecommunications services on equitable terms in accordance with its published tariffs, and requiring all users to pay for the services provided;
to plan for the expansion and improvement of telecommunications facilities and services;

(4) to the extent practicable, to expand telecommunications services to areas and communities in the Federated States of Micronesia that are presently unserved or poorly served and to improve the quality, reliability, and variety of services available to all users in a manner consistent with commercial reasonableness and with promoting economic development, the advancement of education and health care, and the preservation of the cultural identity of the people of the Federated States of Micronesia;

(5) to improve the telecommunications skills and promote the telecommunications training of Micronesian citizens who are employees of the Corporation;

(6) to establish, publish, and implement a structure of tariffs and rates for telecommunications services calculated to ensure that, to the extent practicable, adequate and equitable charges are imposed for services and that the tariff structure promotes the increased use of telecommunications services;

(7) to invest all surplus revenues of the Corporation in the expansion and improvement of telecommunications facilities and services, where authorized;
(8) to incur indebtedness for the purpose of expanding and improving telecommunications facilities, to the extent and on such terms as are deemed commercially reasonable by the Corporation; and

(9) to provide on a reimbursable basis emergency telecommunications services to governments, individuals, and entities in the Federated States of Micronesia[•]; and

(10) to issue its own articles of incorporation and bylaws for the running of the corporation pursuant to the guidelines established under this law and to allow the corporation to operate in a commercially reasonable manner.

(11) to issue stock to its stakeholders and to issue dividends to such stockholders consistent with the mandate described above.”

Section 2. Section 205 of Title 21 of the Code of the Federated States of Micronesia (Annotated), as amended by Public Law No. 18-52, is hereby further amended to read as follows:

“Section 205. Legal capacity of the Corporation. In performing the functions authorized under this chapter or other law of the Federated States of Micronesia, the Corporation shall have the capacity to exercise all powers normally exercised by a corporation, including, but not limited to, the following:

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(1) to adopt, alter, and use a corporate seal;

(2) to adopt and amend articles of incorporation and bylaws governing the conduct of its business and the exercise of its powers;

(3) to sue and be sued in its corporate name;

(4) to acquire, in any lawful manner, real, personal, or mixed property, either tangible or intangible; to hold, maintain, use, and operate such property; and to sell, lease, or otherwise dispose of such property;

(5) to borrow or raise any sum or sums of money and to issue corporate bonds on such security and upon such terms as may from time to time be deemed necessary for the expansion and improvement of communications facilities;

(6) to issue stock to its stakeholders and to issue dividends to such stockholders consistent with this statute, the articles of incorporation and the bylaws.

(7) to retain and terminate the services of employees, agents, attorneys, auditors, and independent contractors upon such terms and conditions as it may deem appropriate; and

(8) to do all such other things as may be deemed incidental to or conducive to the attainment of the responsibilities of the Corporation.”
Section 3. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: 5/18/22

Introduced by: /s/ Florencio S. Harper

Florencio S. Harper