

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:

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

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

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

12 (2) to operate and manage such services on the basis
13 of commercially accepted practices, treating all users
14 of telecommunications services on equitable terms in
15 accordance with its published tariffs, and requiring
16 all users to pay for the services provided;

1 (3) to plan for the expansion and improvement of
2 telecommunications facilities and services;

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

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

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

22 (7) to invest all surplus revenues of the
23 Corporation in the expansion and improvement of
24 telecommunications facilities and services, where
25 authorized;

1 (8) to incur indebtedness for the purpose of
2 expanding and improving telecommunications facilities,
3 to the extent and on such terms as are deemed
4 commercially reasonable by the Corporation; ~~and~~

5 (9) to provide on a reimbursable basis emergency
6 telecommunications services to governments,
7 individuals, and entities in the Federated States of
8 Micronesia[~~-~~]; and

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

14 (11) to issue stock to its stakeholders and to issue
15 dividends to such stockholders consistent with the
16 mandate described above."

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

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

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

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

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

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

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

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

18 [~~6~~](7) to retain and terminate the services of
19 employees, agents, attorneys, auditors, and independent
20 contractors upon such terms and conditions as it may deem
21 appropriate; and

22 [~~7~~](8) to do all such other things as may be deemed
23 incidental to or conducive to the attainment of the
24 responsibilities of the Corporation.”

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1 Section 3. This act shall become law upon approval by the
2 President of the Federated States of Micronesia or upon its
3 becoming law without such approval.

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5 Date: 5/18/22

Introduced by: /s/ Florencio S. Harper
Florencio S. Harper

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