



## 10<sup>th</sup> States and National Leadership Conference

10<sup>th</sup> SNLC Resolution No. 003

### A RESOLUTION

**In support of the FSM's World Bank funded ICT Projects and immediate action to meet the project disbursement conditions**

**WHEREAS**, the leadership of the 10<sup>th</sup> SNCL acknowledges the national telecommunications policy set by the current and prior administrations; and

**WHEREAS**, the leadership reaffirms recommendations made by state and national leadership as memorialized in the Final Communiqués of past SNLCs; and

**WHEREAS**, the state and national leaderships have consistently over a period of many years recommended that the nation prioritize the accelerated development of the telecommunications sector including the implementation of undersea fiber optic cable systems connecting to each of the four FSM States, the liberalization of the telecommunications sector; and

**WHEREAS**, the FSM Telecom Act of 2014 provides for the liberalization of the telecommunications sector, including the introduction of competition in the telecommunications market, the establishment of a national government owned entity (the Open Access Entity) intended to hold the FSM's ownership interest in fiber optic cable systems connecting each of the four States, and the creation of an independent telecommunications regulatory authority; and

**WHEREAS**, an IDA 17 grant funded telecommunications project was approved by the World Bank based on FSM's implementation of its national policy to liberalize the telecommunications sector through the passage of the Telecom Act of 2014; and

**WHEREAS**, the leadership acknowledges that the release of funds for the IDA 17 telecommunication project is subject to meeting disbursement conditions set forth in the project Financing Agreement, including the establishment and operationalization of the Open Access Entity and the Telecommunications Regulatory Authority, as provided for by the Telecom Act of 2014; and

**WHEREAS**, the FSM Department of Transportation, Communication & Infrastructure (DTCI) is responsible for the overall implementation of the IDA 17 project in accordance with requirements of the project's Financing Agreement and has since the project was approved in March 2015 negotiated contracts for the provision of cable systems for Yap and Chuuk, which are already in implementation and is concluding negotiations with the World Bank for additional funding under the existing project to fund a cable system to Kosrae; and

**WHEREAS**, FSM's technical advisors have in close consultation with DTCI, FSM Telecom, the World Bank, and stakeholders from the state and national government diligently prepared and completed a comprehensive report providing a roadmap and timetable for restructuring FSM Telecom and liberalizing the telecommunications sector including the implementation of the key provisions of the 2014 Telecom Act that would satisfy the IDA 17 project disbursement conditions; and

**WHEREAS**, the Governors have established State taskforces to support the FSM's implementation of the IDA 17 telecommunications projects; and

**WHEREAS**, the World Bank has informed the FSM that the FSM qualifies for an increase in grant funding under the next World Bank funding cycle (IDA 18); and

**WHEREAS**, the leadership supports funding by the World Bank of a

next phase ICT project under IDA 18 to fund terrestrial build out and development of internet applications for FSM stakeholders; and

**WHEREAS**, the leadership acknowledges the transformational power on the nation's overall development achievable by the nation's commitment to invest in the telecommunications sector; and

**WHEREAS**, the leadership recommends prioritizing accelerated development of the telecommunications sector in order to take full advantage of the potential benefits of landing fiber optic cable systems in each of the States; and

**NOW, THEREFORE, BE IT RESOLVED** that the 10<sup>th</sup> SNLC affirms their mutual support for provisioning fiber optic cable systems to each of the four States;

**BE IT FURTHER RESOLVED** by 10<sup>th</sup> SNLC that the Nation continues along the path of accelerated development of the telecommunications sector with support from the World Bank ICT projects during IDA 17 and IDA 18;

**BE IT FURTHER RESOLVED** that the leadership urges the State's telecommunications taskforces to continue collaboration and partnership with the national government project team to ensure successful implementation of the IDA funded telecommunications projects;

**BE IT FURTHER RESOLVED** that the leadership endorses the recommendations of FSM's advisors to take the steps required to meet the critical path for meeting the IDA 17 project disbursement conditions, including the establishment of the OAE and appointment of an independent regulator, and urges that next steps be carried forth expeditiously in a spirit of collaboration and good will by all stakeholders in accordance with the recommended timetable for meeting the disbursement conditions;

**BE IT FURTHER RESOLVED** that the leadership supports the FSM's government's efforts to ensure compliance with the project financing agreement, including arrangements for transit of the Chuuk and Kosrae cable systems to Guam via HANTRU-1;

**BE IT FURTHER RESOLVED** that the leadership supports the approval of a budget by the FSM Congress to provide the initial capital required to establish and operationalize the OAE and the office of the Regulator, and to meet any other interim or ancillary funding requirements necessary for the implementation of the IDA 17 project;

**BE IT FURTHER RESOLVED**, that upon adoption of this resolution copies hereof shall be transmitted to the Chief Executives and the Presiding Legislative Officers of the State and National Governments of the Federated States of Micronesia, and the Chairman of the FSM Telecom Board.

**Adopted in Tofol, Kosrae, this 21<sup>st</sup> day of March 2017**

  
**Head of Delegation**  
**Chuuk State Government**

  
**Head of Delegation**  
**Pohnpei State Government**

  
**Head of Delegation**  
**Kosrae State Government**

  
**Head of Delegation**  
**Yap State Government**

  
**Head of Delegation**  
**FSM National Government**