

SPECIAL COMMITTEE REPORT NO. 16-43

RE: C.R. NO. 16-22/T&C

SUBJECT: CONFIRMING THE NOMINATION OF MR. RESTY R.  
SHOTARO TO THE BOARD OF DIRECTORS OF FSM  
TELECOMMUNICATION CORPORATION

OCTOBER 2, 2009

The Honorable Isaac V. Figir  
Speaker, Sixteenth Congress  
Federated States of Micronesia  
Second Regular Session, 2009

Dear Mr. Speaker:

Your Committee on Transportation and Communication, to which was referred C.R. No. 16-22 entitled:

"A RESOLUTION TO CONFIRM THE NOMINATION OF MR. RESTY R. SHOTARO TO SERVE AS A MEMBER OF THE BOARD OF DIRECTORS OF THE FSM TELECOMMUNICATION CORPORATION (TELECOM), PURSUANT TO TITLE 21 OF THE CODE OF THE FEDERATED STATES OF MICRONESIA, AS AMENDED.",

begs leave to report as follows:

Mr. Resty R. Shotaro has been nominated by the President of the Federated States of Micronesia to serve as a member on the Board of Directors for FSM Telecommunication Corporation (FSM Telecom). The Board of FSM Telecom is composed of five members; each State Governor appoints one member with the advice and consent of each State Legislature, and one member is appointed by the President with the advice and consent of Congress. Mr. Shotaro has been appointed by the President as the National Government representative to the Board.

Mr. Shotaro's resume is included in Presidential Communication 16-44 and is summarized here. Mr. Shotaro has been employed in the National Government executive branch since 2001 in various positions. He is currently the FSM Historic Preservation Officer at the National Archives. Prior to this position, Mr. Shotaro has held a number of positions in the Department of Finance and Administration, including in the Personnel, Budget, and National Treasury Divisions. Mr. Shotaro also worked briefly at SBOC. Prior to working for the National Government, Mr. Shotaro was self-employed for a number of years; was a member of the Chuuk State Legislature from 1985-1995; and spent six years in the banking industry.

Mr. Shotaro holds a Bachelor of Business Administration from the University of Guam and a Diploma from Stayton High School in Oregon, U.S.A.

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On October 2, 2009, your Committee held a hearing with the nominee. Present at the hearing, in addition to Committee members and the candidate, were: Peter Christian, Secretary of the Department of Resource & Development; Francis Itimai, Secretary of the Department of Transportation, Communication & Infrastructure; Takuro Akinaga, President and CEO of Telecom; John Sohl, Executive Vice President and COO of Telecom; and Pelsesar Petrus from the Office of the President.

In his opening statement, Mr. Shotaro spoke of his desire to serve as the representative of the National Government to the FSM Telecom Board, articulating that he will represent the entire National Government if confirmed, not only the executive branch.

When asked what his plans were should he succeed in the nomination to the Board at FSM Telecom, what qualities he brings to the Board, and how the President selected him, Mr. Shotaro indicated he felt he was chosen as the President's nominee in part based on his background of management experience and work experience at a large corporation in the banking industry and ability to comprehend financial reports and statements, along with knowledge of customer service. Mr. Shotaro admitted he may lack experience in the technical aspects of Telecom. Mr. Shotaro spoke of a list of goals should he serve on the Board, including: that no State is left behind in fiber optic installation; ensuring transparency and accountability from management at Telecom; quality customer service; and trying to connect all islands to Telecom service.

When asked an opinion on the bills currently before Congress that affect Telecom directly (C.B. No. 16-08 regarding regulatory power and C.B. No. 16-26 regarding board appointments), the nominee declined to express an opinion and stated those were policy decisions best left to the discretion of Congress.

Representatives from the executive branch expressed support of the President's nominee, although he was not one of the original names suggested to the President to fill the position on the Board. The educational achievements and management experience of the nominee was recognized. Representatives from Telecom and the executive branch expressed readiness and ability to work with anyone the President nominates to the Board, and that the nominee will quickly be brought up to date on all outstanding issues facing Telecom.

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Based on its considerations of the qualifications of the nominee, your Committee on Transportation & Communication is in accord with the intent and purpose of C.R. No. 16-22, and recommends its adoption in the form attached hereto.

Respectfully submitted,

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Dion G. Neth, chairman

/s/ \_\_\_\_\_  
Tony H. Otto, vice-chairman

/s/ \_\_\_\_\_  
Tiwiter Aritos, member

/s/ \_\_\_\_\_  
Claude H. Phillip, member

/s/ \_\_\_\_\_  
Fredrico O. Primo, member

/s/ \_\_\_\_\_  
Joe N. Suka, member

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Joseph J. Urusemal, member