

# FSM National Government **Performance Report**

## **Capital Projects Fund** 2025 Report

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## Executive Summary

Excellent progress has been made to date. As of July 31, the prefabricated Cable Landing Station buildings in both Pohnpei and Kosrae have been installed, NEC equipment installed, and cable manufactured. The cable is currently ready on the cable laying ship and poised to start lay next month.

The cable system is on track to be ready for service by the end of the calendar year and the related Fiber to the Home project is well advanced.

## Uses of Funds

All CPF funds have been applied to the submarine cable connecting Kosrae.

As outlined in the program plan, the state of Kosrae has been the last State of FSM to be scheduled to receive a submarine cable. Internet connectivity for the State has been limited to low capacity, high latency geostationary satellite services.

The cable is expected to benefit the entire population of Kosrae, 95%+ households will get better access and all businesses and key community buildings and facilities will have improved service.

The initial period has been focused on securing grant agreements and those of all the parties to the EMC consortium. The FSM team, led by OAE and DTC&I have focused on securing the appropriate permissions, permits and agreements. This involves National, Pohnpei and Kosrae State Governments.

Expenditure against the NEC contract commenced in this period.

Project monitoring has been established.

Key focus for the next reporting period will be the completion of the cable lay, commissioning, testing and accepting the delivered cable system.

### Key communications update

- There have been significant communications updates this year as construction work has started. Groundbreaking for terrestrial work in both Pohnpei and Kosrae installation of the new cable landing stations and the start of cable laying. For further information please refer to <https://www.eastmicronesiacable.com/news>

## Promoting Equitable Outcomes

The entire focus of the FSM National Government Program is on establishing submarine cable connectivity to Kosrae. Kosrae is the only State that does not yet have a submarine cable. The lack of low-cost, high-performance cable has especially limited growth and development for Kosrae State.

It is critical that all States have access to the same high standard of communications infrastructure that the other three States have.

The project will improve the connectivity for all residents of Kosrae State which are currently underserved.

Currently 0% of Kosrae households have the ability to connect to high-speed fiber services. By the end of the project, >95% Kosrae households are expected to have the ability to connect to high-speed fiber optic services.

The FSM Telecommunications Cable Corporation has started the Fiber to the Home build that will complement the Submarine Cable. 14% of trenching work in Kosrae to connect all premises to this network has been completed and the wider project is on track to be delivered. Two sites are already connected to the Fiber Network and a High-Speed Satellite network that has been deployed as an interim solution while the submarine cable is being completed.

### Labor

All FSM CPF funds are being applied to a contract with NEC of Japan for the construction and installation of a submarine cable system.

### Community Engagement

Community engagement has been broad and widespread. The criticality of communications has become even more pressing in the time elapsed from the original agreement to proceed with a cable to Kosrae in 2019. There is widespread community support and discussion as to the needs and the benefits of the cable system to Kosrae.