

RADIO ANNOUNCEMENT TO THE GENERAL PUBLIC

THE FSM TELECOMMUNICATIONS CORPORATION IN ITS CONTINUING EFFORT TO IMPROVE THE QUALITY OF SERVICE, INTRODUCE NEW SERVICES AND INCREASE EFFICIENCY HAS COMPLETED A THOROUGH STUDY OF ITS ENTIRE TARIFFS. AS A RESULT OF THIS STUDY, THE MANAGEMENT OF THE CORPORATION SUBMITTED TO THE BOARD OF DIRECTORS FOR THEIR APPROVAL VARIOUS CHANGES IN ITS TARIFFS. THE BOARD OF DIRECTORS MET TODAY AUGUST 18, 2004 AND GAVE THE PROPOSED TARIFFS THEIR PROVISIONAL APPROVAL PENDING GENERAL PUBLIC COMMENTS AND FEEDBACKS. THE FOLLOWING ARE THE HIGHLIGHTS OF THE PROPOSED CHANGES IN TARIFFS:

Type of service	Existing Rate	Proposed rates	Comments
Residential Fixed Line	\$8.00 per month	No change	
Business Fixed Line	\$16.00 per month	No change	
411 Directory Assistance	\$0.50 to \$0.80 per call.	\$0.25 per call	There is existing tariff for 411 directory assistance calls but was never implemented. Now that the phonebook is more consistent and telephone directory can also be accessed directly from our website http://www.phonebook.fm , effective approval of new rates FSM Telecom will begin charging for 411 calls.



Type of service	Existing Rate	Proposed rates	Comments
Poin-to-point data service		\$48.00 per month plus \$0.75 per ¼ mile off-premise extension & full cost of any terminal equipment attached.	This is a new service to cater for dedicated data connectivity between two points within the same local exchange.
Billing statements reprint		\$0.25 per page	First print of billing statements FREE. Reprint of the same bill at the request of the customer will be assessed \$0.25 per page.
Billing Inquiry Investigation (BILLING PERIODS OLDER THAN 2 YEARS FROM THE DATE OF REQUEST)		\$25.00 PER MAN HOUR (PER HOUR INCREMENT CHARGE)	Customer requesting billing inquiry investigation for an account older than 2 years from the date of request will be assessed \$25.00 per man-hour. Billing inquiry within the 2 years from the date of request will be assessed the billing statement reprint only.
Business key systems request (outside of warranty)		\$15 per man hour (per hour increment charge	Customers who own its telephone equipment will be subject to this rate. Company provided key systems within warranty period would not be subject to this rate.



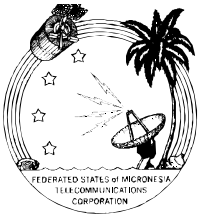
**FSM
Telecommunications
Corporation**

**P.O. Box 1210, Kolonia, Pohnpei
Federated States of Micronesia 96941
Tel: 691-320-2740
Fax: 691-320-2745**

Type of service	Existing Rate	Proposed rates	Comments
PABX request (outside of warranty)		\$15 per man hour (per hour increment charge)	Customers who own its telephone equipment will be subject to this rate. Company provided PABX systems within warranty period would not be subject to this rate.
Inside Wire Maintenance / Access Line request		\$15 per man hour (per hour increment charge)	Applies to customers who do not maintain Inside Wire Maintenance / Access Line plan
Inside Wire Maintenance/Access Line		\$1.00 per month	FSM Telecom provides wiring requirements up to its protectors. Inside wiring within 250 feet from protector will be provided free on first installation. Customers that wish for FSM Telecom to maintain their inside wiring will be subject to this rate.
Prepaid Internet Access		\$0.08 per Mb (megabyte)	This new service to provide Internet access via Telecom's prepaid FSM TelCards. Service will be charged on a data usage basis.



Type of service	Existing Rate	Proposed rates	Comments
Prepaid Email Account		\$4.95 per email account per month	This new service to provide @mail.fm email access via Telecom's prepaid FSM TelCards.
General Packet Radio Service (GPRS)		\$5.00 per thirty (30) day access (from setup date)	This new service to provide wireless Internet access, Multimedia Service, and WAP on the cellular network.
Domestic (interstate) calls	Range between \$0.75 per minute to \$0.40 per minute	Range between \$0.50 per minute to \$0.15 per minute	All calls between FSM states will be reduced and restructured. New time periods: Standard period: Monday to Friday 8:00 a.m. to 6:00 p.m. Evening period: Monday to Friday 6:00 p.m. to 10:00 p.m. Night period: Monday to Friday 10:00 p.m. to 6:00 a.m. and all day Saturday and Sunday
International (long distance) calls	Most countries lowest rate \$1.00 per minute	Most countries lowest rates \$0.47 per minute	All calls to outside of FSM will be reduced and restructured. New time periods: Standard: Monday to Friday 6:00 a.m. to 6:00 p.m. Off-peak: Monday to Friday 6:00 p.m. to 6:00 a.m. and all day Saturday and Sunday.



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COPY OF DETAILED PROPOSED RATES IS AVAILABLE AT YOUR LOCAL TELECOM OFFICE AND ALSO ON THE CORPORATION'S WEBSITE [HTTP://WWW.TELECOM.FM](http://www.telecom.fm). BY VIRTUE OF TITLE 21 CHAPTER 2 SECTION 228 OF THE FSM CODE, FSM TELECOMMUNICATIONS CORPORATION WISHES TO INVITE COMMENTS FROM THE GENERAL PUBLIC ON THE NEW PROVISIONAL SERVICE RATES.

DEADLINE FOR ACCEPTING COMMENTS WILL BE THIRTY (30) DAYS FROM THE POSTING OF THIS ANNOUNCEMENT. COMMENTS SHOULD BE ADDRESSED TO:

**MARKETING MANAGER
FSM TELECOMMUNICATIONS CORPORATION
P.O. BOX 1210
KOLONIA, POHNPEI
PHONE NO. 320-2740
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