

STANDING COMMITTEE REPORT NO. 14-139

RE: C.R. NO. 14-109/R&D

SUBJECT: AMENDMENT TO THE FEDERATED STATES OF
MICRONESIA ARRANGEMENT FOR REGIONAL FISHERIES ACCESS

JANUARY 24, 2007

The Honorable Peter M. Christian
Speaker, Fourteenth Congress
Federated States of Micronesia
Sixth Regular Session, 2007

Dear Mr. Speaker:

Your Committee on Resources and Development ("R&D"), to which was referred C.R. No. 14-109 entitled:

"A RESOLUTION RATIFYING THE AMENDMENT TO THE AGREEMENT AMONG
PACIFIC ISLAND STATES CONCERNING THE IMPLEMENTATION AND
ADMINISTRATION OF THE TREATY ON FISHERIES BETWEEN THE GOVERNMENTS
OF CERTAIN PACIFIC ISLAND STATES AND THE GOVERNMENT OF THE UNITED
STATES OF AMERICA."

begs leave to report as follows:

The intent and purpose of the resolution are expressed in its title.

The subject resolution would approve the amendments to the agreement above.

The amendments seek to address the difference in funding paid by the US Government. Currently, Paragraph one, Schedule one of the Agreement among Pacific Island States concerning the Implementation and Administration of the Treaty on fisheries Between the Governments of Certain Pacific Island States and the Government of the United States of America ("Implementation Agreement") states that the US Government contributes \$14 million cash payment pursuant to the agreement between the Government of the United States of America and the South Pacific Foreign Fisheries Agency ("FFA Agreement"). The funding has been increased to \$18 million. Paragraph one, Schedule one of the Implementation agreement also states that a payment of \$US 4 million Industry payment be made pursuant to Annex II, Schedule 2 of the Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States of America ("Principal Agreement"). The new figure is \$US 3 million.

The proposed amendment will update these figures in the Schedule, and insert the words "or such other amount as may be paid by the United States Government pursuant to" in the FFA agreement and the Principal agreement payments. It is assumed this is to prevent the need for further ratifications of the Implementation Agreement in future.

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NORMA estimates that the division of the additional \$3 million per year will equate to an additional \$250,00 per year for the FSM (based on historical data). In June 2007, the payments will have been kept in Trust for 4 years, awaiting the amendment to the Implementation Agreement. Over \$1 million dollars should be payable to the FSM by June 2007.

There is also a proposed New Schedule 1 Paragraph 1 (b) (i). This is to increase the amount of money to be transferred to the Project Development Fund administered by the FFA, to reflect a corresponding increase in the overall fee of the Principal Agreement. NORMA spends the \$100,000 awards to the FSM under the FFA schedule for attending meetings, monitoring the area and a sampling program. Foreign Affairs has control of the funds.

The committee notes that this is a beneficial Agreement for the FSM, as the US pays even when it does not use its full fishing quota. At the moment, there are only 13 US fishing vessels in the region, and they are permitted 40. Under the Palau Arrangement, other nations may be offered the remaining vessel spaces.

Thus, your Committee on Resources and Development is in accord with the intent and purpose of C.B. No. 14-109 and recommends its adoption in the form attached hereto as C.R. 14-109.

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Respectfully submitted,

/s/ Manny Mori
Manny Mori, chairman

/s/ Ramon Peyal
Ramon Peyal, vice chairman

Alik L. Alik, member

Peter M. Christian, member

Dion G. Neth, member

/s/ Simiram Sipenuk
Simiram Sipenuk, member

/s/ Peter Sitan
Peter Sitan, member