

STANDING COMMITTEE REPORT NO. 20-11

RE: C.R. No. 20-10/R&D

SUBJECT: TO RATIFY THE FISHERIES TREATY BETWEEN  
GOVERNMENTS OF CERTAIN PACIFIC ISLAND  
STATES AND THE GOVERNMENT OF THE UNITED  
STATES OF AMERICA

MAY 29, 2017

The Honorable Wesley Simina  
Speaker, Twentieth Congress  
Federated States of Micronesia  
First Regular Session, 2017

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was  
referred C.R. No. 20-10, entitled:

"A RESOLUTION RATIFYING THE AGREEMENT TO 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.

Congressional Resolution No. 20-10 is a resolution  
ratifying the amendment to the Multilateral Treaty on  
Fisheries between the Governments of certain Pacific Island  
States and the Government of the United States of America.

**Background**

The original treaty that allows fishing access to the  
United State fleets to fish in the FSM exclusive economic  
zone and fishing zones in the neighboring Pacific countries

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took effect in 1987. As party to this treaty, the FSM has gained more revenues since 1987.

**Hearing on the resolution**

Your Committee on Resources and Development conducted a public hearing on the said resolution on Monday, May 29, 2017. Your Committee was informed that should action be taken during this session, the FSM would be the first to ratify the amendments to the Treaty amongst the Pacific Island Parties.

The changes to this treaty came about because of the new Vessel Day Scheme (VDS) and a few other new fisheries developments. Currently, the provisions under the Treaty did not accommodate the VDS scheme. One of the amendments to the Treaty accommodates the VDS scheme. Another important aspect of the Treaty is that it recognizes National laws of the each party to the Treaty. The Treaty also incorporates a new business model where the PNA and Non PNA members allocate number of days into a Pool.

The amendments make the Treaty more commercially oriented and remove the need to meet annual revolving transaction costs. In essence, the FSM is expected to contribute to the VDS 400 days for 2017 and 2018 at a value of \$5,040,000 per year. Additional days will be sold to the U.S. vessel owners on a bilateral basis at agreed prices.

The Government of the United States supports the amendments to the Treaty. At present the Treaty is between the Pacific Island Parties and the United States. The distribution aspect of the Treaty is that fifteen percent is allocated to each country's Project Development Fund (PDF) and eighty-five percent for each party, which is based on where the fishing actually occurs or based on catch.

The Authority (NORMA) is of the view that the amendments to the Treaty are favorable.

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CONCLUSION

Your Committee on Resources and Development is in accord with the intent and purpose of C.R. No. 20-10, and recommends its adoption in the form attached hereto as C.R. No. 20-10.

Respectfully submitted,

/s/ David W. Panuelo  
David W. Panuelo, chairman

/s/ Tiwiter Aritos  
Tiwiter Aritos, vice-chairman

/s/ Victor Gouland  
Victor Gouland, member

Isaac V. Figir, member

/s/ Derensio S. Konman  
Derensio S. Konman, member

/s/ Esmond B. Moses  
Esmond B. Moses, member

/s/ Alik L. Alik  
Alik L. Alik, member