

STANDING COMMITTEE REPORT NO. 15-115

RE: C.R. NO. 15-136

SUBJECT: AGREEMENT FOR FOREIGN FISHING VESSELS BETWEEN NORMA AND B.J.
AGENCY

May 27, 2008

The Honorable Isaac V. Figir
Speaker, Fifteenth Congress
Federated States of Micronesia
Fourth Regular Session, 2008

Dear Mr. Speaker:

Your Committee on Resources and Development ("R&D"), to which was referred C.R. No. 15-136, entitled:

"A RESOLUTION APPROVING THE AGREEMENT FOR FOREIGN FISHING VESSELS BETWEEN THE NATIONAL OCEANIC RESOURCE MANAGEMENT AUTHORITY AND B.J. FISH AGENCY.",

begs leave to report as follows:

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

That communication from NORMA seeks approval of a proposed Foreign Fishing Vessel Agreement (Agreement) with B. J. Fish Agency that was executed by both parties on May 13, 2008. John Martin signed as President for B.J. Fish Agency at Tofol, Kosrae.

B.J. Fish Agency is currently operating under a valid foreign fishing agreement for 9 boats. The Agency is based in Guam and licenses primarily Japanese longline fishing vessels. Since the existing agreement was made an increase in the number of vessels seeking licenses through the Agency created a need for an expanded access agreement. Section 405 of the Marine Resources Act requires that an access agreement involving ten or more vessels shall be submitted to

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Congress for approval.

THE AGREEMENT:

The proposed Agreement is represented "as the same as the 9 boat agreement." It is for a maximum of 20 boats and sets a \$22,000 annual fee, or \$6,000 quarterly, access fee for vessels under twenty gross tons and \$26,000 annual, or \$7,000 quarterly, fee for vessels over 20 gross tons. It provides for the same increased per vessel contribution to the FSM observer program of \$300 per year that was set in the previous fishing agreement approved by Congress. The term of the Agreement is one year. It will supersede the 9 boat agreement dated November 27, 2007.

The Authority reserves the right to revoke or suspend a permit issued under this agreement if the vessel is removed from good standing from the Vessel Registry or fails to meet WCPFC requirements. The Authority may terminate the Agreement for breach of its terms or upon substantial non-compliance by NFC. Further, if NORMA determines that there is a serious threat to the fish stocks in the waters of the FSM, it may take necessary action for the preservation of the stocks to limit or close access and refund to NFC on a pro rata basis a portion of the fees for the time remaining on the Agreement.

All other standard terms and conditions including those required by law apply in this Agreement.

PUBLIC HEARING:

Your committee held a public hearing on the above referenced agreement on Wednesday, May 21, 2008 at the call of Chairman Dion Neth with Committee members Sitan, Welly, Urusemal, Suka and Paul present. NORMA Deputy Director Eugene Pangelinan appeared by invitation. Mr. Pelsesar Petrus, Special Assistant to the President for Legislative Matters, observed.

After the welcoming remarks, the Chairman yielded the floor to Deputy Director Pangelinan who provided an overview of the proposed agreement and emphasized that it was the same as the existing agreement with the only change being the expanded number of vessels authorized for permits. During the hearing it was acknowledged that the quarterly permit option rather than the annual permit has been the practice pursuant to this Agency agreement. Under the existing 9 vessel agreement, all eleven of the permits issued to 8 different vessels have been the short term variety. Total fees in the amount of \$81,500

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have been collected under the 9 boat agreement thus far and Mr. Pangelinan anticipates increased revenues pursuant to the new agreement.

RECOMMENDATION:

Your Committee on Resources and Development recommends that the Fishing Access Agreement with B.J. Fish Agency be approved and that a Resolution approving the same be adopted in the form attached hereto.

Respectfully submitted,

/s/ Dion G. Neth
Dion G. Neth, Chairman

/s/ Setiro Paul
Setiro Paul, Vice Chairman

/s/ Joseph J. Urusemal
Joseph J. Urusemal, member

Resio S. Moses, member

Peter Sitan, member

Joe N. Suka, member

/s/ Paliknoa K. Welly
Paliknoa K. Welly, member