

STANDING COMMITTEE REPORT NO. 16-140

RE: C.R. NO. 16-145/R&D

SUBJECT: RATIFYING AN AMENDMENT TO THE PROTOCOL AND  
ANNEX OF THE FISHING PARTNERSHIP AGREEMENT  
BETWEEN THE EUROPEAN COMMUNITY AND THE  
FEDERATED STATES OF MICRONESIA

MARCH 30, 2011

The Honorable Isaac V. Figir  
Speaker, Sixteenth Congress  
Federated States of Micronesia  
Sixth Special Session, 2011

Dear Mr. Speaker:

Your Committee on Resources and Development to which was referred,  
jointly with your Committee on External Affairs, C.R. No. 16-145,  
entitled:

"A RESOLUTION RATIFYING AN AMENDMENT TO THE FISHERIES PARTNERSHIP  
AGREEMENT BETWEEN THE EUROPEAN COMMUNITY AND THE FEDERATED STATES  
OF MICRONESIA ON FISHING IN THE FEDERATED STATES OF MICRONESIA, BY  
AMENDING THE PROTOCOL AND ANNEX." ,

begs leave to report as follows:

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

Your Committee on Resources and Development held a series of hearings  
in Palikir on the said resolution to hear testimony regarding the  
amendments to the Protocol and Annex to the Fishing Partnership  
Agreement between the European Community and the FSM. Among those  
present at the hearing were: the then Acting Executive Director of  
NORMA Mr. Eugene Pangelinan, the new Executive Director Patrick  
Mackenzie, and Patricia Jack; the Secretary of the Department of  
Resources and Development Mr. Marion Henry, and staff from the  
Department. A number of Congress's concerns regarding the EU Agreement  
which were explicitly explained in the Committee of External Affairs  
report (SCR No. 16-126), which was recommitted for further action by  
the said Committee, were not resolved.

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Your Committee is very much concerned on the intentions of the proposed amendments to the Protocol and Annex. Firstly, the old Protocol calls for an annual financial contribution at euro559,000. According to testimony from the staff of NORMA, there was a banking complication in converting Euros into US dollars, which was not accommodated in the old Protocol. The proposed amendment to the new Protocol will cure this defect concerning the conversion of currency. Due to this banking complication, NORMA was unable to issue fishing permits to vessels under this current access arrangement until such time that a system is set up at the Department of Finance and Administration.

Furthermore, your Committee thinks that the \$15,000 per vessel is a lesser amount. In addition, your Committee had hoped to see in the amendments an explicit statement that the fees paid by the EU or its boats are not reimbursable. Your Committee does not want the FSM to take the risk that EU boats are unable to fill their holds nor the risk that EU boats never make it to our waters to fish. Reimbursable fees put this risk squarely upon the FSM. Your Committee has become aware that currently there is still disagreement over the issue of reimbursement. Your Committee had hoped this issue would be resolved by the amendments, but it has not.

Your Committee is not satisfied with the intentions of the proposed amendments, and requested NORMA to renegotiate the proposed amendments with EU. Your Committee on Resources and Development has considered the amendments to the EU Protocol and Annex to the Fisheries Partnership Agreement between the European Community and the FSM and recommends disapproval of C.R. No. 16-145, subject to the concurrence of your Committee on External Affairs.

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Respectfully submitted,

/s/ Roger S. Mori  
Roger S. Mori, chairman

/s/ Tony H. Otto  
Tony H. Otto, vice chairman

/s/ Peter M. Christian  
Peter M. Christian, member

/s/ Dion G. Neth  
Dion G. Neth, member

/s/ Peter Sitan  
Peter Sitan, member

Joseph J. Urusemal, member

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