

Your Committee on Resources and Development, to which was jointly referred C.R. No. 13-4, entitled:

“A RESOLUTION APPROVING THE AMENDMENTS TO THE TREATY ON FISHERIES BETWEEN THE GOVERNMENTS OF CERTAIN PACIFIC ISLAND STATES AND THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE ANNEXES AND SCHEDULES THERETO.”,

begs leave to report as follows:

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

The subject treaty (“Treaty”) is a “non-expiring” treaty that has been in effect since 1987. The Treaty authorizes certain United States fishing vessels to fish for tuna in the waters of the member nations (“parties”). The member parties are the United States and the 16 Pacific island nations who are parties to the South Pacific Forum Fisheries Convention, 1979 (the "Pacific Island parties")¹.

The Treaty has been a significant source of revenue for the 16 island nations. Under the current financial arrangements under the Treaty, a total of \$18,000,000 is paid to the island nations annually. \$14 million is paid by the U.S. Government and \$4 million comes from the U.S. fishing industry.

Administrative costs and funding for a "Project Development Fund" (\$1.778 million) administered by the South Pacific Forum Fisheries Agency and equally available to each Pacific Island Party are deducted

from the total. Fifteen percent (15%) of the remaining funds are then divided equally among the Pacific Island Parties. The balance (85%) is distributed among the parties based upon catch.

The proposed amendments to the Treaty would increase the annual payments from \$18 million to \$21 million, and would reduce the number of fishing boats allowed in the waters of the 16 nations, from 50 to 40. (\$18 million from the U.S. Government and \$3 million from the industry.)

Currently, only 26 vessels are operating under the Treaty. National Oceanic Resource Management Authority ("NORMA") officials predict that for the foreseeable future the total number of vessels operating under the amended Treaty will not exceed 30.

Because the bulk of the funding distribution is based upon catch rates, it is impossible to predict precisely what share of the balance the FSM will receive in any given year. However, the FSM's revenue over the past 3 years is set out below [as determined from June to June):

2002	\$274,070
2001	703,211
2000	267,271

The Treaty amendments become effective when ratified by all of the parties. Currently, the FSM, Papua New

Guinea, and Kiribati have not acted. NORMA officials stated that Papua New Guinea and Kiribati are in the process of ratifying the treaty and will attempt to complete the process by June 15.

The United States has already agreed to the increased payment of the \$21 million. [Agreement Between the Government of the United States of America and the South Pacific Forum Fisheries Agency, signed March 12, 2003.] Officials at NORMA have stated that the legal counsel for the FFA has advised that the current distribution formula will remain in effect based upon the old \$18 million figure until all of the parties have ratified the amendments.

Your committee has concluded that the ratifying amendments will result in increased financial benefits to the FSM while reducing the pressure on fish stocks. Failure to ratify will result in delay of much needed revenues.

Subject to the concurrence of your Committee on Ways and Means, your Committee on Resources and Development is, therefore, in accord with the intent and purpose of C.R. No. 13-4 and recommends its adoption.

Signed by Senators Alik, Neth, Aritos, Figir, Nelson, Asor and Moses

¹ The Pacific Island Parties are: Australia, Cook Islands, FSM, Fiji, Kiribati, Marshall Islands, Nauru, New Zealand, Niue, Papua New Guinea, Palau, Solomon Islands, Tonga, Tuvalu, Vanuatu, and Western Samoa.