

STANDING COMMITTEE REPORT NO. 14-69

RE: C.R. NO. 14-42/R&D

SUBJECT: FOREIGN FISHING AGREEMENT WITH KOREA
DEEP SEA FISHERIES ASSOCIATION

NOVEMBER 16, 2005

The Honorable Peter Christian
Speaker, Fourteenth Congress
Federated States of Micronesia
First Special Session

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was referred
C.R. No. 14-42:

"A RESOLUTION APPROVING THE FOREIGN FISHING AGREEMENT
BETWEEN THE NATIONAL OCEANIC RESOURCE MANAGEMENT AUTHORITY
AND KOREA DEEP SEA FISHERIES ASSOCIATION.",

begs leave to report as follows:

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

This agreement was executed on October 22, 2005 between the Korea Deep Sea Fisheries Association (the "Association") and National Oceanic Resource Management Authority (the "Authority") to take effect on November 18, 2005. The Authority has indicated that this agreement would license up to 27 purse seine vessels with access fees of \$80,000 per vessel per year. Further, the Authority reports that this agreement is expected to bring approximately two million dollars into the national treasury during the next contract year. Over the full five year term of the contract, it is anticipated that the agreement will generate approximately 10 million dollars in revenue. The Authority also reports that additional economic benefits worth millions will be generated from transshipments by the fleet within FSM Exclusive Economic Zone.

The agreement provides the Authority with flexibility to implement any management measures it deems appropriate to protect FSM Exclusive Economic Zone from over fishing including reducing the fleet's capacity or introducing the vessel day scheme. The agreement also provides for the two countries to cooperate further in fisheries management and development activities.

Your Committee on Resources and Development is, therefore, in accord with the intent and purpose of C.R. No. 14-42 and recommends its

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adoption.

R&D
Respectfully submitted,

/s/ Manny Mori
Manny Mori, chairman

Ramon Peyal, vice chairman

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

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

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

Simiram Sipenuk, member

Peter Sitan, member