RE: C.R. No. 19-291/R&D

SUBJECT: APPROVING A GRANT IN THE AMOUNT OF \$49,000 FROM THE NATURE CONSERVANCY (TNC)

OCTOBER 06, 2016

The Honorable Wesley Simina Speaker, Nineteenth Congress Federated States of Micronesia Fifth Regular Session, 2016

Dear Mr. Speaker:

Your Committee on Resources and Development, to which was referred C.R. No. 19-291, entitled:

"A RESOLUTION APPROVING AND ACCEPTING A GRANT IN THE AMOUNT OF \$49,000 FROM THE SECRETARIAT OF THE PACIFIC COMMUNTY (THE "SPC") TO FUND THE FISHERIES PROGRAM FOR THE FSM LONGLINE TUNA INDUSTRY, INCLUDING ALL THE TERMS AND CONDITIONS OF THE ASSISTANCE.",

begs leave to report as follows:

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

Congressional Resolution No. 19-291 was transmitted to the FSM Congress through Presidential Communication No. 19-442 on September 26, 2016. The said resolution seeks congressional approval and acceptance of a grant in the amount of \$49,000.

In P.C. No. 19-442, the Nature Conservancy (TNC) has agreed to provide a cooperative grant in the amount of \$49,000 to the FSM Government to be administered by the National Resource

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Management Authority (NORMA).

The purpose of the grant is to fund an e-monitoring project. The project is for two years. The key component of the project is the utilization of electronic monitoring of longline fishing operations, a monitoring technology that could potentially support the FSM's capacity to abate illegal, unreported and unregulated pelagic fishing. This project will also augment the FSM's human longline observer program by building FSM capacity to develop and manage an electronic monitoring program. Also, technical assistance will be available to the FSM to access to new monitoring, control and surveillance (MCS) technologies.

Your Committee on Resources and Development held a hearing on the said resolution on Wednesday, October 5, 2016. Your Committee learned that there is a Cooperative Agreement between NORMA and TNC. Under this Cooperative Agreement, TNC will provide financial and technical support to develop an electronic monitoring program, and support where appropriate. Your Committee also inquired how many jobs (human observers) are we loosing if the project is implemented. Representatives from NORMA explained that observers will be analyzing date captured by the electronic monitor so there is no impact on the employment. NORMA will be benefiting from the project because electronic monitoring will increase the data quality. For information purposes, currently the FSM has 65 observers.

Your Committee was informed that similar program started in the Republic of Palau. Essentially, there will be testing of new hooks, observation on how deep the fish is hooked by Longliners, and what time of day of the harvest.

A representative from the Department of Justice indicated that the office has done its review on the Cooperative Agreement and fully support the approval of the grant because the project will enhance the enforcement of IUU in the FSM as well as the FSM will fulfill its obligation of

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observer coverage under the WCPFC observer coverage program.

Your Committee was assured that this e-monitoring project will support the country's April 2015 Management Plan on Tuna Fisheries for the Federated States of Micronesia.

Your Committee wishes to offer the following amendments to the resolution as follows:

 Title, line 2, delete "Secretariat of the Pacific Community (the "SPC")", and insert "The Nature Conservancy ("TNC")" in lieu thereof.
Page 1, line 1, delete "SPC", and insert "TNC" in lieu thereof.
Page 1, line 4. delete "SPC", and insert "TNC" in lieu thereof.
Page 1, line 15, delete "SPC", and insert "TNC" in lieu thereof.
Page 1, line 19, delete "SPC", and insert "TNC" in lieu thereof.
Page 1, line 19, delete "SPC", and insert "TNC" in lieu thereof.

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CONCLUSION

Your Committee on Resources and Development is in accord with the intent and purpose of C.R. No. 19-291, and recommends its adoption in the form attached hereto as C.R. No. 19-291, C.D.1.

Respectfully submitted,

/s/ David W. Panuelo	/s/ Alik L. Alik
David W. Panuelo, chairman	Alik L. Alik, vice chairman
Victor V. Gouland, member	Florencio S. Harper, member
/s/ Berney Martin	/s/ Joseph J. Urusemal
Berney Martin, member	Joseph J. Urusemal, member

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Robson U. Romolow, member