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A RESOLUTION

Requesting the President to direct the Attorney General, Secretary of Finance, Micronesian Maritime Authority, Director of Health Services, and Public Auditor to conduct investigations into the activities of domestic-based foreign fishing operations.

1 WHEREAS, the Micronesian Maritime Authority has entered into foreign
2 fishing agreements with various foreign fishing enterprises authorizing
3 vessels managed by such companies to be based within the Federated States
4 of Micronesia and to fish within the Exclusive Economic Zone of the
5 Federated States of Micronesia; and

6 WHEREAS, the described fishing agreements contain terms and
7 conditions highly advantageous to such companies and grant unprecedented
8 privileges and opportunities to the companies, including a reduced fee,
9 substantially below 5 percent of the landed value of the fish harvested by
10 the companies; and

11 WHEREAS, the Congress, National Government, and people of the
12 Federated States of Micronesia were assured by MMA that the Nation would
13 be generously compensated for extending such benefits to these companies,
14 through significant collateral economic benefits, including:

- 15 (1) employment by the companies of Micronesian citizens;
16 (2) substantial investment in shore-side facilities;
17 (3) increased tax revenues;
18 (4) support by the companies of local merchants and suppliers; and
19 (5) access to air freight for other locally-based fishing vessels;

20 and

21 WHEREAS, questions have arisen regarding whether the promised
22 benefits have materialized, and allegations have surfaced suggesting that
23 such foreign fishing enterprises may be engaging in activities which are
24 harmful to the development of the Nation and in violation of its laws. Among
25 the questions and allegations which have been raised are the following:

1 (1) whether the companies have been employing local citizens in
2 their fishing and transshipment operations;

3 (2) whether the companies have obtained permits for an excessive
4 number of fishing vessels causing congestion at the Nation's ports, placing a
5 burden on its infrastructure, and creating unfavorable competitive
6 conditions for locally-owned vessels;

7 (3) whether the companies have been importing goods into the FSM
8 and reselling the same, without complying with local laws;

9 (4) whether the companies have been offering gifts to public
10 officials of the Nation in an effort to influence official decisions;

11 (5) whether the companies have been selling the permits obtained
12 from MMA to vessels from other nations at a substantial profit; and

13 (6) whether the companies have been paying all taxes required of
14 them; and

15 WHEREAS, the Nation's fisheries are its most valuable resource such
16 that the leaders of this Nation must constantly remain watchful to assure
17 that no foreign interests unfairly exploit this resource; now, therefore,

18 BE IT RESOLVED by the Eighth Congress of the Federated States
19 of Micronesia, Third Regular Session, 1994, that the President,
20 Attorney General, Secretary of Finance, Micronesian Maritime
21 Authority, Director of Health Services, and Public Auditor are directed
22 to conduct investigations into the activities and operations of all
23 foreign fishing enterprises within the Federated States of Micronesia,
24 to obtain all information necessary to fully apprise the Nation as to
25 all of the questions and allegations raised, to initiate such criminal

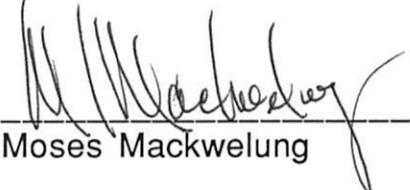
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1 proceedings as may be appropriate, and to report fully to the Congress
2 on the findings of the investigations by September 1, 1994; and

3 BE IT FURTHER RESOLVED that certified copies of this
4 resolution be transmitted to the President of the Federated States of
5 Micronesia, Attorney General, Secretary of Finance, Micronesian
6 Maritime Authority, Director of Health Services, Public Auditor, and
7 the Governor of each State within the Federated States of Micronesia.

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9 Date: 6/8/94

Introduced by: 
Moses Mackwelung

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