A BILL FOR AN ACT

To further amend title 24 of the Code of the Federated States of Micronesia, as amended, by further amending sections 301, 303, and 402, as amended by Public Law No. 6-11, by further amending section 401, as amended by Public Laws Nos. 5-37 and 6-11, to revise the fisheries laws of the Federated States of Micronesia, and for other purposes.

BE IT ENACTED BY THE CONGRESS OF THE FEDERATED STATES OF MICRONESIA:

Section 1. Section 301 of title 24 of the Code of the Federated States of Micronesia, as amended by Public Law No. 6-11, is hereby further amended to read as follows:

"Section 301. Micronesian Maritime Authority - Established.

(1) There is established a Micronesian Maritime Authority composed of five members appointed as follows:

(a) One representative of each State appointed by the President of the Federated States of Micronesia, in consultation with the Governor and approved by the Congressional Delegation of the respective State; PROVIDED, however, that no such representative shall also serve as a member of the Board of Directors of the National Fisheries Corporation of the Federated States of Micronesia, or any subsidiary or affiliate thereof, or have a business interest in an affected private fisheries enterprise, including stocks and bonds in a fisheries business,

during the term of his or her membership on the Authority, except that the interest in the private entity be a blind trust; and

(b) One at-large member appointed by the President of the Federated States of Micronesia and confirmed by the Congress of the Federated States of Micronesia.

(2) All appointments shall be for a term of two years. The term of office of each original member shall commence effective the date of the first meeting of the Authority after the effective date of this act. Upon the expiration of the term of an appointed member, his or her rights and powers of membership shall lapse and the executive director shall declare the vacancy and notify the President of the Federated States of Micronesia in writing of such vacancy. Vacancies
occurring before the expiration of a member's term shall be filled in the
same manner as the original appointment for the remainder of the term of
office of the vacancy.

(3) The chairman shall be chosen by the majority vote of the
members of the Authority. The Authority shall meet at such times
and places as may be designated by the chairman or by the Authority.
The Authority shall adopt its own rules of procedure and regulations
by majority vote."

Section 2. Section 303 of title 24 of the Code of the Federated States of
Micronesia, as amended by Public Law No. 6-11, is hereby further amended to read as follows:
"Section 303. Duties and functions. In addition to the authority
granted in the preceding section, the Authority shall have the
following duties and functions:

(1) to provide technical assistance in the delimitation of the
Exclusive Economic Zone in accordance with section 107 of title 18;
(2) to negotiate domestic-based and foreign fishing
agreements in accordance with sections 404 and 406 of this title;
(3) to issue permits for fishing in the Territorial Sea or
internal waters of a State as authorized pursuant to section 117;
(4) to submit its budget and a report regarding the expenditure
of its funds to the Congress each regular session for review; and
(5) to notify the relevant State delegation in the Congress of
the Federated States of Micronesia, the Governor of the relevant
State and relevant State officials, of accidents, including oil spills,
vessels sinking and running aground, and environmental damage
occurring in the States; and

(§4(6)) to perform such other duties and functions as may be

necessary to carry out the purposes of this title."

Section 3. Section 401 of title 24 of the Code of the Federated States of

Micronesia, as amended by Public Laws Nos. 5-37 and 6-11, is hereby further amended

to read as follows:

"Section 401. Foreign fishing agreements - Required.

(1) No $eea?ng fishing $esss$ shall be hessed & permit shall be issued

for foreign fishing $to fish in the $Exclusive $Economic $Zone unless

pursuant to $which $hav$g entered into a foreign fishing agreement; and

(2) No permit shall be issued for foreign fishing unless pursuant to

section 402 of this title."

Section 4. Section 402 of title 24 of the Code of the Federated States of

Micronesia, as amended by Public Law No. 6-11, is hereby further amended to read as follows:

"Section 402. Fees for foreign fishing permits.

(1) Fees and other forms of compensation for the right to exploit

the $exclusive $economic $zone $of

the Federated States of Micronesia by $foreign $fishing $vessels shall be

established in foreign fishing agreements entered into pursuant to sections

401, 404 and 405 of this title;

(2) (a) Fees for foreign fishing shall not be less than 15% of the

value of the annual catch from each foreign fishing venture;

(b) New foreign fishing agreements shall establish a

premium fee of not less than 50% of the value of the annual catch from

each new foreign fishing venture to compensate for the use of the Exclusive
Economic Zone of the Federated States of Micronesia:

(c) No existing foreign fishing agreements shall be renewed under the existing fee terms except:

(i) the existing fees shall not be less than 15% of the value of the annual catch from the foreign fishing venture; and

(ii) the existing fees shall include a premium of not less than 50% of the value of the annual catch of the foreign fishing venture for the use of the Exclusive Economic Zone of the Federated States of Micronesia.

(3) A foreign fishing venture may be permitted a limited exemption from subsection (2) of this section, by a fee increase exemption agreement.

(4) Approval of fee increase exemption agreement:

(a) To take effect, a fee increase exemption agreement shall require the approval of the Congress of the Federated States of Micronesia by resolution.

(b) The Committee on Ways and Means of the Congress of the Federated States of Micronesia may approve such a fee increase exemption agreement if the Congress is not in session.

(c) MMA, in consultation with the Secretary of Finance, shall submit to the Congress of the Federated States of Micronesia for approval each proposed fee increase exemption agreement requesting the fee increase exemption, which fee increase exemption shall include:

(i) an economic analysis of the costs and benefits of the fee increase exemption;
(ii) projected revenue returns on the business;

(iii) other justification for the fee increase exemption agreement; and

(iv) such additional information as the MMA may require, by regulation, as is necessary to implement and enforce the provisions of this title."

Section 5. This act shall become law upon approval by the President of the Federated States of Micronesia or upon its becoming law without such approval.

Date: 5-82-95

Introduced by: Isaac V. Figi