The Honorable Hokkons Baules  
President of the Senate  
Tenth Olbiil Era Kelulau  
Ngerulmud, Palau National Capitol  
Republic of Palau 96939

Subject: Signing Statement for Senate Bill No. 10-157, SD1, HD1

Dear Senate President Baules:

It gives me great pleasure to sign into law SB 10-157, SD1, HD1, which adjusts our Domestic Fishing Zone and enhances the management of the Palau National Marine Sanctuary. This amendment represents a reaffirmation of the commitment we made in 2015 with the Palau National Marine Sanctuary Act (the “Act”). Indeed, as the very first sentence of this new law states, “The Olbiil Era Kelulau . . . supports this initiative to preserve our precious marine resources.” I am proud to join the Olbiil Era Kelulau in this regard not only for the benefit of our marine ecosystem, but also for future livelihood of our Palauan children.

As you know, the Act designated 80% of Palau’s Exclusive Economic Zone (“EEZ”) as the Palau National Marine Sanctuary (“PNMS”) in which no commercial fishing would be permitted. The Act did not immediately close that area, though; instead, we went through a gradual lessening of fishing intensity over a five-year period until full closure in 2020. This wind-down period was to give us some time to adjust as we approach full closure. This new law, in fact, reflects such an adjustment, implementing important changes that are necessary in order to achieve our shared goal of marine preservation and the development of a sustainable domestic fishery.

Specifically, this new law makes two material edits to the Act. First, with respect to the remaining 20% of Palau’s EEZ – the Domestic Fishing Zone in which fishing was always to be permitted – this new law allows some export of pelagic fish caught by long-line fishing vessels. Added to the existing allowance for export of fish caught through free-school purse seining vessels, this adjustment clears the way for a more robust domestic fishery. Studies have shown that without commercial export, development of a domestic fishery would not be viable. But, importantly, this bill incorporates new regulatory powers, while increasing the rate and expanding the scope of the Fish Export Tax, to help maintain control over commercial fish exports.
Second, this new law relocates the Domestic Fishing Zone to the western side of Palau, an area that is home to deeper waters, making it better for both fisherman and the environment. This will allow our local fishermen easy access to fish at the high seas, as well as the Domestic Fishing Zone, without crossing the PNMS. The relocation of the Domestic Fishing Zone is also better for enforcement since it will be situated at the south-western border at a straight line at 7° North, making it clear and easier to enforce. It is thus a win-win for our fisherman and marine law enforcement officers. The attached map shows the previous Domestic Fishing Zone as well as the new one.

Both of these adjustments – that of the existing export exemption and of the Domestic Fishing Zone itself – were driven by a single consideration: is it good for Palau? I am proud to say that the answer is yes. With this new law, domestic fisheries will have a better opportunity to grow into profitable enterprises, while our environment will remain protected. These changes are also consistent with our goal of keeping Palau as a Pristine Paradise, ensuring our tourism industry will also be able to thrive enjoying our continuing availability of marine resources and products.

Before going further, though, allow me to be very clear on one point: **this new law does not in any way change Palau's commitment to maintain a complete marine sanctuary in 80% of its EEZ.** This new law does not impact the abolition of all fishing activity in the PNMS. In fact, during the current wind-down period, we have already reduced fishing effort by 50%, reducing the probability of harmful by-catch, and eventually relieving the pressure on the environment by a corresponding amount.

In addition to the foregoing, the new law also makes it clear that the Palau International Coral Reef Center ("PICRC") will have the responsibility of administering the PNMS, and provides PICRC with additional funding to overcome the cost of carrying out this additional responsibility. As a renowned scientific institution, and working with our partners here in Palau and internationally, PICRC will be able to ensure that the PNMS is managed appropriately, based on scientific studies and consistent with our goals. Finally, the new law tasks the Ministry of Justice with responsibility for surveillance of Palau's maritime jurisdiction, and enforcement of the PNMS and Domestic Fishing Zone.

I thank you and all of the members of the Tenth Olbiil Era Kelulau for your hard work on this new law and providing me with the opportunity to sign it into law. It is an important step towards our shared goals of ensuring the sustainable use of our fisheries, preserving our marine resources for future generations, and keeping Palau a Pristine Paradise.

Sincerely,

[Signature]

Tommy E. Remengesau, Jr.
President of the Republic of Palau
June 12, 2019
Serial No. 19-1100

The Honorable Sabino Anastacio
Speaker of the House of Delegates
Tenth Olbiil Era Kelulau
Ngerulmud, Palau National Capitol
Republic of Palau 96939

Subject: Signing Statement for Senate Bill No. 10-157, SD1, HD1

Dear Speaker Anastacio:

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Sincerely,

[Signature]

Tommy E. Remengesau, Jr.
President of the Republic of Palau
The Senate
TENTH OLBILL ERA KELULAU
P.O. Box 8, Ngerulmud
Republic of Palau 96939

ELEVENTH SPECIAL SESSION
June 7, 2019

INTRODUCED AS SENATE BILL NO. 10-157, SD1, HD1

AN ACT

See Title inside

INTRODUCED BY SENATOR ($) Hokkons Baules

DATE INTRODUCED April 30, 2019

SENATE ACTION

FIRST READING: April 30, 2019
REFERRED TO: Resources, Commerce, Trade & Development (RCTD)
STANDING COMMITTEE REPORT NO.: 10-206
DATE ADOPTED: May 28, 2019
SECOND READING: May 28, 2019
LEGAL FORMAT: Proper
REVIEW: June 3, 2019
THIRD READING: June 3, 2019
FINAL READING: June 7, 2019

HOUSE ACTION

FIRST READING: June 2, 2019
REFERRED TO: Maritime, Climate Change, and Protected Areas
STANDING COMMITTEE REPORT NO.: 10-83
DATE ADOPTED: June 6, 2019
SECOND READING: June 6, 2019
LEGAL FORMAT: Proper
REVIEW: June 7, 2019
THIRD READING: June 7, 2019
FINAL READING:

CONFERENCE COMMITTEE ACTION

DATE: None
COMMITTEE REPORT NO.: None
DATE PASSED: None
FINAL READING: None

Ann L. Pedro
CLERK OF THE SENATE

Marcello Ngirkelau
CLERK, HOUSE OF DELEGATES
TENTH OLBIIL ERA KELULAU

Tenth Regular Session, April 2019

RPPL No. 10 - 35
(Passed as: Senate Bill No. 10-157, SD1, HD1)

AN ACT

To amend Title 27 of the Palau National Code to allow long-line fishing activities in the Domestic Fishing Zone; to allow the commercial export of fish caught in the Domestic Fishing Zone utilizing long-line fishing; to amend the coordinates of the Domestic Fishing Zone; to exempt vessels engaging in pole-and-line fishing from the prohibition on fishing within twenty-four (24) miles of a baseline from which Palau's exclusive economic zone is measured; to increase the fish export tax; to grant the Palau International Coral Reef Center the authority and responsibility to administer the Palau National Marine Sanctuary by coordinating research, education, and outreach activities relating to the Palau National Marine Sanctuary and Domestic Fishing Zone; to allocate $5.00 of the Pristine Paradise Environmental Fee to the Palau International Coral Reef Center to support its administration of the Palau National Marine Sanctuary; to mandate the Ministry of Justice to protect the safety of persons and wildlife within the Republic's jurisdiction; to exclude passengers of passenger ships from the definition of transit passengers in relation to the Pristine Paradise Environmental Fee; and for other related purposes.

THE PEOPLE OF PALAU REPRESENTED IN THE OLBIIL ERA KELULAU DO ENACT AS FOLLOWS:

Section 1. Legislative findings. The Olbiil Era Kelulau finds that the Palau National Marine Sanctuary Act ("Act") designates 80% of Palau's Exclusive Economic Zone as the Palau National Marine Sanctuary ("PNMS"), a no-take zone free from all exploitation, and supports this initiative to preserve our precious marine resources. However, the Act also imposes severe restrictions on fishing activities within the remaining 20% of our Exclusive Economic Zone, an area known as the Domestic Fishing Zone. The commercial export of fish is limited to tuna and billfish caught through free school purse-seining and requires the vessel to moor in Palau.

The Olbiil Era Kelulau finds that these restrictions are overburdensome and unnecessary, doing little to help accomplish the main objectives of the Act and forgoing vital revenue from foreign fishing license fees. Furthermore, allowing expanded commercial exports of fish will help develop and support a local fishing industry, thereby achieving another underlying purpose of the Act. Therefore, the Olbiil Era Kelulau finds it appropriate to amend the Act to allow for fish caught utilizing long-line fishing within the Domestic Fishing Zone to be exported for commercial purposes. This amendment preserves the very foundation of the Act by maintaining the current size of the PNMS and keeping 80% of our pristine waters
free from all forms of exploitation and preserving our precious marine resources. However, this amendment allows Palau to earn fishing revenue from fish caught in and exported from the Domestic Fishing Zone.

To achieve a true domestic advantage fishery, the Olbiil Era Kelulau believes that the Domestic Fishing Zone should be re-oriented, to provide our local fishermen with a corridor to the High Seas, to improve the spill-over effect from the PNMS, and to strengthen the enforcement capabilities of our national law enforcement agencies. An exemption allowing limited export for small-scale long-line fishing operations, under strictly regulated conditions, will further encourage the growth and development of local domestic fisheries. Additionally, barriers should be removed from ecologically friendly methods that minimize by-catch in order to encourage the use of such methods by local fishermen. These provisions should all be carefully regulated by the Ministry of Natural Resources, Environment, and Tourism, with the goal of achieving an ecologically and economically sustainable Domestic Fishing Zone.

Furthermore, under the current law, no fishing vessel may fish within a 50 nautical mile radius to the east of the reef entrance to Malakal Harbor. However, this restriction would effectively prohibit locally-based pole-and-line fishing operations. This method of fishing is universally hailed for its sustainability, absence of by-catch, and contribution to local food security and employment. Therefore, the Olbiil Era Kelulau finds it appropriate to amend the law to create an area 24-miles from a baseline from which our Exclusive Economic Zone is measured where fishing is limited to small personal and pole-and-line vessels. Allowing for pole-and-line fishing within the Domestic Fishing Zone, and in an area from which large-scale commercial operations like long-line and purse-seining are excluded, will create a domestic advantage and will help develop a truly local fishery.

The Olbiil Era Kelulau also finds it appropriate to vest the Palau International Coral Reef Center ("PICRC") with the responsibility of administering the PNMS through the coordination of research, education, and outreach related to the PNMS and Domestic Fishing Zone. Entrusting PICRC with these new responsibilities will
ensure that our resource management policies continue to be science-driven and lead
to increased partnership opportunities, as PICRC has the institutional expertise to
liaise with the many charitable and scientific entities that have expressed interest in
supporting the PNMS. However, PICRC will need additional revenue to fulfill this
objective. Therefore, the Olbiil Era Kelulau finds it appropriate to reallocate a
portion of the Pristine Paradise Environmental Fee dedicated to the Fisheries
Protection Trust Fund to PICRC.

Additionally, the Olbiil Era Kelulau finds it necessary to amend the law to
increase the Fish Export Tax on tuna and billfish and impose an export tax on all by-
catch. This long overdue adjustment will positively affect the economic security of our
Republic and help deter overfishing in the Domestic Fishing Zone.

Finally, the Olbiil Era Kelulau finds it necessary to mandate the Ministry of
Justice to take all necessary lawful action to further enforcement within the
Republic's jurisdiction, thus promoting the safety of persons and wildlife therein.
Tasking the Ministry of Justice with surveillance of Palau's maritime jurisdiction,
and for monitoring and enforcing the restrictions pertaining to the Exclusive
Economic Zone, the Domestic Fishing Zone, and the Palau National Marine
Sanctuary is necessary to ensure the full purpose of the Act is realized.

Section 2. Amendment. 27 PNC § 148 is hereby amended as follows:

“§ 148. Domestic Fishing Zone.

The outer boundary of the Domestic Fishing Zone follows the western
boundary of the Republic's exclusive economic zone from N 7°00'00.00" and E
129°39'00.91" to N 10°00'00.00" and E 131°45'37.58", and then follows a straight line
from N 10°00'00.00" and E 131°45'37.58" to N 8°36'29.32" and E 134°34'54.21",
which is a point located northwest of Ngeruangel and 24 miles from the baseline
surrounding Ngeruangel, Kayangel, Babeldaob, Koror, Peleliu, and Angaur. From N
8°36'29.32" and E 134°34'54.21" the outer boundary of the Domestic Fishing Zone
continues eastward and encircles Ngeruangel, Kayangel, Babeldaob, Koror, Peleliu,
and Angaur at a distance of 24 miles from the baseline surrounding Ngeruangel,
Kayangel, Babeldaob, Koror, Peleliu, and Angaur, until it reaches N 7°00'00.00" and
E. 133°43'37.85", which is a point west of Angaur and 24 miles from the baseline surrounding Ngeruangel, Kayangel, Babeldaoob, Koror, Peleliu, and Angaur. From N
7°00'00.00" and E 133°43'37.85", the outer boundary of the Domestic Fishing Zone follows a straight line to N 7°00'00.00" and E 129°39'00.91". Coordinates delimiting the Domestic Fishing Zone are in WGS84 Datum."

Section 3. Amendment. 27 PNC § 102 is hereby amended as follows:

"§ 102. Definitions.

In this chapter:

(a) "Atoll" means a circular or oval coral reef forming a geographic and ecologic unity crowned by at least one island.

...

(q) "Long-line fishing" or "long-line" means the method of fishing utilized to target pelagic species with a line which is deployed horizontally and to which branch lines and hooks are attached.

(r) "Minister" means...

(s) ...

(t) ...

(u) ...

(v) ...

(w) ...

(x) "Pole-and-line fishing" means the method of fishing that involves using a barbless hook attached to a fixed length of line to catch one fish at a time.

(y) "Purse Seine," "purse-seine" or "purse seining" means ...

(z) ...

(aa) ...

(bb) ...

(cc) ...

(dd) ...

(ee) ..."

Section 4. Amendment. 27 PNC § 164 is amended as follows:
“§ 164. Domestic Fishing.

(a) Fishing outside of the territorial sea is permitted only in the Domestic Fishing Zone, and only in compliance with the laws of the Republic, any applicable regulations and any permit issued.

(b) Fish caught in the Domestic Fishing Zone shall only be available for domestic sale and shall not be exported for commercial purposes as defined in 27 PNC § 1203, except as provided by subsection (c).

(c) Fish caught in the Domestic Fishing Zone through purse-seining utilizing free school operations as defined in 27 PNC § 102(m) or through long-line fishing as defined in 27 PNC § 102(q) may be exported for commercial purposes. Unless exempted pursuant to subsection (d), fishing vessels must land in Palau before they may export their catch for commercial purposes in accordance with this subsection.

(d) The Minister may, by regulation, establish conditions on, limitations on, or exemptions from the provisions of subsection (c). Any such regulations shall ensure sustainable management of the Domestic Fishing Zone, an adequate supply of fish for domestic consumption, and the implementation of appropriate conservation management measures.”

Section 5. Amendment. 27 PNC § 165 is hereby amended as follows:

“§ 165. Fishing restricted.

No fishing vessel, except a fishing vessel exclusively utilizing pole-and-line fishing as defined in 27 PNC § 102(x), may fish within twenty-four (24) miles of a baseline surrounding Ngeruangel, Kayangel, Babeldaob, Koror, Peleliu, and Angaur; provided, that a foreign fishing company which, on the effective date of this subsection, is a party to a foreign fishing agreement and which holds valid permits issued pursuant to that agreement and this chapter, may continue to fish consistent with the foreign fishing agreement until it expires.”

Section 6. Amendment. 27 PNC § 171 is amended as follows:

“§ 171. Same; application process.
(a) Each party requesting permits to fish in the Domestic Fishing Zone shall make application on forms prescribed by the Bureau specifying, among other things:

(1) the name and official number or other identification of each fishing vessel for which a permit is sought, together with the name and address of the owner thereof;

(...

(b) In relation to any applications for long-line fishing vessels that are not part of a foreign fishing agreement:

(1) Upon receipt of an application, the Director or his designee shall transmit copies to each house of the Olbiil Era Kelulau, the Director of the Bureau of Marine Resources, the Chief of the Division of Marine Law Enforcement, and to any other person or organization that requests copies of such applications or the foreign fishing agreements to which they pertain.

(...

(c) All applications under this section are public documents and available for review by any interested party."

Section 7. Amendment. 27 PNC § 181 is amended as follows:

"§ 181. Prohibited acts.

It is unlawful for any person:

(a) . . .

. . .

(m) to export for commercial purposes any fish obtained in Palau's exclusive economic zone or any waters over which Palau has jurisdiction, with the exception of fish obtained through purse-seining or long-line fishing as permitted under 27 PNC § 164; and

(n) to fish or extract, disturb, destroy, remove or alter a living resource, as that term is defined in 27 PNC § 102 within the Palau National Marine Sanctuary."
Section 8. Amendment. 40 PNC § 1406 is hereby amended as follows:

"§ 1406. Fish export tax.

There is hereby imposed a tax of fifty cents ($0.50) per kilogram on any species of tuna, in any form, and any species of billfish, in any form, exported for commercial purposes. There is hereby imposed a tax of thirty-five cents ($0.35) per kilogram on all fish, in any form, excluding any species of tuna and any species of billfish, exported for commercial purposes. The Minister of Finance and Ministry of Natural Resources, Environment and Tourism shall jointly promulgate such regulations and inspection procedures as are necessary to ensure the proper collection of this tax."

Section 9. Amendment. 24 PNC § 3303 is hereby amended as follows:

"§ 3303. Mission statement and objectives.

The mission of the Center is to create a self-sustaining center of excellence for marine research, training and education activities. The Center’s primary objectives will be to:

(a) ... ...

(i) Provide educational resources and assistance for development of marine environment studies programs for the entire Palau education system;

(j) Provide information and technical support to Palau’s traditional chiefs in their role of managing the reefs and implementing traditional conservation practices;

(k) Administer the Palau National Marine Sanctuary by coordinating research, education, and outreach activities relating to the Sanctuary and Domestic Fishing Zone established under Title 27 of the Palau National Code; and

(l) Develop, and recommend to the Ministry of Natural Resources, the Environment, and Tourism, appropriate conservation management measures for the Domestic Fishing Zone."

Section 10. Amendment. 40 PNC § 2702 is hereby amended as follows:
“§ 2702. Definitions.

In this chapter:

(a) “International Travel” means travel by air or sea into the Republic of Palau.

(b) “Passenger” means a person who undertakes international travel into the Republic of Palau for any purpose other than as a transit passenger.

(c) “Passenger ship” means a seagoing vessel carrying more than twelve (12) passengers for hire.

(d) “Transit passenger” means a passenger who, except by means of passenger ship, has arrived in the Republic of Palau and will depart the Republic of Palau:

(1) Within 24 hours of that arrival; or

(2) After 24 hours due to circumstances beyond the passenger’s control.”

Section 11. Amendment. 40 PNC § 2706 is hereby amended as follows:

“§ 2706. Allocation of Pristine Paradise Environmental Fee.

Of the Pristine Paradise Environmental Fee paid by each passenger:

(a) Five dollars ($5.00) shall be allocated to the Fisheries Protection Trust Fund pursuant to 27 PNC § 192;

(b) Five dollars ($5.00) shall be allocated to the Palau International Coral Reef Center for its administration of the Palau National Marine Sanctuary. All monies allocated to the Center pursuant to this subsection shall be maintained by the Center in a separate account distinct from accounts that fund the Center’s other operations;

(c) …

(d) …

(e) …

(f) …”

Section 12. Amendment. 2 PNC § 105 is amended as follows:

“§105. Functions of Ministry of Justice.
(a) The Ministry of Justice shall be responsible for providing legal services to
the national government and its agencies and political subdivisions,
promoting and protecting the safety and peace of the public, maintaining
order, enforcing all laws, labor, and related matters. The Ministry shall
take all necessary lawful actions to defend the integrity of the Republic's
jurisdiction and to promote the safety of persons and wildlife therein. The
Ministry shall be responsible for surveillance of the Republic's maritime
jurisdiction, and for monitoring and enforcing the restrictions
pertaining to the Exclusive Economic Zone, the Domestic Fishing Zone,
and the Palau National Marine Sanctuary.

(b) ""

Section 13. Effective date.

This Act takes effect upon its approval by the President of the Republic of
Palau, or upon becoming law without such approval, except otherwise as provided by
law.

Passed on: June 7, 2019

Approved this day of June, 2019.

[Signature]

Tommy E. Remengesau, Jr.
President, Republic of Palau
Commercial Fishing Area

* Longline and Purse Seine Fishing allowed in Commercial Area only. Personal, recreational, sport, and pole-and-line vessels allowed in the entire DFZ.
Commercial Fishing Zone
105,491 Square Kilometers

Artisanal Fishing Zone
12,081 Square Kilometers

Total Exclusive Economic Zone
592,649 Square Kilometers