



DEPARTMENT OF STATE

Washington, D.C. 20520

DRAFT

Dear Mr. Chairman:

This is in response to your letter of October 30, 1979 transmitting H.R. 5681, a bill to entitle foreign built vessels registered to certain U.S. citizens and nationals to engage in fisheries within the territorial sea and fishery conservation zone of American Samoa, Guam and the Northern Mariana Islands.

The Department supports the proposed legislation, subject to the amendments proposed by the Department of Interior in furtherance of the stated purposes of H.R. 5681. In our view, restrictions placed upon the use of foreign-built fishing vessels by certain provisions of the vessel documentation laws of the United States have the unintended effect of impeding American Samoa, Guam and the Northern Mariana Islands in realizing benefits to the development of their fisheries foreseen in the Fishery Conservation and Management Act. Due to their distance from U.S. shipyards, development and growth in the fishing industries of American Samoa, Guam and the Northern Mariana Islands depends significantly upon the ability to utilize foreign-built fishing vessels.

To meet certain immediate needs of the Commonwealth of the Northern Mariana Islands, the Department supported approval and issuance of a Presidential proclamation which suspended the applicability to the Commonwealth of the Northern Mariana Islands of U.S. vessel documentation laws insofar as those laws prevent citizens of the Northern Marianas, or the Government of the Northern Marianas, from using foreign-built fishing vessels owned by such citizens or owned or assigned to the Government of the Northern Mariana Islands, in the fisheries within the territorial sea and fishery conservation zone around the Northern Marianas.

The Honorable
John M. Murphy,
Chairman,
Committee on Merchant Marine and Fisheries,
House of Representatives.

The Presidential proclamation, however, does not provide a permanent solution to the problem for the Northern Marianas, as its force and effect cease with termination of the Trusteeship Agreement between the United States and the Northern Mariana Islands foreseen in 1981. Moreover, the benefits of such an exemption extend only to the Northern Marianas. The need for similar relief is equally relevant to the situations of American Samoa and Guam.

The legislative remedy provided through H.R. 5681, with the technical amendments proposed by the Department of the Interior, would meet both difficulties by allowing certain foreign built vessels to be registered as U.S. vessels and engage in the fisheries off the coasts of American Samoa, Guam and the Northern Marianas. Enactment of this legislation would thus enable citizens and nationals of the United States and of the Trust Territories of the Pacific, resident in Guam, American Samoa and the Northern Marianas, to utilize to best advantage the economic and commercial opportunities available in their area for the benefit of their developing fishing industries.

It is the view of the Department that removal of impediments to fisheries development in American Samoa, Guam and the Northern Mariana Islands through enactment of H.R. 5681 would have positive foreign policy benefits for the United States. Specifically, the removal of these restrictions could contribute to our ongoing efforts to develop regional arrangements for fisheries management involving the island countries of the Pacific, as well as American Samoa, Guam and the Northern Mariana Islands.

The Office of Management and Budget advises that, from the standpoint of the Administration's program, there is no objection to the submission of this report.

Sincerely,

J. Brian Atwood
Assistant Secretary for
Congressional Relations