

AN ACT

To amend Title 27 to preserve eighty percent of Palau's exclusive economic zone as the Palau National Marine Sanctuary, create a Domestic Fishing Zone in Palau's exclusive economic zone where domestic fishing will be allowed, prohibit most commercial exports of fish from Palau, and to fully implement these amendments by 2020; to amend Title 7 to more strictly monitor vessels in Palau's waters; to amend Title 40 to create an Environmental Impact Fee; and for other related purposes.

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

Section 1. Short title. This Act shall be known as the "Palau National Marine Sanctuary Act."

Section 2. Legislative findings. Palau's Constitution requires the national government to take "positive action" to attain and implement the policy of "conservation of a beautiful, healthful and resourceful natural environment" and "promotion of the national economy." Constitution, Article IV. The Olbiil Era Kelulau finds that Palau's waters and natural resources are our greatest assets and every effort should be made to preserve and manage them to maintain their health, beauty and resources. Currently, Palau's fishing stocks, including tuna and other by-catch, are being depleted by foreign fishing vessels, from which Palau receives relatively little revenue in proportion to the value of the asset. These foreign fishing vessels also have a negative impact on Palau's environment because of their discharge of waste and other pollutants. Some have also proven to be irresponsible and have been caught repeatedly violating Palau's laws.

The Olbiil Era Kelulau finds this type of resource exploitation to be unsustainable, counter-productive and at odds with Palau's strong record as a leader in conservation around the world. Rather than deplete this invaluable and irreplaceable resource through over-exploitation, the Olbiil Era Kelulau finds that protecting Palau's waters is a superior and sustainable way of utilizing the resource. International organizations and environmental groups have expressed a willingness to provide funding to Palau in exchange for protecting fisheries. Moreover, protecting these species will serve to promote their recovery and reproduction, and

will make Palau's waters a prime destination for sport-fishing by tourists, helping to create a new, lucrative, and sustainable industry.

Therefore, in order to protect Palau's natural environment and natural resources, the Olbiil Era Kelulau finds that it is appropriate to create the Palau National Marine Sanctuary whereby eighty percent of Palau's exclusive economic zone is a no-take area, protected from all exploitation. Domestic fishing will be limited to twenty percent of Palau's exclusive economic zone and the commercial export of fish from Palau, with a limited exception for free school purse seining in the Domestic Fishing Zone, will be prohibited. These reforms will be implemented over a wind-down period and by January 1, 2020, the Palau National Marine Sanctuary will be fully functioning.

Funding the Palau National Marine Sanctuary and ensuring that the states see no decrease in their revenues from fishing rights, is the new Environmental Impact Fee. This fee will replace the current exit tax.

The Olbiil Era Kelulau has also determined that the passage of foreign vessels must be more clearly monitored and so has included amendments to Title 7 in this legislation. These amendments mimic the language of the United Nations Convention on the Law of the Sea and recent treaties and agreements signed by Palau as part of region-wide enforcement efforts.

The Olbiil Era Kelulau finds that protecting and preserving Palau's environment is an essential part of Palauan culture (Bul system). This Act will ensure that Palau's natural wonders can be enjoyed for generations to come.

Section 3. Amendment. Chapters 2 and 3 of Title 7 of the Palau National Code are amended as follows:

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§ 201. Definitions.

In this chapter, words shall have the same definitions as provided in 27 PNC §§ 102, 141-148 and in addition:

(a) "Hovering " means operating any unlicensed vessel which is near any island, islet, atoll, or reef of the Republic; or within the territorial waters of the Republic of Palau, or exclusive economic zone of the Republic, and, taking into account the history, conduct, nature, navigation and character, or location of the vessel, and other relevant data, it is reasonable to believe that such vessel is being used, intended to be used, or may be used to violate any of the provisions of this chapter, or Title 27 or any of the regulations promulgated thereunder, or any law or regulation of the Republic.

(b) "Innocent passage" means continuous and expeditious navigation through territorial waters or Palau's exclusive economic zone for the purpose either of (1) traversing that sea without entering international waters or calling at a roadstead or port facility outside internal waters; or (2) proceeding to or from internal waters or a call at such roadstead or port facility, and includes stopping or anchoring, but only in so far as the same are incidental to ordinary navigation or are rendered necessary by *force majeure* or distress or for the purpose of rendering assistance to persons, ships or aircraft in danger or distress.

(c) "Republic" means Republic of Palau.

(d) "Territorial waters" means the waters of the territorial sea as defined and described in section 142 of Title 27 of this Code.

(e) "Unlicensed vessel" means any vessel not operating under a domestic fishing permit pursuant to Title 27, license, grant or express permission of the President, except vessels propelled by outboard motors if those vessels are not skiffs or other vessels that are part of the operation of a larger vessel.

§ 202 . Innocent passage; prohibited acts.

(a) Passage shall be prohibited where it is either:

(1) Not innocent;

(2) Prejudicial to the peace, good order or security of the Republic; or

(3) Not in conformity with the Law of the Sea Convention 1982 or with other rules of international law.

(b) Passage of a foreign ship shall be considered to be prejudicial to the peace, good order or security of the Republic if in the territorial waters it engages in any of the following activities:

(1) any threat or use of force against the sovereignty, territorial integrity or political independence of Palau, or in any other manner in violation of the principles of international law embodied in the Charter of the United Nations;

(2) any exercise or practice with weapons of any kind;

(3) any act aimed at collecting information to the prejudice of the defense or security of the Republic;

(4) any act of propaganda aimed at affecting the defense or security of the Republic;

(5) the launching, landing or taking on board of any aircraft;

(6) the launching, landing or taking on board of any military device;

(7) the loading or unloading of any commodity, currency or person contrary to the customs, fiscal, immigration or sanitary laws and regulations of the Republic;

(8) any act of willful and serious pollution;

(9) any fishing activities;

(10) the carrying out of research or survey activities;

(11) any act aimed at interfering with any systems of communication or any other facilities or installations of the Republic;

(12) hovering; or

(13) any other activity not having a direct bearing on passage.

(c) All unlicensed fishing vessels conducting innocent passage through Palau's territorial waters must have fishing gear and equipment stowed and not readily accessible for use. For these purposes, a boat's fishing gear and equipment are not stowed unless:

(1) nets, traps and other fishing equipment; and

(2) associated equipment, including buoys and beacons

are disengaged and secured, and where practicable, stored inside the boat, in such a manner as to not be readily available for fishing.

(d) All unlicensed vessels conducting innocent passage through Palau's territorial waters must utilize appropriate position-fixing and identification equipment.

(e) The master or crew of any unlicensed vessels conducting innocent passage through Palau's waters must promptly respond to any inquiry from the President or his duly authorized representative, respecting the name, flag state, location, route or destination of the vessel, or the circumstances under which it entered Palau's waters.

§ 203. Activities in the exclusive economic zone.

(a) No unlicensed vessel may engage in any fishing activity in the exclusive economic zone.

(b) No vessel may engage in any marine scientific research in the exclusive economic zone without the written permission of the President.

(c) No person may undertake any activity contrary to the protection and preservation of the marine environment including:

(1) Hovering;

(2) Fishing;

(3) Any other activity contrary to the protection and preservation of the marine environment of the Republic and contrary to a law or regulation of the Republic.

§ 204. Examination of unlicensed vessels.

(a) The President or his duly authorized representative may at any time go on board any unlicensed vessel found within the territorial waters of the Republic where there is reason to believe that the crime has been committed of a kind to disturb the peace of the Republic or the good order of the territorial sea, such as hovering or engaging in illegal fishing or acting contrary to the laws of the Republic; and

(b) if there is reason to suspect that such vessel is violating any laws or regulations of the Republic of a kind to disturb the peace of the Republic or the good order of the territorial sea, such as hovering or engaging in illegal fishing or acting contrary to the laws of the Republic, the President or his representative may examine the manifest and other documents and papers, and inspect and search the vessel and every part thereof and any person, trunk, package, or cargo on board. To this end the President or his representative may hail and stop such vessel, and use all necessary force to compel compliance, including hot pursuit.

(c) The hot pursuit of a foreign vessel may be undertaken when the authorities of the Republic have good reason to believe that the vessel has violated the laws and regulations of the Republic. Such pursuit must be commenced when the foreign ship or one of its boats is within the internal waters, the archipelagic waters, the territorial sea or the contiguous zone of the Republic, and may only be continued outside the territorial sea or the contiguous zone if the pursuit has not been interrupted. It is not necessary that, at the time when the foreign ship within the territorial sea or the contiguous zone receives the order to stop, the ship giving the order should likewise be within the territorial sea or the contiguous zone. If the foreign ship is within a contiguous zone, as defined in 27 PNC § 143, the pursuit may only be undertaken if there has been a violation of the rights for the protection of which the zone was established.

(d) The failure of any unlicensed vessel located in Palau's territorial waters to have fishing gear and fishing equipment stowed and not readily accessible pursuant to section 202(c), to have operational position-fixing and identification equipment pursuant to 202(d), or to respond to an inquiry pursuant to section 202(e), shall be sufficient evidence to suspect the vessel of violating the laws or regulations of the Republic and the President or his duly authorized representative may board the vessel.

§ 205. Examination of hovering vessels.

...

(b) If upon examination of any such vessel, its master, officers, crew members, passengers or cargo by any proper officer, sufficient evidence is found to satisfy the inspecting officer that any such person has been engaged in any unlawful act within the territorial waters of the Republic or is actively planning to engage in such unlawful act, the vessel and the persons so engaged shall be subject to the penalties provided by section 207 of this chapter or other applicable laws of the Republic, including the provisions of Title 27.

§ 206. Other unlawful acts; presumptions.

(a) It shall be unlawful for any unlicensed vessel to engage within the territorial waters of the Republic in fishing, the harvesting of trochus, or the removal of scrap iron or animal, vegetable, marine, or mineral resources.

(b) There shall be a presumption that an unlicensed vessel that is hovering in Palau's waters or fails to respond to an inquiry pursuant to section 202(e) is engaged in a violation of sections 202(a) and 206(a).

(c) There shall be a presumption that an unlicensed vessel that has failed to have fishing gear and fishing equipment stowed and not readily accessible pursuant to section 202(c) is engaged in a violation of 206(a) and illegal fishing in violation of 27 PNC § 181 and any fish on board has been harvested or caught in violation of 27 PNC § 181.

(d) There shall be a presumption that an unlicensed vessel that does not utilize appropriate position-fixing and identification equipment while in Palau's territorial waters is engaged in an illegal act pursuant to sections 202(a) and 206(a).

(e) Credible technical data, including data collected from aerial surveillance, information from vessel monitoring systems such as the Vessel Monitoring System, Automatic Identification System or satellite data may be used as evidence of violations of this title.

§ 207. Penalty for violations; seizure and forfeiture of vessel.

(a) If any owner, master, person, company, corporation, charterer, party to a charter agreement, or other person having command or charge of a vessel fails to comply with the provisions of this chapter, obstructs or interferes with the exercise of any powers conferred by this chapter, or engages in any unlawful act under this chapter, he shall be fined an amount ranging from five hundred thousand dollars (\$500,000.00) to one million dollars (\$1,000,000.00), or imprisoned not more than two years, or both.

(b) Any vessel involved in the commission of unlawful acts, together with her tackle, apparel, furniture, and equipment, shall be subject to seizure and forfeiture to the Republic as provided in chapter 3 of this title.

(c) Any vessel or owner, master, person, company, corporation, charterer, party to a charter agreement or other person having command or charge of a vessel that fails to comply with the provisions of this chapter and in so doing, also commits an act in violation of 27 PNC § 181 shall be subject to the stricter penalties contained in Title 27.

(d) Any penalty assessed under this chapter shall, at a minimum, consist of compensation for:

(1) (i) the cost of replacing, restoring, or acquiring the equivalent of the taken, destroyed or affected resource and the value of the lost use of a resource pending its restoration or replacement or the acquisition of an equivalent resource; or

(ii) the value of a resource if the resource cannot be restored or replaced or if the equivalent of such resource cannot be acquired;

(2) the reasonable cost of monitoring appropriate to the injured, restored, or replaced resources;

(3) the cost of enforcement actions undertaken by the Republic of Palau or any assisting party in response to the destruction or loss of, or injury to, a resource; and

(4) “response costs,” meaning the costs of actions taken or authorized by the Republic of Palau and assisting parties involved in cooperative surveillance and enforcement activity, including the costs related to seizure, forfeiture, storage, or disposal arising from liability under section 206 of this title.

(e) Any fine or penalty imposed under section 207 shall be deposited in the National Treasury pursuant to the requirements of 27 PNC § 192.

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§ 308. Disposition of proceeds of sale. The proceeds of the sale shall be disposed of as follows:

(a) first shall be the payment of all proper expenses of the proceedings of forfeiture and sale, including expenses of seizure, maintaining the custody of the vessel, advertising and court costs;

...

(c) the residue, if any, shall be deposited in the National Treasury pursuant to the requirements of 27 PNC § 192.

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Section 4. **Amendment.** Title 27 of the Palau National Code, as amended by RPPL No. 8-44, RPPL No. 8-58, RPPL No. 9-28, and RPPL No. 9-45 is amended as follows:

“Title 27

Fishing and Palau National Marine Sanctuary

Division 1

Fishing

Subchapter 1

General Provisions

...

§ 102. In this chapter:

- (a) “Atoll” means ...
- (b) “Bureau” means the Bureau of Oceanic Fishery Management.
- (c) “Director” means the Director of the Bureau of Oceanic Fishery Management.
- (d) “Domestic fishing” means fishing within the Domestic Fishing Zone by a fishing vessel with a valid permit pursuant to Title 27.
- (e) “Export for commercial purposes” means to export as defined in 27 PNC § 1203(c) with the intent or knowledge that the fish will be shipped, transported or transferred out of the Republic of Palau for the purpose of sale, exchange or any form of monetary gain.
- (f) “Fish” means any water-dwelling aquatic or marine animal or plant and includes their eggs, spawn, spat and juvenile stages, and any of their parts.
- (g) “Fish aggregating device” or “fish aggregation device” or “FAD” means any man-made device, or natural floating object, whether anchored or not anchored, that is capable of aggregating fish.
- (h) “Fishery” means one or more stocks of fish which can be treated as a unit for purposes of conservation and management and which are identified

on the basis of geographical, scientific, technical, recreational, and economic characteristics;

(i) "Fish" as a verb or "fishing" means:

(1) catching, taking, or harvesting fish, or searching for fish with the intent to catch, take, or harvest them;

(2) attempting to catch, take, or harvest fish, or attempting to search for fish with the intent to catch, take, or harvest them;

(3) engaging in any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish;

(4) placing or recovering fish aggregating devices or associated electronic equipment such as radio beacons, or searching for such equipment or devices with the intent to recover them;

(5) any operations at sea in support of, or in preparation for, any activity described in (1) - (4); or

(6) the use of any vehicle on sea or air, including aircraft, in relation to any activity described in paragraphs (1) - (5), except when such activities are related solely to the safety of crew members or the safety of a vessel.

(j) "Fishing vessel" means any vessel, boat, ship, or other craft which is used for, equipped to be used for, or of a type which is normally used for:

(1) fishing, but does not include personal vessels used primarily for recreation or sports; or

(2) aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including but not limited to, preparation, fueling, supply, storage, refrigeration, transportation, or processing.

(k) "Foreign fishing agreement" means an agreement approved by the national government and one or more foreign commercial fishing interests to

permit foreign vessels to harvest fish within the exclusive economic zone of the Republic.

(l) “Foreign vessel” means a vessel not duly registered in the Republic pursuant to Title 7 of this Code.

(m) “Free School Operations” means fishing without any association with objects (natural or man-made, known as FADs), set distances from such FADs being at a minimum one nautical mile or greater, but may include a free school feeding on bait fish.

(n) “International fishery agreement” means any bilateral or multilateral treaty, convention, or agreement which relates to fishing and to which the Republic of Palau is a party.

(o) “Island” means any land entirely surrounded by water.

(p) “Living resource” means any organism or organic matter which is or has been living.

(q) “Minister” means the Minister of Natural Resources, Environment, and Tourism.

(r) “Ministry” means the Ministry of Natural Resources, Environment, and Tourism.

(s) “Observer” means any person required or authorized to be carried for conservation and management purposes on a fishing vessel fishing in Palau’s internal waters, territorial sea, exclusive economic zone, or for continental shelf resources of Palau by directives or authorized permits.

(t) “Palau’s waters” means Palau’s internal waters, contiguous zone, territorial waters, exclusive economic zone and all waters over which the Republic of Palau has jurisdiction in accordance with international laws.

(u) “Permit” means a document issued by the Republic of Palau which authorizes vessels to engage in fishing in waters over which Palau exercises fisheries management authority.

(v) "Person" means any individual, corporation, partnership, association, or other entity, the national government or any subdivision or entity thereof, and any foreign government or any subdivision or entity thereof.

(w) "Purse Seine," "purse-seine" or "purse seining" means the method of fishing which involves drawing a fishing seine into the shape of a bag to enclose the catch or a fishing seine so arranged that after the ends have been brought together the bottom can be closed.

(x) "Reef fish" means any species of living resource which predominately inhabit reef areas, the territorial sea, or internal waters.

(y) "Resource" or "sanctuary resource" means any living or non-living resource.

(z) "Steel leader" means a type of fishing line made out of steel which connects fishing line to fishing hooks.

(aa) "Stock of fish" means a species, subspecies, geographical grouping, or other category of fish capable of management as a unit.

(bb) "Submerged reef" means a coral reef forming a geographic and ecologic unity which is wholly submerged at high tide.

(cc) "Vessel day" means a single day in which a single vessel is authorized by law to fish.

(dd) "Vessel subject to the jurisdiction of Palau" means any vessel registered pursuant to Title 7 or Title 27 of this Code or any vessel within any of the waters of the Republic of Palau.

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Subchapter II

Ministry of Natural Resources, Environment and Tourism

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§ 122. Regulations. Regulations shall be drafted by the Minister of Natural Resources, Environment and Tourism to carry out the purposes of Title 27. Such

regulations must follow the requirements of the Administrative Procedure Act contained in Title 6 of the Palau National Code.

§ 123. Ministry of Natural Resources, Environment, and Tourism; functions and duties with respect to the Palau National Marine Sanctuary, Domestic Fishing Zone and foreign fishing agreements. The Ministry, in addition to its functions and duties as set forth in Title 2, shall have the following duties, functions, and authority:

(a) to adopt regulations for the conservation, management, and exploitation of all living resources in the Palau National Marine Sanctuary and the Domestic Fishing Zone of the Republic, including but not limited to: equipment, catch types and species, fishing seasons, quotas and procedures for permits;

(b) to negotiate and conclude foreign fishing agreements in accordance with this title;

(c) to issue fishing permits in accordance with the law and regulations promulgated pursuant to sections 122 and 123 of this title;

(d) to monitor fish stocks and set allowable catch limits within the Domestic Fishing Zone at a level necessary to supply the domestic market in Palau;

(e) to monitor all fish harvested within the Domestic Fishing Zone;

(f) to coordinate with the Ministry of Justice for the enforcement of all laws, rules and regulations in relation to domestic fishing, transit by foreign and domestic vessels through Palau's waters, and illegal or unreported or unregulated fishing or illegal activities within the Palau National Marine Sanctuary or Domestic Fishing Zone;

(g) to adopt regulations for the placement of Palau observers aboard all foreign and domestic fishing vessels engaged in fishing within Palau's waters or for Palau's continental shelf resources. Observers, while stationed aboard such fishing vessels, shall carry out such scientific, compliance monitoring, and

other functions as the Minister deems necessary to carry out the provisions of this chapter;

(h) to coordinate Palau's compliance with all international fishery agreements or foreign fishing agreements, with a focus on maximizing the returns to Palau under any such agreements and negotiate with parties to such international fishery agreements, such as the Nauru Agreement; and

(i) to perform such other duties and functions as may be necessary to carry out the purposes of this chapter.

§ 124. Minister's report. The Minister shall report annually on all activities within Palau's waters, including the Palau National Marine Sanctuary and the Domestic Fishing Zone, to the presiding officers of the Olbiil Era Kelulau and the President. The annual report shall contain a detailed accounting of the expenditure of funds by the Ministry, and shall also disclose and report on all fishing agreements and permits, revenues derived by the Republic from fishing activities, the amounts and types of fish harvested during the previous year by each fishing permit/license holder, efforts and plans to conserve fishery stocks, the sustainability of each stock of fish, including bait fish, efforts and plans to protect submerged reefs, enforcement actions taken and development of plans for monitoring vessels and enforcement within Palau's waters and recommendations of the Ministry, including scientific support, regarding appropriate catch levels necessary to supply the domestic market in Palau and to ensure the sustainability and health of each living resource, reef fish, stock of fish and submerged reef.

Subchapter III

Zones

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§ 146. Submerged reefs. Traditionally recognized fishing rights in submerged reef areas wherever located within the fishery zones of the Republic shall be preserved and respected for domestic fishing in accordance with the regulations of the Bureau and the Division of Marine Law Enforcement of the Ministry of Justice.

§ 147. Palau National Marine Sanctuary established. With the exception of the Domestic Fishing Zone and the territorial sea of Palau, all of Palau's waters shall be designated as the Palau National Marine Sanctuary.

§ 148. Domestic Fishing Zone. The Domestic Fishing Zone begins at the boundary of the contiguous zone and territorial sea surrounding Kayangel, Babeldaob, Koror, Peleliu, the Rock Islands and Angaur State and extends outward into Palau's exclusive economic zone for an area of approximately 85,896 square kilometers. The Domestic Fishing Zone follows the eastern boundary of Palau's exclusive economic zone between the northern point of 135.9066012/9.20093 and the southern point of 136.632593/6.045193; from that southern point, it proceeds west to 134.139978/6.046677 and from there proceeds westerly and northerly at points fifty-miles from the baseline, including: 133.386324/6.50, 133.297137/7.00, 133.467301/7.50, 133.807573/8.00, and 134.16551/8.721375. The boundary then extends north east to 134.68167/9.200935 and proceeds directly east to the northern point of 135.9066012/9.20093. A map of the Domestic Fishing Zone is listed as appendix A to this chapter and incorporated by reference herein.

§ 149. Palau National Marine Sanctuary; fishing prohibited. The Palau National Marine Sanctuary shall be a no-take zone and fishing and the extraction, disturbance, destruction, removal or alternation of any Sanctuary resource is expressly prohibited.

Subchapter IV

Regulation of Fishing

§ 161. Transition. The requirements of this Act and the Palau National Marine Sanctuary shall be immediately effective upon passage of the Act; however, for long-line international fishing agreements and Uniform Long-Line Fishing Agreements in effect at the time of the passage of the Act, and for purse-seining activities allowed at the time of the passage of the Act, sections 149, 164, and 181(l) - (n) of Title 27 shall be implemented over a wind-down period from the date of passage of this Act through December 31, 2019. By January 1, 2020, no fishing shall

be allowed in the Palau National Marine Sanctuary, the commercial export of fish shall be generally prohibited and all other prohibitions contained in Title 27 shall be enforced. The terms of this wind-down period shall be governed by regulations promulgated by the Minister within six months of passage of this Act and shall include, at a minimum:

(a) For existing international fishing agreements for long-line fishing there shall be an exception to sections 149, 16, and 181(l) - (n) of Title 27 until January 1, 2020.

(b) Long-line fishing allowed at the time of passage of the Act pursuant to existing international fishing agreements and purse-seining allowed at the time of passage of the Act shall be phased out as follows:

(1) The baseline for long-line vessel days utilized in Palau's waters for commercial export shall be those vessel days allowed in 2014;

(2) The baseline for purse-seining activities utilized in Palau's waters for commercial export shall be those vessel-days of purse-seining activities which occurred during 2014;

(3) Effective on December 31, 2015, there will be a twenty-percent (20%) reduction from their baselines in the number of long-line and purse-seining vessel days utilized in Palau's waters for commercial export;

(4) Effective on December 31, 2016, the long-line and purse-seining vessel days utilized in Palau's waters for commercial export shall be reduced an additional ten percent (10%) of their baselines for the next one year period;

(5) Effective on December 31, 2017, the long-line and purse-seining vessel days utilized in Palau's waters for commercial export shall be reduced an additional ten percent (10%) of their baselines for the next one year period;

(6) Effective on December 31, 2018, the long-line and purse-seining vessel days utilized in Palau's waters for commercial export shall be reduced an additional ten percent (10%) of their baselines for the next one year period; and

(7) On January 1, 2020, the Palau Marine Sanctuary and Domestic Fishing Zone shall be fully operational and all provisions of this Act shall be fully in effect.

(c) Additional efforts shall be made to further reduce the amount of fishing allowed in the Palau National Marine Sanctuary during this wind-down period, including but not limited to:

(1) The Minister may proscribe areas within the Palau National Marine Sanctuary in which fishing is prohibited; such proscribed areas shall be determined based on information on vessel fishing locations and other relevant scientific data further identifying areas requiring additional protections and preservation during the wind-down period such as spawning sites and sea mounts.

(2) In considering levels of foreign fishing, the Minister shall consider the size of the fishing vessels in Palau's waters and implement limitations on such to ensure that the levels of fishing are reduced during the wind-down period.

(3) Implementation of fishing reforms, including limitations on types of fishing equipment and methods.

(4) Vessel days not utilized in Palau's waters for commercial export during the transition period may be used for vessels fishing in Palau's waters that land in Palau and whose catch are not exported for commercial purposes.

(d) Provisions for monitoring the health of the Palau Marine Sanctuary and Domestic Fishing Zone, including researching and measuring biomass, migratory patterns of fish, and locations of biological interest.

(e) There shall be an annual meeting in December of each year of the wind-down period in which the Minister shall report on the progress of the wind-down period to the Olbiil Era Kelulau, the President and a Transition Committee to be created by the President.

(f) The Minister shall immediately undertake a compliance review of all existing foreign fishing agreements and ensure that all foreign fishing agreements during the transition period are in full compliance with applicable law.

§ 162. Longline Fishing Agreements.

(a) The Uniform Longline Fishing Agreements which are currently in effect will not be renewed or automatically renewed; these agreements shall expire on December 31, 2015. The Minister shall promptly provide notice to the parties to the existing Uniform Longline Fishing Agreements that such agreements will not be renewed.

(b) Parties to the existing Uniform Longline Fishing Agreements may have the opportunity to participate in long line fishing during the wind-down and transition period set out in section 161 of this chapter but such agreements shall be governed by the terms and conditions of set out in the regulations issued pursuant to section 161 of this chapter.

(c) New parties seeking long-line permits shall be limited by all of the requirements of this Act.

§ 163. Purse-Seining. The use of FADs in purse-seining is expressly prohibited. All purse-seining in Palau's waters shall be free school operations as defined in 27 PNC § 102(m).

§ 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) may be exported for commercial purposes. Fishing vessels must land in Palau before they may export their catch for commercial purposes in accordance with this subsection.

§ 165. Fishing restricted.

(a) No fishing vessel may fish within a 50 nautical mile radius to the east of the reef entrance to Malakal Harbor; 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.

(b) Fishing by fishing vessels is permitted in the exclusive economic zone only outside a 50 nautical mile radius to the east of the reef entrance to Malakal Harbor as provided in this chapter, and only in compliance with the laws of the Republic, any applicable regulations, any permit issued, and any provision of a fishing agreement entered into with the Republic.

§ 166. Fishing agreements; exclusive authority of national government. The Minister shall have the authority to issue permits for fishing. Each foreign fishing agreement and fishing permit holder shall acknowledge the exclusive fishery management authority of the national government as set forth in this chapter.

§ 167. Fishing permits; terms and conditions of permits.

In negotiating foreign fishing agreements and permits to fish, the Ministry shall obtain agreement by the foreign parties and owner and operator of the fishing vessel to the following terms and conditions:

(a) The foreign party and the owner and operator of any fishing vessel fishing pursuant to such agreement and permit will abide by all regulations issued by any agency of the Republic having jurisdiction or regulatory authority over fishing, ...

(b) The foreign party and the owner or operator of any fishing vessel fishing pursuant to such foreign fishing agreement will abide by the agreement that:

(1) Any officer authorized ...;

(2) Such officer shall also be permitted to examine and make notations on the fishing permit issued pursuant to this title;

(3) The permit issued for any such vessel shall be prominently displayed in the wheelhouse of such vessel;

(4) Appropriate position-fixing and identification equipment shall be installed and maintained in working order on each such vessel;

(5) Duly authorized observers and other surveillance programs approved by regulation shall be required on board any such vessel and the owner and operator of the vessel shall be solely responsible for the cost of such observers and surveillance;

(6) Agents shall be appointed and maintained within the Republic who are authorized to receive and respond to any legal process issued in the Republic with respect to such owner or operator;

(7) All vessels shall be registered on the Forum Fisheries Administration ("FFA") Vessel Monitoring System Register and with the Western and Central Pacific Fisheries Commission ("WCPFC"); and

(8) No vessel shall be issued a permit or allowed to fish in Palau unless it is in good standing on the FFA Regional Register and the WCPFC; and

(9) No fishing vessel shall leave Palau's EEZ without prior notification to the Minister.

(c) The foreign party and the owners and operators of all of the fishing vessels shall not, in any year, exceed such party's allocation of the total allowable level of fishing.

(d) Foreign parties and fishing vessel owners and operators will:

(1) apply for any required permits under this chapter;

(2) deliver promptly to the owner and operator of the appropriate fishing vessel any permit which is issued under those sections for such vessel;

(3) abide by the requirement that, with the exception of the terms set out in regulation pursuant to section 161 of this chapter, fishing will only be permitted in the Domestic Fishing Zone of the Republic and the requirement that all conditions and restrictions of the permit be complied with.

(e) The foreign party and the owner and operator of any fishing vessel fishing pursuant to such agreement will abide by all other terms and conditions of the agreement.

§168. Same; allowable level of fishing. The total allowable level of fishing, if any, with respect to any fishery subject to the provisions of this chapter, shall be that portion of the optimum yield of such fishery which will be harvested by permitted fishing vessels.

§169. Same; allocation among foreign nations of allowable level of fishing during the transition period; sustainable limits. The Bureau by annual regulation shall determine the allocation among foreign nations of the total allowable level of foreign fishing which is permitted with respect to any fishery subject to the provisions of this chapter and the limitations contained in section 161 and regulations issued thereunder. In determining the allocation among nations, the Bureau shall take into consideration: ...

§ 170. Fishing permits; in general.

A fishing vessel may engage in fishing in the Republic only if such vessel has on board a valid permit issued under this chapter for such vessel.

§ 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;

(2) the tonnage, capacity, speed, processing equipment, type and quantity of fishing gear, and such other pertinent information with respect to characteristics of each such vessel as the Bureau may require;

(3) the amount of fish or tonnage of catch contemplated for each such vessel during the time such permit is in force;

(4) the ocean area in which, and the season or period during which, such fishing will be conducted; and

(5) the species of fish, listed by the individual scientific name, that each such vessel may catch during the time its permit is in force.

(b) In relation to any applications made during the transition period set out in section 161 for long-line 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.

(2) The Bureau shall review the application, solicit views from appropriate persons in the Republic, hold public hearings, and may approve the application on such terms and conditions and with such restrictions as the Bureau deems appropriate.

(3) If the Bureau does not approve the application submitted by the foreign party, the Director or his designee shall notify such foreign party of the disapproval and the reasons therefor. After taking into consideration the reason for disapproval, the foreign party may submit a revised application.

(4) Upon notification by the foreign party of acceptance of the terms, conditions, and restrictions on the application and permit, the Director or his designee shall issue the permit.

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

§ 172. Same; fees and compensation. Fees and other forms of compensation for the right to fish within Palau's waters shall be established in the foreign fishing agreement and by regulations and the permit or license issued shall expressly state that the owner and/or operator of the fishing vessel must abide by Palau's laws and regulations.

§ 173. Same; consequences of prohibited act. If any vessel for which a permit has been issued pursuant to this chapter has been used in the commission of any act prohibited by law, regulations, or the terms, conditions, or restrictions set forth in the foreign fishing agreement and regulations or permit relating to such vessel, or if any civil penalty or criminal fine imposed by law has not been paid and is overdue, the Bureau shall revoke such permit with prejudice to the right of the party involved to obtain a permit for such vessel or any other vessel in any subsequent year.

§ 174. Same; noncommercial fishing. Notwithstanding any other provision of this chapter, the Bureau may by regulation provide for the issuance of permits, on reasonable conditions, to foreign vessels or parties for research, recreational, or other

noncommercial fishing within the Palau National Marine Sanctuary and Domestic Fishing Zone of the Republic.

§ 175. Same; bait fish. Notwithstanding any other provision of this chapter, a fishing vessel may be permitted to fish for bait fish used in the fishery for highly migratory species pursuant to such terms and conditions as are contained in a special bait fishing permit to be issued by the Bureau. Special bait fishing permits may only be issued on such terms, conditions, and with such restrictions, as will ensure the long-term sustainability and health of the stock of bait fish, and every other population of living resource and reef fish, and submerged reef, within Palau's waters, that may be affected by the harvesting of such bait fish.

§ 176. Foreign fishing companies to utilize local vendors for goods and services.

...

§ 177. Foreign fishing revenue distribution.

(a) In this section, "foreign fishing agreement" means a contractual agreement or international treaty by which the Republic derives revenue from allowing outside persons and countries to fish for highly migratory fish within the Republic's jurisdictional waters.

(b) In this section, "revenue" means any income that the Republic receives from a foreign fishing agreement under the terms of a foreign fishing agreement, and the issuing of licenses to fish within the Republic's jurisdictional waters.

(c) All revenue derived from the fishing agreements shall hereby be divided among the state governments as follows:

(1) seventy-percent (70%) shall be equally divided among the states.

(2) thirty percent (30%) shall be divided among the states according to the population of each state as stated in the most recent national government census.

(d) In each year's national government fiscal budget, the revenues derived from foreign fishing agreements shall be authorized and appropriated in accordance with this section.

§ 178. **Ministry of Finance Reporting.** The Minister of Finance shall submit a report each quarter to the Office of the President and to the Olbiil Era Kelulau stating any and all revenue derived from the licensing of foreign fishing vessels to fish within the Republic's jurisdictional waters. This report shall include, but not be limited to the following information: to whom the license was granted, the amount of revenue derived from the licensing thus far, and the amount of revenue projected to be derived from the license.

Subchapter V

Enforcement and Penalties

§ 181. **Prohibited acts.** It is unlawful for any person:

(a) to use a fishing vessel to fish, as that term is defined in 27 PNC § 102(i), within Palau's waters for any shark, or any part of any such, or to remove the fins of or otherwise intentionally mutilate or injure any such shark, or possess any part of any shark, including the fins. If any shark is inadvertently caught or captured, it shall be immediately released, whether dead or alive; if the shark is caught or captured alive, it shall be released in the manner that affords it the greatest opportunity for survival;

(b) to use steel leader as fishing gear on any fishing vessel or to possess steel leader on any fishing vessel while in Palau's waters;

(c) to violate any provision of this chapter ...;

(d) to use any fishing vessel to engage in fishing after revocation, or during the period of suspension, of an applicable permit ...;

(e) to violate any provision of, or regulations under, an applicable foreign fishing agreement;

(f) to refuse to permit any officer authorized to enforce the provisions of Title 27 and any regulations adopted pursuant thereto, to board a fishing

vessel for purposes of conducting any search or inspection in connection with the enforcement of Title 27 or any regulation, permit, or agreement referred to in subsections (c), (d), or (e) of this section;

(g) to forcibly assault, resist, oppose, impede, intimidate, or interfere with any such authorized officer ...;

(h) to resist a lawful arrest ...;

(i) to knowingly ship, transport, offer for sale, sell, purchase, import, export, or have custody, control, or possession of any fish taken or retained in violation of Title 27 or any regulation, permit, or agreement referred to in subsections (c), (d), or (e) of this section;

(j) to interfere with, delay, or prevent, by any means, the apprehension or arrest of another person, ...;

(k) to use any fishing vessel to fish, as that term is defined in 27 PNC § 102, for any reef fish, turtle, ray, or marine mammal, or any part of any such fish or marine mammal, or otherwise intentionally mutilate or injure any such fish or marine mammal. If any such fish or marine mammal is inadvertently caught or captured alive, it shall be released in the manner that affords it the greatest opportunity for survival;

(l) to use a fishing vessel to fish, as that term is defined in 27 PNC § 102, in Palau's Domestic Fishing Zone, except as duly permitted and licensed by the Ministry;

(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 as allowed in 27 PNC § 164, provided that a fishing vessel carrying fish for commercial export under this subsection must land in Palau before exporting its catch;

(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.

§ 182. Criminal penalties. ...

(a) ...

(b) Any offense described as a prohibited act by section 181(a) is punishable by a fine of between five hundred thousand dollars (\$500,000.00) and one million dollars (\$1,000,000.00) with any shark or any part of any such shark each constituting a separate violation.

(c) Any offense described as a prohibited act by section 181 (b), (c), (d), (e), (g), (k), (l), (m) or (n) is punishable by a fine of not less than five hundred thousand dollars (\$500,000.00) and not more than one million dollars (\$1,000,000.00).

(d) Any offense described as a prohibited act by section 181 (f), (h), (i), or (j) is punishable by a fine of not more than five hundred thousand dollars (\$500,000) for each violation...

(e) If any act prohibited by section 181 is committed by a vessel equipped for purse seining or by a crew member, captain or owner of a vessel equipped for purse seining, the penalty shall be a minimum of one million dollars (\$1,000,000.00) and a maximum of ten million dollars (\$10,000,000.00); the amount of such fine being based on the seriousness of the offense and the size and value of the vessel.

(f) Any criminal penalty assessed shall, at a minimum, consist of compensation for:

- (1) (i) the cost of replacing, restoring, or acquiring the equivalent of the taken, destroyed or affected resource and the value of the lost use of a resource pending its restoration or replacement or the acquisition of an equivalent resource; or
- (ii) the value of a resource if the resource cannot be restored or replaced or if the equivalent of such resource cannot be acquired;

- (2) the reasonable cost of monitoring appropriate to the injured, restored, or replaced resources;
- (3) the cost of enforcement actions undertaken by the Republic of Palau or any assisting party in response to the destruction or loss of, or injury to, a resource; and
- (4) “response costs”, meaning the costs of actions taken or authorized by the Republic of Palau and assisting parties involved in cooperative surveillance and enforcement activity, including the costs related to seizure, forfeiture, storage, or disposal arising from liability under section 206 of this title.

(g) All fish or fish products seized shall be confiscated, and any vessel or vehicle used to transport such fish or fish products may be confiscated and disposed of in such manner as the Supreme Court may determine.

(h) These penalties and fines shall be levied in addition to any other penalties that may be applicable under other statutes.

(i) Any person who reports an act prohibited by section 181 ...

(j) The proceeds from these penalties and fines shall be remitted to the National Treasury in accordance with section 192 of this title.

§ 183. Civil Penalties.

(a) ...

(b) In determining the amount of such penalty, the Supreme Court shall take into account the nature, circumstances, extent, and gravity of the prohibited acts committed and, with respect to the violators, the degree of culpability, any history of prior offenses, and such other matters as justice may require.

(c)...

(d) The proceeds of civil penalties shall be remitted to the National Treasury in accordance with section 192 of this title.

(e) ...

§ 184. ...

§ 185. Revenues. All revenues, including fees collected pursuant to sections 169-171 shall be transmitted immediately upon collection to the National Treasury and divided and distributed in accordance with the formula set forth in section 177(c) of this title. All fines and fees collected pursuant to sections 182, 183 and the proceeds of sale of all forfeitures shall be transmitted immediately upon collection to the National Treasury in accordance with section 192 of this chapter.”

...

§ 190. Same; provisions of regulation or permit enforceable. For purposes of this chapter, the terms “provisions of this chapter”, “violation of any provisions of this chapter”, and Title 27, include the provisions of any regulation or permit issued pursuant to this chapter and Title 27.

§ 191. Same; Evidence and Presumptions.

(a) Credible technical data, including data collected from aerial surveillance, information from vessel monitoring systems such as the Vessel Monitoring System, Automatic Identification System and/or satellite data may be used as evidence of violations of this title.

(b) There shall be a presumption that any prohibited species or part thereof found on board a vessel subject to the jurisdiction of Palau was caught and retained in violation of Title 27.

(c) There shall be a presumption that any fish found on board a foreign vessel was caught and retained in violation of Title 27.

§ 192. Fisheries Protection Trust Fund.

(a) There is established within the National Treasury a separate, interest-bearing revolving fund known as the Fisheries Protection Trust Fund (“Trust Fund”). These funds do not lapse at the end of the fiscal year.

(b) The purpose of the Trust Fund is to fund surveillance, enforcement and training for surveillance and enforcement of the laws related to the Palau National Marine Sanctuary and Title 27, and Chapters 2 and 3 of Title 7, to

fund the administration of those actions related to Palau National Marine Sanctuary in Titles 7 and 27, and to promote eco-tourism.

(c) Funds within the Trust Fund may not be disbursed without being first authorized and appropriated by the Olbiil Era Kelulau.

(d) All of the following are deposited in the Trust Fund:

(1) fines collected pursuant to Chapters 2 and 3 of Title 7;

(2) all fines and civil penalties collected pursuant to sections 182 and 183 of Title 27;

(3) proceeds of sale of all forfeitures pursuant to section 184 of Title 27 and section 207 of Title 7;

(4) a portion of the Environmental Impact Fee set out in Chapter 27 of Title 40; and

(e) The President of the Republic of Palau, or his designee, is authorized to solicit funds from nations, individuals, and organizations for deposit into the Trust Fund.

(f) Administration and disbursement: The Trust Fund shall be administered and distributed by the Minister of Finance solely and exclusively for the purposes set out in subsection (b) of this section. Within ninety (90) days after passage of this Act, the Minister of Finance shall promulgate regulations through the process set out in the Administrative Procedure Act to govern the Trust Fund.

(g) No later than April 1 of each year, the Minister must compile a report on the state of the Trust Fund including a statement of revenues received and money expended and the uses of expenditures. This trust fund report shall be submitted to the Olbiil Era Kelulau by April 15 of each year.

(h) The Trust Fund shall be subject to annual audits.

Chapter 2

Monitoring of Vessels in

Domestic Fishing Zone and Palau National Marine Sanctuary

§ 201. Legislative findings. The Olbiil Era Kelulau finds that the Republic of Palau lacks the necessary personnel to effectively prevent and police incidents of illegal fishing in the Republic's exclusive economic zone. The Olbiil Era Kelulau further finds that it is in the best interest of the Republic to develop an efficient system for monitoring, control and surveillance in order to prevent illegal fishing. The Olbiil Era Kelulau further finds that it would be in the best interest of the Republic to require all fishing vessels to be equipped with functioning automatic location communicators to assist in the effective surveillance of the exclusive economic zone of the Republic.

§ 202. Definitions. As used in this chapter:

(a) ...

...

(d) "Fishing vessel" means any vessel, boat, ship, or other craft which is used for, equipped to be used for, or of a type which is normally used for:

(1) fishing, but does not include personal vessels used primarily for recreation or sports; or,

(2) aiding or assisting one or more vessels at sea in the performance of any activity relating to fishing, including but not limited to, preparation, fueling, supply, storage, refrigeration, transportation, transshipment or processing.

...

§ 203. Requirement of automatic location communicator.

(a) As a condition of receiving a permit to fish within the Domestic Fishing Zone, the operator of each fishing vessel shall:

...

(b) No permit shall be issued by the Bureau for any fishing vessel unless the Bureau has inspected the vessel and has determined that a communicator that conforms to the requirements of this chapter has been

installed on that vessel and is functioning properly. Such communicators shall include, at minimum, a VMS system and an Automatic Identification System.

...

§ 205. Tampering with, failing to operate, or destruction of an automatic location communicator. ...

...

Chapter 12

Marine Protection Act of 1994

...

§ 1203. Definitions. The following definitions are to be used in interpreting this chapter. Any term not listed below is to be accorded its ordinary dictionary definition or where applicable, its definition under Subchapters I and III of Chapter 1 of Title 27 of the PNC:

...

(c) “Export” or “exported” means (1) an actual or attempted shipment, transport, or transfer of fish out of the Republic of Palau; or (2) a transfer of fish to any person within the Republic of Palau with the knowledge, intent or belief that the fish will be shipped, transported or transferred out of the Republic of Palau; when used in this chapter, “export” means to ship, transport, transfer, send, take, remove or carry a fish from the Republic to any other place in the world;

(d) “Export for commercial purposes” means to export as defined in section 1203(c) with the intent or knowledge that the fish will be shipped, transported or transferred out of the Republic of Palau for the purpose of sale, exchange, or any form of monetary gain;

(e) “To Fish” or “fishing means:

(1) catching, taking, or harvesting fish, or searching for fish with the intent to catch, take, or harvest them;

(2) attempting to catch, take, or harvest fish, or attempting to search for fish with the intent to catch, take, or harvest them;

(3) engaging in any other activity which can reasonably be expected to result in the catching, taking, or harvesting of fish;

(4) placing or recovering fish aggregating devices or associated electronic equipment such as radio beacons, or searching for such equipment or devices with the intent to recover them;

(5) any operations at sea in support of, or in preparation for, any activity described in (1) - (4); or

(6) the use of any vehicle on sea or air, including aircraft, in relation to any activity described in paragraphs (1) - (5), except when such activities are related solely to the safety of crew members or the safety of a vessel.

(f) "Fish", as a noun, means any water-dwelling aquatic or marine animal or plant and includes their eggs, spawn, spat and juvenile stages, and any of their parts.

(g) ...

(h) ...

(i) ...

(j) "Palau's waters" means Palau's internal waters, contiguous zone, territorial waters, exclusive economic zone and all waters over which the Republic of Palau has jurisdiction in accordance with international laws.

(k) "Person" means any individual, corporation, partnership, association, or other private sector entity; the government of the

Republic or any of its subdivisions; and any foreign government, or subdivision thereof;

(l) "Reef fish" means

(m) "Take" means

(n) "Territorial sea" means

§ 1204. Prohibited acts. Within Palau's waters and all land over which the Republic has jurisdiction, it shall be unlawful for any person to:

...

(p) make any entry or statement in any writing completed or submitted in connection with the export of fish which is false or misleading;

(q) except as provided in section 1205, export any live reef food fish, provided, however, that cultured species of reef fish are exempted from this prohibition; and

(r) fish for any shark, or any part of any such, or to remove the fins of or otherwise intentionally mutilate or injure any such shark or possess any part of any shark, including the fins. If any shark is inadvertently caught or captured, it shall be immediately released, whether dead or alive; if the shark is caught or captured alive, it shall be released in the manner that affords it the greatest opportunity for survival.

...

§ 1209. Criminal penalties.

...

(e) Anyone who violates subsection (r) of section 1204, shall, upon conviction, be fined not less than ten thousand dollars (\$10,000.00); upon the second conviction, be fined not less than fifteen thousand dollars (\$15,000.00) and sentenced to serve up a minimum of thirty (30) days in jail; upon the third conviction, be fined not less than twenty thousand dollars (\$20,000.00) and sentenced to serve up to six (6) months in jail; any conviction after a third conviction, be fined not less than thirty thousand dollars (\$30,000.00) and

sentenced to serve up to one year in jail. Each shark or any part of any such shark shall constitute a separate violation.

(f) Anyone person who reports an act prohibited by section 1204 to law enforcement authorities ...

....”

Section 5. Amendment. Title 40 of the Palau National Code is amended by adding a new Chapter 27 to state as follows:

“Chapter 27

Environmental Impact Fee

§ 2701. Purpose. The purpose of this chapter is to establish an Environmental Impact Fee.

§ 2702. Definitions. In this chapter:

- (a) “International Travel” means travel by air or sea from the Republic of Palau.
- (b) “Passenger” means a person who undertakes international travel.
- (c) “Transit passenger” means a passenger who 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.

§2703. Imposition of Environmental Impact Fee. Every passenger, 13 years or older, shall pay an Environmental Impact fee of one hundred dollars (\$100) for each international departure from the Republic of Palau, but will not be required to pay such Environmental Impact Fee more than once in any thirty-day period.

§2704. Exemptions from Environmental Impact Fee.

(a) The following categories of people shall be exempt from the Environmental Impact Fee:

- (1) Palauan citizens;

- (2) Spouses of Palauan citizens;

(3) Individuals in possession of a valid Republic of Palau work visa; and

(4) Transit passengers.

(b) The Minister of Finance shall have the authority to designate further exemptions from the Environmental Impact Fee through regulation.

§ 2705. Regulations. The Minister of Finance shall promulgate regulations which include:

(a) Providing for the administration of this chapter to the extent it does not conflict with the authority of the Task Force on Visitor Fee Collection pursuant to Section 7 of this Act; and

(b) Amending the amount of Environmental Impact Fee to be paid by a passenger.

§ 2706. Allocation of Environmental Impact Fee. Of the Environmental Impact Fee paid by each passenger:

(a) Ten dollars (\$10.00) shall be allocated to the Fisheries Protection Trust Fund pursuant to 27 PNC § 192;

(b) Twelve dollars and fifty cents (\$12.50) shall be divided among the states as follows: 70% of such funds shall be divided among the states in equal shares, and the remaining 30% shall be apportioned among the states according to population;

(c) Twenty-five dollars (\$25.00) shall be allocated to the Civil Service Pension Fund;

(d) Thirty dollars (\$30.00) shall be earmarked as a "Green Fee" pursuant to 24 PNC § 3413; and

(e) Twenty-two dollars and fifty cents (\$22.50) shall revert to the National Treasury.

§ 2707. Transition.

The departure tax set forth under 40 PNC § 1403 shall cease to have effect and shall be repealed upon the assessment of the Environmental Impact Fee except that:

(a) any allocation or appropriation of the Green Fee funds in 24 PNC § 3413 shall now be applied to § 2706(d) as if fully stated herein; and

(b) any other allocation or appropriation of the departure tax set forth under 40 PNC § 1403 shall now be applied to § 2706(e) as if fully stated herein.”

Section 6. Amendment. 13 PNC Chapter 10 is hereby amended as follows:

“...

§ 1002. Visas; required; issuance.

(a) No person, vessel or aircraft, unless specifically exempted by applicable law and regulations, shall enter the Republic without having been issued an appropriate visa.

(b) “Visa,” for purposes of this chapter, shall mean a passport stamp or document that authorizes the passport-holder to enter the Republic for specific purposes for a particular time period. A visa may also be referred to as an entry permit.

(c) Visas to visit, reside or work in the Republic shall be issued in accordance with this title and regulations issued pursuant thereto. All non-citizens entering the Republic of Palau, unless otherwise exempted by law or regulation, must pay a visa fee.

...

...

§ 1007. Visa Fees.

(a) The base fee for non-citizens who hold passports from any country other than:

- (1) the United States of America;
- (2) the Federated States of Micronesia; or
- (3) the Republic of Marshall Islands

shall be \$50.00 for authorization to enter and exit the Republic of Palau multiple times for a period not to exceed thirty (30) days. Such visas may be

extended for up to two (2) additional thirty (30) day periods. The fee for each additional period shall be \$100.00.

(b) By regulation, the Minister:

(1) may establish exemptions from the visa fees for specified classes of individuals;

(2) must establish an exemption from the visa fees for transiting passengers;

(3) must establish an exemption from the visa fees for diplomats, and airline pilots and crew members;

(4) must establish an exemption from the visa fees for individuals with work visas; and

(5) may establish visa fees for individuals of a particular nationality greater than the fees specified in subsection (a), excepting holders of passports from countries exempted in subsection (a).

...”

Section 7. Task Force on Visitor Fee Collection.

(a) There is hereby established a Task Force on Visitor Fee Collection that is composed of:

(1) Minister of Finance or his designee, who will serve as the Chair;

(2) Minister of Public Infrastructure, Industries, and Commerce or his designee;

(3) Minister of Justice or his designee;

(4) Minister of State or his designee;

(5) Minister of Natural Resources, Environment, and Tourism or his designee;

(6) One member of the House of Delegates who is appointed by the Speaker of the House and will serve as a non-voting observer of the Task Force and will not contribute to quorum; and

(7) One member of the Senate who is appointed by the President of the Senate and will serve as a non-voting observer of the Task Force and will not contribute to quorum.

(b) The Task Force shall establish by majority vote of its voting members the rules and procedures governing its operations.

(c) The Task Force shall promulgate regulations establishing a systematic and customer-friendly process for:

(1) all matters related to the payment of visa fees and issuance of visas pursuant to 13 PNC Chapter 10; and

(2) the payment of Environmental Impact Fees pursuant to 40 PNC Chapter 27.

(d) The Task Force shall promulgate regulations implementing this section by October 1, 2016. If the Task Force has not promulgated regulations by this date then the Environmental Impact Fee and visa fees will be collected immediately upon entry into the Republic until the Task Force promulgates regulations in accordance with this section. The Minister of Finance shall be responsible for promulgating any subsequent amendments to the Task Force's regulations.

Section 8. Continued application of prior fees and regulations.

All regulations and fees issued under Title 13 that are in effect at the time of the passage of this Act shall remain in effect until they are replaced by new regulations and fees issued in accordance with Sections 6 and 7 of this Act.

Section 9. Amendment. 24 PNC § 3413 is amended to read as follows:

“§ 3413. Environmental Protection Fee (“Green Fee”).

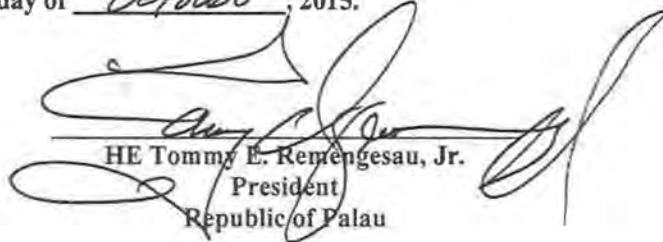
(a) The Green Fee is assessed under Chapter 27 of Title 40. ...

...”

Section 10. Effective date. This Act shall take effect upon its approval by the President of the Republic of Palau, or upon its becoming law without such approval, except as otherwise provided by law.

PASSED: October 22, 2015

Approved this 28th day of October, 2015.



HE Tommy E. Remengesau, Jr.
President
Republic of Palau