

SUMMARY RECORD

**U.S./Pacific Island Nations Joint Commercial
Commission Officials Meeting**

***Direction for the Utilization of JCC To Its Full
Potential***

**East-West Center ♦ Honolulu, Hawai‘i
May 16, 2005**

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INTRODUCTION

The United States/Pacific Island Nations Joint Commercial Commission (JCC) convened on May 16, 2005 at the East-West Center in Honolulu, Hawai‘i. Officials from the Cook Islands, the Federated States of Micronesia, Fiji Islands, the Republic of the Marshall Islands, Papua New Guinea, the Solomon Islands and the Kingdom of Tonga were in attendance. An observer from the Forum Secretariat also attended. The meeting was co-chaired by the Honorable Dr. Fred Sevele, Minister of Commerce, Labour and Industries, Kingdom of Tonga and Secretary of Foreign Affairs Honorable Sebastian Anefal, Federated States of Micronesia.

WELCOMING REMARKS

Dr. Charles Morrison, President of the East-West Center welcomed the delegates and wished the meeting success. Dr. Morrison committed the East-West Center to help make the JCC as strong as it could be and suggested that while there may be limitations on available resources, there should no limits on imagination.

Dr. Sitiveni Halapua, Director of the Pacific Islands Development Program welcomed the delegates and offered some background on the meeting. Dr. Halapua stressed the importance of the meeting since it would determine where the JCC goes in the future. Dr. Halapua proposed two issues that the meeting might consider: 1) How does the JCC work more directly and practically with the private sectors; and 2) How does the JCC better link with the activities of the Forum Secretariat.

ADOPTION OF AGENDA

The proposed agenda was adopted as written.

REPORTS

Co-chair Hon. Dr. Sevele called on Mr. Scott Kroeker, JCC Project Officer to report on the JCC history and activities.

Mr. Kroeker gave a brief summary of the history of the JCC from its proposal by former President Bush in 1990 until today. Mr. Kroeker concluded by highlighting the changed circumstances between when the JCC was proposed and formalized to the reality today.

Dr. Halapua presented to the delegates a summary of the paper “Draft Proposal on Ways to Reinvigorate the U.S./Pacific Island Nations Joint Commercial Commission.” The proposal highlighted the need to be very specific in its focus—identifying a limited number of goods and services it wishes to promote to the U.S. and subsequently identifying policies that need to be put in place and/or barriers to be removed for this trade to be enhanced. Dr. Halapua also stressed that this narrow focus will allow PIDP

to evaluate whether the JCC is being successful. Dr. Halapua suggested that the Meeting should consider the right balance to be pursued between the political and practical level of the JCC.

JOINT STATEMENT

The Meeting Agreed:

- 1) That the JCC remains an important agenda item at the meetings of the Pacific Islands Conference of Leaders and its Standing Committee.
- 2) That the policy aspects of the JCC/MOU (see Attachment I) remain with the Pacific Islands Conference of Leaders and its Secretariat, PIDP.
- 3) That the proposals for reinvigorating the JCC as outlined in the Director's paper (see attachment II) be endorsed.
- 4) That PIDP/JCC seek additional resources to effect greater direct and practical engagement between the private sectors in the Pacific Island Nations and the United States.
- 5) That an additional measure for reinvigorating the JCC is for PIDP and the Forum Secretariat to work out how best to cooperate in this task in light of their respective resources and expertise; and for this cooperation to be set out in an arrangement to be submitted to the Pacific Islands Conference of Leaders in 2006.
- 6) That in tandem with a more proactive role both by the PIDP Secretariat and the Forum Secretariat in pursuing regional Pacific Islands trade and investment interests in the U.S. individual Forum Island Countries will themselves do all they can to promote the private sector and private sector industry associations to facilitate direct contact with the U.S. private sector.

- 7) Given the changing regional and international political and security environment, the PICL, in promoting greater cooperation with the U.S. in the furtherance of the JCC, can also lay stress on our joint and collective interests in maintaining the security of our region.
- 8) That the above understandings on measures to strengthen the JCC to the mutual advantage of the Pacific Island Nations and the U.S. be conveyed to the government of the U.S. for its information before the 2006 PICL.

PRIVATE SECTOR PRESENTATION

After the Meeting agreed on the Joint Statement above, a special request was made by Fiji to hear a brief presentation from Mr. Tui Foukimoana, a Tonga-born private sector representative who lives in Seattle, Washington. Mr. Foukimoana described a survey project he is undertaking for the PIDP that involves the real life experience of a small-scale taro exporter trying to sell a container of taro to the United States market. The report highlighted the challenges and risks taken by exporters from the Pacific Islands when trying to ship and market products to the U.S. and points out the information and skills needed by these small-scale exporters that the JCC can help provide.

ADJOURNMENT

Co-chair Hon. Dr. Fred Sevele thanked everyone for their participation and adjourned the meeting.

ATTACHMENT I

MEMORANDUM OF UNDERSTANDING ON THE UNITED STATES/PACIFIC ISLAND NATIONS JOINT COMMERCIAL COMMISSION

Whereas, in a meeting of the Leaders of the Pacific Island Nations, or more particularly, the Cook Islands, Federated States of Micronesia, Fiji, Kiribati, Nauru, Niue, Papua New Guinea, Republic of the Marshall Islands, Solomon Islands, Tonga, Tuvalu, Vanuatu and Western Samoa, on the one hand, and the President of the United States of America, on the other, at the East-West Center, Honolulu, Hawaii, on October 27, 1990, the President of the United States proposed that the Pacific Island Nations and the United States of America agree to form a joint commercial commission, and that the leaders of the Pacific Island Nations welcomed this proposal; and

Whereas, the purpose of the commission is to promote the development of mutually beneficial commercial and economic relations between and among the Pacific Island Nations and the United States of America (hereinafter the "Parties"),

Recalling the desire for a joint declaration of cooperation setting a commitment for the Pacific island countries and the United States of America to cooperate in a broad range of the region's political, economic, and cultural relations including the principle that cooperation and exchanges between the Parties shall be mutually beneficial and with the full participation of all parties.

Therefore, the Government of the United States of America, on the one hand, and the Governments of the Pacific Island Nations who have signed this memorandum of understanding, on the other, have reached the following understanding to guide the implementation of their agreement to establish a United States-

Pacific Island Nation Commercial Commission (hereinafter "Commission"),

ARTICLE I

The functions of the Commission shall be to:

1. Monitor trade and investment relations, identify and consult regarding the removal of impediments to, and problems affecting, trade and investment flows, and develop specific opportunities for expanding trade and investment in goods and services;
2. Exchange information on mutually beneficial development projects and activities;
3. Promote educational, training, technical assistance, and other related exchanges;
4. Undertake other appropriate actions to promote greater commercial cooperation between the Parties and their private sectors;
5. Provide a forum to foster private sector development initiatives and economic policies;
6. Facilitate relations between United States business enterprises and government, and the governments and private sectors of the Pacific Island Nations;
7. Promote involvement of United States business enterprises in the Pacific islands region by facilitating dissemination of information on emerging opportunities in the region; and

8. Discuss related issues of mutual interest.

ARTICLE II

1. The Commission shall consist of a United States Section and a Pacific Island Nations Section. The Commission shall be co-chaired by the Assistant Secretary of Commerce for International Economic Policy of the United States of America and a designated representative of the Pacific Island Nations (Co-Chairs).

Members of the Commission shall include government officials of both Parties responsible for the mutually agreed agenda items.

2. The Commission shall hold meetings as mutually agreed by the Parties. The meetings may be convened in conjunction with any regional meeting to be attended by the appropriate representatives of the Pacific Island Nations. The meetings shall take place either in the Pacific Island Nations, or in Hawaii or elsewhere in the United States. The Co-Chairs or their designated representatives shall preside over meetings of the Commission. Each Section may invite advisors and experts, including representatives of the respective private sectors, to participate at any meeting of the Commission.

3. The Parties shall advise each other in advance of the persons designated by them to participate at any meeting of the Commission.

4. The Parties shall agree on an agenda for any meeting prior to the scheduled date of the meeting. The Commission shall consider matters included in such agenda, as well as further matters which may be added to the agenda by mutual agreement.

5. In order to fulfill the tasks of the Commission, the Co-Chairs may establish Working Groups to consider specific matters, including, but not limited to, the exchange of information on specific industry sectors, including market trends, export/import procedures, channels of distribution, major projects, technological developments, and other areas deemed appropriate. The Commission shall determine the assignments of such Working Groups, which shall conduct their work in accordance with the instructions of the Commission.

6. Decisions as to the activities and actions to be taken by the Commission and the Working Groups shall be decided by mutual agreement.

7. The Commission will liaise closely with other South Pacific regional institutions, organizations and agencies, and coordinate its activities closely with them to maximize mutually beneficial cooperation and minimize duplication of program activities.

8. Each Section shall appoint an appropriate official to arrange the work of the respective Section of the Commission, coordinate the activities of the Working Groups and perform other tasks of an administrative nature in connection with the meetings of the Commission. These officials shall communicate with each other as necessary to perform their functions and shall designate respective co-chairs for any Working Groups established.

9. Any document mutually agreed upon during the work of this Commission shall be in the English language.

ARTICLE III

1. This agreement is undertaken in the spirit of mutual cooperation and assistance to the benefit of all Parties. Nothing in this Memorandum of Understanding shall be construed in such a way as to obligate either Party to commit funds to carry out any of its terms of responsibility. Activities undertaken pursuant to this Memorandum of Understanding shall be subject to availability of funds.

2. This Memorandum shall enter into force between the United States, on the one hand, and as many of the Pacific Island Nations as may sign it, on the other hand, as soon as the former and any one of the latter shall have signed this Memorandum. The understandings contained in this Memorandum shall apply from and after signature to those Parties who have signed it. Any Party may terminate this Memorandum of Understanding insofar as it applies to that Party upon six months written notification to the other Parties.

3. Upon written concurrence of the Parties, other island nations may join the Pacific Island Nations referred to in the first paragraph of the Preamble.

4. This Memorandum may be reviewed from time to time at the request of any Party and be revised with the concurrence of both Parties.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Memorandum.

DONE AT Honolulu, Hawaii, in duplicate, this twelfth day of January, Nineteen Hundred and Ninety-Three in the English language.

FOR THE GOVERNMENT OF THE
COOK ISLANDS:

FOR THE GOVERNMENT OF THE
FEDERATED STATES OF MICRONESIA:

FOR THE GOVERNMENT OF THE
REPUBLIC OF FIJI:

FOR THE GOVERNMENT OF THE
REPUBLIC OF KIRIBATI:

FOR THE GOVERNMENT OF THE
REPUBLIC OF NAURU:

FOR THE GOVERNMENT OF NIUE:

FOR THE GOVERNMENT OF
PAPUA NEW GUINEA:

FOR THE GOVERNMENT OF THE
REPUBLIC OF THE MARSHALL ISLANDS:

FOR THE GOVERNMENT OF THE
SOLOMON ISLANDS:

FOR THE GOVERNMENT OF THE
KINGDOM OF TONGA:

FOR THE GOVERNMENT OF TUVALU:

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE
REPUBLIC OF VANUATU:

FOR THE GOVERNMENT OF THE
INDEPENDENT STATE OF WESTERN SAMOA:

ATTACHMENT II

DRAFT PROPOSAL ON WAYS TO REINVIGORATE THE U.S./PACIFIC ISLAND NATIONS JOINT COMMERCIAL COMMISSION

JCC Meeting
May 16, 2005
East-West Center
Honolulu, Hawai'i, USA

The U.S./Pacific Island Nations Joint Commercial Commission (JCC) was established in January 1993 with the signing of a Memorandum of Understanding (MOU), which lays out the basic purposes, functions and structure of the Commission (See Attachment I). This MOU states, “the purpose of the Commission is to promote the development of mutually beneficial commercial and economic relations between and among the Pacific Island Nations and the United States of America.” The primary functions of the Commission through which this development is to occur are: information exchanges; dialogue; education and training; the promotion of private-sector development and public/private-sector cooperation; and the monitoring of trade and investment relations—specifically the identification and consultation regarding the removal of impediments to, and problems affecting, trade and investment flows, and developing specific opportunities for expanding trade and investment in goods and services.

Although a viable mechanism, the JCC has yet to be utilized to its full potential. Recently some Pacific Island Nations have expressed a desire for more positive action. In this regard the U.S. Department of State has indicated a willingness to entertain concrete regional proposals from the Pacific Island Nations on ways to reinvigorate the Commission. Instead of approaching the U.S. to consider new regional frameworks, it is advisable to return to the JCC MOU as the foundation

and precursor for any future approach to Washington, DC regarding increased market access and closer economic relationships at the regional level. In addition, for positive momentum to be reestablished by the JCC, whatever activities are undertaken should be concrete (i.e., practical and clear), achievable (i.e., limited in scale), and mutually beneficial to the PINs and the U.S. We all understand that the real challenge to trade and investment agreements of all kinds, irrespective of good intentions, boils down to this question: “Is it translatable into sustained doable action at the national political and economic levels?”

In light of these factors, the Pacific Island Nations should consider an incremental, doable, and more focused approach to Washington, DC, using the trade and investment promotion mandate of the JCC as the primary vehicle for developing mutually beneficial economic and specific commercial projects under the JCC arrangement. This could entail:

1. the identification, by both sides, of a limited range of goods and service that give specific focus to the JCC;
2. the identification of specific measures and actions that will create and facilitate trade and investment in the specific areas above;
3. a yearly exchange of information and discussion between the U.S. and the PINs on the specific measures and actions identified above; and
4. the ongoing monitoring of progress in implementing the specific measures and actions agreed to between meetings to ensure we achieve the full potential of these specific goals within the framework of a reinvigorated JCC.

Identifying A Limited Range Of Good and Services

An appropriate range of goods and services must be limited in scope, specific in focus, and regional in context. We have to avoid both long “laundry lists” of projects and endless dialogue with limited tangible result. By identifying a small range of goods and services that the PINs can effectively produce at the quality standards required, supply on a regular basis, and competitively market when specific incentives are put in place and/or barriers removed, the JCC can begin to built some momentum and on-going specific projects. We hope that this can also begin to break-down long held views that the PINs are too small, isolated, costly, and inefficient to compete globally.

Identification of Measures and Actions

Once specific goods and services have been identified, concrete measures and actions that are needed in order to facilitate trade and investment in them should be articulated. These measures and actions could include: policy changes, such as onerous quarantine regulations; information exchanges such as the sharing of market statistics and emerging opportunities; and programmatic efforts such as education/training on how to comply with customs/security regulations or other workshops of a practical nature. To maximize the possibility of success, initially measures and actions should be considered attainable and not too ambitious or controversial. This consideration will obviously limit the choices of appropriate goods and services to focus on as well.

Yearly Exchange of Information

A regular yearly exchange of views is critical to initiate work on implementing the measures and actions identified above and to report and evaluate the success/failure of past efforts. This will not only keep the JCC in the forefront of U.S. and PINs officials' and private-sector representatives' minds, but also rationalize limited time and regional government and private-sector resources.

Ongoing Monitoring

It is critical that the JCC Secretariat at PIDP monitor the progress of the implementation of measures and actions agreed to at the annual meeting. Officials and private entrepreneurs are busy people and even when well meaning must prioritize their activities. For the JCC to reinvigorate itself it must keep its priorities in front of the appropriate fora throughout the year.