

**U.S./PACIFIC ISLAND NATIONS
JOINT COMMERCIAL COMMISSION**

***HISTORY AND PROGRAM (REVISED)
1990-2002***

**East-West Center
Honolulu, Hawaii
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Pacific Islands Development Program
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“I also support the U.S./Pacific Islands Nations Joint Commercial Commission and want to strengthen regional efforts to cooperate...”

*George W. Bush
President of the United States*

“One result of the 1990 summit with you father was the creation of the US/Pacific Island Nations Joint Commercial Commission, design to promote mutually beneficial private sector economic ties. We earnestly seek your support in further deepening our cooperation and relations through this mechanism.”

*Pacific Islands Conference of Leaders
Letter to President George W. Bush*

“The United States would like to see the JCC become a vehicle for practical, effective steps to increase trade and investment between the United States and the Pacific islands signatories. As discussed at the experts meeting last November (1994) in Honolulu, practical cooperation, focused on enhancing business contacts between U.S. and Pacific island entrepreneurs, was the greatest potential to boost trade and investment.”

*William J. Clinton
Former President of the United States*

“Today, the United States has rededicated itself to lasting security in the region. A security which comes not so much from force of arms, but through nurturing of free people, free markets, and free economies. And in order to strengthen these economies, we were pleased to announce several initiatives:

First, we proposed establishing a Joint Commercial Commission with the island nations, to meet each year—at senior government levels—to identify and address commercial opportunities and trade concerns.”

*George H. W. Bush
Former President of the United States*

FOREWORD TO THE FIRST EDITION

With the establishment of the United States/Pacific Island Nations Joint Commercial Commission (U.S./PIN JCC), an historic step has been taken in the development of relations between the United States and the Pacific Islands.

Many have worked tirelessly on the formation of the JCC since it was first proposed by former United States President George Bush during his Summit Meeting with Pacific Island Leaders at the East-West Center in October 1990. We now have an agreed institutional structure for the JCC. We have also identified a series of joint trade and investment and related policy research projects. These elements were approved by Leaders from the Pacific Island Nations (PINs) in early 1995 and were subsequently endorsed by the U.S. Section of the JCC.

This publication is intended to become the standard handbook on the formation of the JCC for the continuing use of Leaders and Officials from the PINs. It contains a complete description of the JCC's historical background and its anticipated functions. It also contains reproductions of the most important documents pertaining to the JCC's formation and early evolution.

I recognize, with great appreciation, the efforts of all those who have participated in the formation of the JCC and ask them to continue in this very important work. This is a unique opportunity that we in the Pacific Islands must seize.

In closing, I must say that the States of the Pacific Islands region look forward to working closely with our partner in this joint effort, the United States of America, for our mutual benefit in the months and years to come.

Sir Geoffrey Henry, KBE
Chairman of the Standing Committee
of the Pacific Islands Conference of Leaders
and
Prime Minister of the Cook Islands

HISTORICAL BACKGROUND, 1990-1995

The United States/Pacific Island Nations Joint Commercial Commission (U.S./PIN JCC) is unique in that it is the first multilateral joint commercial commission that involves the United States in one section and the Pacific Island Nations in the other section.

The U.S./PIN Summit, 1990

On October 27, 1990, President George Bush met with the Leaders of eleven PINs at the East-West Center (EWC) in Honolulu; Hawai'i. This Summit was a historic "first" for the U.S. President to meet with the Pacific Island Leaders as a group.

The President of the United States, in his concluding remarks at the Summit, stated:

we proposed establishing a Joint Commercial Commission with the island nations, to meet each year—at senior government levels—to identify and address commercial opportunities and trade concerns.

This concept that emanated from this historic function commenced the U.S./PIN JCC process. It was followed by complex and lengthy discussions, both among the PINs and with representatives of the U.S. government, to transform the JCC concept into an operational entity particularly designed to suit the unique circumstances of the Pacific islands region in relation to the United States.

The Standing Committee, 1991

On January 24, 1991, the Standing Committee of the Pacific Islands Conference of Leaders (PIC) met informally with the Deputy Assistant Secretary for East Asia and the Pacific of the U.S. Department of Commerce.

The purpose of the meeting was to discuss various matters relating to the proposed JCC. Although the Standing Committee had no formal mandate from all the potential PIN Parties to the proposed JCC, many substantive ideas were put forward and much progress was made toward concretizing the JCC.

As a result of the meeting, Cook Islands Prime Minister Sir Geoffrey Henry, KBE, the Chair of the Standing Committee, wrote to the President of the United States on April 10, 1991, conveying the Standing Committee's viewpoint on the key aspects of the proposed JCC.

The "Pre-JCC" Officials Meeting, 1991

An informal "Pre JCC" meeting of Pacific officials was held at the EWC from May 27 to 29, 1991, to address the detailed aspects of establishing and operating the proposed JCC.

Attending were Officials from American Samoa, the Cook Islands, the Federated States of Micronesia, French Polynesia, Guam, Hawai‘i, the Republic of the Marshall Islands, Nauru, the Commonwealth of the Northern Mariana Islands, Tonga, Tuvalu, the United States, and Samoa (then Western Samoa).

Representing the United States, Mrs. Karen Wilde Goddin, U.S. Department of Commerce, explained how other JCCs were organized and operated and outlined the U.S. views on how the proposed U.S./PIN JCC might function.

From the discussions, a background paper summarizing the various proposals for the JCC was prepared and focused on the following areas:

- Goals
- Subject assignments
- Organization and structure
- Executive secretary (i.e., what would later become the PIN Section appropriate official or administrative officer)
- Institutional linkages

There were discussions about the appropriate JCC venue and the PINs generally favored a Pacific Islands Conference of Leaders linkage.

The Memorandum Of Understanding, 1993

On January 12, 1993, the MOU, creating the U.S./PIN JCC as its charter document, was signed at the East-West Center, Honolulu, Hawai‘i, by all the Parties. The JCC signing ceremony was held in conjunction with a regular meeting of the Standing Committee of the Pacific Islands Conference of Leaders.

Signatories of the MOU are:

- Cook Islands
- Fiji Islands
- Kiribati
- Marshall Islands
- Micronesia, Federated States of
- Nauru
- Niue
- Papua New Guinea
- Samoa (Western)
- Solomon Islands
- Tonga
- Tuvalu
- Vanuatu
- United States of America

The PIN Strategy Meeting, 1993

A PIN Strategy Meeting was held in Honolulu, Hawai‘i, on October 4, 1993, by the PIN Section just before the JCC’s Inaugural Meeting, which was held four days later in Washington, D.C.

At the Strategy Meeting, the PIN delegates discussed their approach to the U.S. Section and drafted their proposed agenda and communiqué for the Inaugural Meeting.

In addition, three important policy decisions were made at the Strategy Meeting, which have had long-term implications:

1. The Chair of the Standing Committee of the Pacific Islands Conference of Leaders was chosen Chair of the JCC/PIN Section.
2. It was agreed that the delegates to the subsequent Inaugural Meeting should advocate in favor of establishing a Trade and Investment Working Group (TIWG) with the U.S. Section. To date the TIWG is the only established working group within the JCC.
3. It was proposed that the PIN Section would need to have a trade and investment specialist, which has become the Trade and Investment Project Officer (TIPO).

Inaugural Meeting, 1993

The U.S./PIN JCC Inaugural Meeting was held on October 8, 1993, in Washington, D.C.

The U.S. Secretary of Commerce, Mr. Ron Brown, and the Assistant Secretary of State for East Asian and Pacific Affairs, Mr. Winston Lord, attended and represented the United States.

The Prime Ministers of the Cook Islands and Tuvalu acted as PIN Section Chairs.

The two most important decisions made at the Inaugural Meeting were as follows:

- The TIWG was to be jointly established as the main focus for the initial JCC activities.
- The PINS agreed to participate in the development of a reliable U.S. database containing commercial and economic information on the Pacific Island countries (this has become part of the business network system, one of the PIN Section’s trade and investment projects).

South Pacific Forum, 1994

The developments of 1993, culminating in the Inaugural Meeting in October, received the enthusiastic endorsement of all Pacific Island Leaders when they met at the South Pacific Forum in mid-1994. Dr. Sitiveni Halapua, Director, Pacific Islands Development Program (PIDP), submitted a paper entitled “Principal Issues,” which discussed possible programmatic elements to be operated under JCC auspices. To advance the JCC process at the operational level, the Leaders agreed that they would meet at the EWC in early 1995 to consider concrete proposals formulated by their officials to promote trade and investment between the United States and the PINS. The proposals would then be submitted to the U.S. Section.

PIN Section Preparatory Meeting, 1994

A working committee of PIN officials met at the EWC in Honolulu, Hawai‘i, during November 16–18, 1994, to draft an overall proposal for operating the JCC.

The Assistant Secretary for American and European Affairs, Mr. Epel Ilon, Department of External Affairs, Federated States of Micronesia, was chosen Chair of the meeting.

Three U.S. Section representatives from the U.S. Departments of Commerce and State attended on November 17 to discuss the various issues informally with PIN officials.

The Officials’ Preparatory Meeting was successful in drafting a comprehensive Proposal in four parts: structural, programmatic, policy research, and budgetary. This Proposal was referred to the Chair of the Standing Committee, Sir Geoffrey Henry, KBE, Prime Minister of the Cook Islands, for dialogue with the Leaders.

PIN Leaders’ Meeting, 1995

At a meeting held on February 8, 1995, at the EWC, Pacific Island Leaders reached agreement on the package of specific proposals. The Leaders were confident these proposals would have a catalytic effect on the growth of trade and investment between the United States and the Pacific islands region.

Three key policy decisions were subsequently set out in a special communiqué issued by the Leaders at the conclusion of their meeting as follows:

1. The Chair of the Standing Committee of the Pacific Islands Conference of Leaders will be the Co-chair for the PIN Section in the JCC.
2. A Working Committee of Officials was formalized and its Chair will be the PIN Section Co-chair in the TIWG.

3. The Director of PIDP will be the Appropriate Official (i.e., the administrative officer or executive secretary) for the PIN Section in the JCC.

The formal “Proposals for the U.S./PIN JCC Approved by the Leaders of the Pacific Island Nations” was officially submitted by Sir Geoffrey Henry, KBE, Prime Minister of the Cook Islands, Chair of the Standing Committee, and Co-chair of the JCC representing the PIN Section, to his U.S. counterpart, Mr. Charles F. Meissner, Assistant Secretary of Commerce for International Economic Policy of the United States, and Co-chair of the JCC representing the U.S. Section, as well as to the President of the United States.

U.S. Response, 1995

The United States responded favorably to the PIN Section Proposals in two separate communications with the PIN Section.

First, in March 1995, Ms. Nancy Patton, the Deputy Assistant Secretary (DAS) of Commerce for Asia and the Pacific, met with Dr. Sitiveni Halapua, Director of PIDP at the EWC.

DAS Patton stated to Director Halapua that the U.S. Section generally agrees with the main thrust of the PIN Section Proposal, with one structural amendment. She identified the U.S. Section’s Appropriate Officer (AO) as the Director of Policy, Office of South Asia and Oceania, International Trade Administration, U.S. Department of Commerce.

This development was important because the PIDP Director, who had been designated the AO for the PIN Section, now had a U.S. Section counterpart. In addition, and more broadly, the U.S. Section had agreed to the PIN Section Proposals. This meant that, operationally, the development of the JCC and, in particular, the PIN Section programs under its auspices, could now proceed in earnest.

Second, U.S. President William J. Clinton, in a letter dated April 5, 1995, addressed to the Chair of the Standing Committee, responded to the PIN Section Proposals for the JCC. The President, in an apparent policy statement, said that:

The United States would like to see the JCC become a vehicle for practical effective steps to increase trade and investment between the United States and the Pacific Island signatories.

This endorsement by a Democratic President was significant because it represents a bipartisan extension of the support first given the JCC by President George Bush in 1990.

IMPLEMENTATION OF THE JCC, 1995-2002

The JCC program and structure, approved in 1995, can be found as an annex to this paper. Programmatic work was to focus on a number of significant areas:

1. Convening yearly political level meetings to facilitate discussion of issues impacting the trade and investment relationships between the U.S. and the PINs.
2. Establishing U.S. beachhead ports of entry for Pacific islands good and services.
3. Establishing an Internet communication mechanism for disseminating information about potential business opportunities in the Pacific islands.
4. Hiring a Trade and Investment Promotion Officer to work at PIDP.
5. Assisting Pacific Island Nations in the production of promotional material.
6. Assisting PINs with trade and investment promotion missions to the U.S.
7. Conducting “face-to-face” business workshops with private sector representatives from the PINs and the U.S.
8. Conducting research in a number of key areas such as exploring market access options in the U.S. for Pacific island exports and reviewing transportation services between the U.S. and the PINs.

As the JCC moved forward towards implementation, it encountered a number of significant challenges: the structural arrangements have been modified due to changing U.S. departmental priorities; program implementation has been limited due to a lack of operational funding for the Secretariat brought about by a significant reduction in East-West Center federal appropriations; and significant periods of time have lapsed between recent meetings due to changing leadership in the Pacific islands and its impact on the make-up of the Standing Committee of the Pacific Islands Conference of Leaders. A summary of accomplishments to date in each programmatic area is given below.

Convening Yearly Meetings

The most successful programmatic function of the JCC has been the convening of yearly political level meetings of the JCC Trade and Investment Working Group. In 1996, 1997, 1998 and 1999 meetings were held in various locations to both allow for discussion on a number of important issues impacting relations between the U.S. and the PINs and to review the progress in implementing the rest of the JCC work plan. The meetings have been open and frank in nature, leading to a greater appreciation on both sides for requirements and expectations of the other and to practical solutions to identified problems.

Significantly, these meetings led to better understanding in the PINs about U.S. restrictions on agricultural imports and to the resolution of a problem with transshipment of produce through American ports and on to other destinations. Through initial discussion in the 1998 and 1999 meetings about onerous U.S. transshipment rules and a follow-up workshop in Fiji where U.S.

Department of Agriculture representatives discussed the reasoning behind the regulations and witnessed processing activities in Fiji, an agreement was reached allowing produce meeting certain reasonable guidelines to transship Hawai'i and be flown onto Canada where a large market for fresh Pacific island produce exists.

In addition to agricultural transshipment issues, other topics of discussion have included:

- U.S. private sector ideas to improve remote island shipping in the PINs.
- Proposed increases in FCC settlement rates which would increase the cost of telecommunications in the Pacific islands and impact the growth of the Internet in the region.
- The identification of U.S. government programs which may assist the PINs in developing their private sectors and services available to assist the PINs identify potential joint venture partners and investors.
- The regulatory environment and infrastructure in the PINs that U.S. investors require if they will be willing to consider investing their capital in the PINs.
- The concept of shifting unused textile quotas to the PINs.
- The U.S. General System of Preferences' applicability to the PINs.
- The need for increased private sector (especially from the PINs) involvement in JCC discussions.
- The feasibility and desirability of creating a regional civil aviation authority.
- The need for continuous improvements in the Pacific Islands Business Network, especially the need for more information from the PINs to be included on the PIBN website (i.e., government tenders).
- The Hazard Analysis and Critical Control Points (HACCP) system requirements for the importation of seafood into the U.S.
- The need to produce Commercial Guides for all PINs and the U.S. Department of Commerce offer to assist.
- The request for the U.S. to consider creating a trade office in the U.S. to promote PINs goods and services similar to the ones in Australia, New Zealand, and Japan.
- The need for a full time Trade and Investment Promotions Officer at the JCC Secretariat.
- The invitation to Palau, an observer nation, to formally join the JCC.

U.S. participation in these meetings has been consistent and includes more private sector representation than from the PINs. However, since initially approved, the make-up of the political level representation from the U.S. has changed. The U.S. co-chair and Appropriate Office (AO) of the JCC are currently officials from the Department of State, Bureau of East-Asia and Pacific Affairs and not from the Department of Commerce.

Establishing U.S. Beachhead Ports Of Entry

The effort to establish “beachheads” in the United States is something that has been an implicit part of all JCC activities but not a specific targeted program. When workshops are held the Secretariat makes the effort to invite participants from the identified West Coast areas and researches business in these areas when requests for contacts are received. However, there has been no funding available for systematic approaches to these beachhead, outside the state of Hawai‘i. However, at the 2001 Post-Forum Dialogue, PIDP was provided with a commitment by the government of Taiwan to fund a market study of the beachhead ports of entry to be conducted in 2002.

Establishing An Internet Communication Mechanism To Facilitate Trade & Investment

The Pacific Islands Business Network, and newly redesigned JCC website as a whole, have become very useful electronic tools for promoting the Pacific islands in the U.S. and around the world. An online database of Pacific island businesses, including detailed information about the company, the goods and services they offer, and contact information is open to any company who wishes to register. This feature not only makes this information available to the entire world via the World Wide Web but it is used as the first reference point when requests for business referrals are received by the Secretariat.

In addition to the PIBN database, the JCC website contains detailed information about doing business in the Pacific islands and the United States, including a comprehensive list of links to organizations and institutions which have programs focusing on developing the private sector and improving the trade and investment environment in the PINs. There is also an electronic mail distribution list, which allows direct and immediate communication to all registered users. This Bulletin Board can be used to distribute information about business opportunities, tenders, information requests, etc.

There has been some preliminary discussion in May 2000, about ways that the U.S. government entities in the region can better collaborate with the JCC to distribute information on the Internet. The proposal to create a Pacific Basin Business Network that includes commercial information obtained by all the U.S. embassies and consulates in the region is still being considered.

Trade & Investment Promotion Officer

The proposal by the PINs to hire rotating, full-time Trade & Investment Promotion Officers (TIPO) from the Pacific Islands has been implemented only in part. Currently Mr. Scott Kroeker, an American citizen, serves as the Joint Commercial Commission Project Officer at PIDP and functions as a defacto TIPO. Among his duties of maintaining the PIBN, serving as PIDP’s Information Technology specialist, and assisting with other PIDP activities, Mr. Kroeker responds to any and all commercial requests from government and private sector individuals in

the U.S. and the PINs, organizes “face-to-face” workshop (see below), attends regional trade promotion meetings if at all possible, and conducts limited research activities.

Assisting PINs In The Production Of Promotional Material

Due to budgetary constraints, this portion of the JCC work plan has never been implemented.

Assisting PINs With Trade And Investment Promotion Missions To The U.S.

Specific requests to assist the PINs with promotional missions to the U.S. have been implemented. In 2001, the JCC Project Officer spent considerable time assisting the Cook Islands Trade and Investment Board in planning a trade mission to the United States, including researching appropriate trade shows and contacts in various cities. Unfortunately, the mission was cancelled by the TIB. In addition, private business people from the PINs have also utilized the services of the JCC to identify contacts and schedule meetings for their own personal missions to the U.S. to locate potential buyers and/or investors. Currently in the early planning stages is an effort to assist the Samoa Manufacturers Association (SMA) conduct a successful regional trade show in Apia, in September 2002. The JCC has become involved since SMA wishes to encourage U.S. participation in this regional event.

Conducting “Face-To-Face” Business Workshops

Next to the convening of yearly meetings and the implementation of the PIBN, the organizing of “face-to-face” business workshops has been the most successful JCC activity. In 1998 and 2000, businesspeople from the U.S. and PINs were brought together in Honolulu, Hawai‘i to network, make contacts, promote their goods and services, and hear presentations about business and investment opportunities in each other’s countries. The 1998 meeting included public and private sector representatives from the Cook Islands, Fiji, Samoa and Tonga while the 2000 meeting was focused on the Micronesian countries of the Federated States of Micronesia, Kiribati, the Marshall Islands, Nauru, and Palau. A total of over 250 participants attended these workshops which were open to the public and required the payment of a registration fee. In response to specific requests at the last workshop and after reviewing previously identified JCC priorities, the next “face-to-face” workshop, planned for the middle of 2002, will be targeted to a specific industry (transportation) and limited to invitation only participants. In addition to this planned workshop, more funding has been received to conduct another workshop to announce the findings of the market research study to be conducted in 2002 (see below).

In addition to the formal JCC workshops, U.S. government entities in the region have taken it upon themselves to conduct similar “face-to-face” activities under the JCC auspices. In 1999, the U.S. embassy in Suva, Fiji hosted a three day “Face-to-Face with American Business Conference” that was attended by about 100 people.

Conducting Research

Due to the sixty percent cutbacks in federal support for the East-West Center as a whole in 1996 and since the JCC has never be lucky enough to receive earmarked financial support from the U.S. or the PINs, research funding for PIDP has been extremely limited. This means that no JCC specific research has been conducted to date. However, as mentioned above, funding has been generously provided by the government of Taiwan to conduct a market research study of key west Coast markets in 2002.

Summary

In conclusion, in spite of numerous setbacks and challenges faced during the formative years of the JCC, much has been accomplished. Staff is now is place, funding sources have been tapped and more are being explored, and stable leadership at the political level once again allows the JCC to continue to move forward in its efforts to promote trade and investment and improve commercial relationships between the United States and the Pacific Island Nations.

As the JCC prepares to meet at the political level for the first time in nearly three years, it is timely to look back and review the accomplishments of the past and consider the future direction of the JCC in light of changing needs of the region. Much has occurred in the Pacific islands over that time period which impacts trade and investment and relations between the U.S. and key PINs. In addition the recent tragic terrorist incidents in the U.S. have considerably changed the priorities of the United States and highlighted vulnerabilities no one had considered. Pacific island political unrest, ties to arms vessels in the Middle East, and the hosting of displaced refugees demonstrates that the region is not isolated from the challenges being experienced by the rest of the world. More than ever, the time is ripe for reestablishing and reinvigorating political and commercial relations between the U.S. and the PINs.

ANNEX

APPROVED JCC PROGRAM AND STRUCTURE, 1995

I. PROGRAMMATIC PROPOSALS

PROPOSAL I

ESTABLISH U.S. BEACHHEAD PORTS OF ENTRY

To move towards practical solutions and programs, the independent Pacific Island Nations believe it is necessary for the JCC to identify where in the United States the efforts of the JCC might best be concentrated, at least initially. This selection of specific locations is of important strategic significance for the JCC process.

The Pacific Island Nations identify the following United States “beachhead” ports of entry for the initial purposes of the JCC process:

- Honolulu, Hawaii
- Los Angeles-Long Beach, California
- Portland, Oregon
- San Francisco-Oakland, California
- Seattle-Tacoma, Washington

This selection of “beachheads” is not intended to become a rationale for ignoring other states and cities in the United States. Indeed, the Pacific Island Nations have every intention of responding to requests and inquiries from anywhere in the United States. However, initially, the “beachheads” are where solicitation efforts would be concentrated for the sake of practicality.

The Pacific Island Nations believe that it will be vitally important to involve existing U.S. trade promotion agencies already working in these “beachhead” ports of entry with the JCC process. These agencies would include, for example,

- Federal field offices responsible for international trade
- State trade promotion offices
- Municipal and country trade promotion offices, e.g., ports authorities

Therefore, the Pacific Island Nations request the support of the United States to contact the various trade promotion offices at the designated U.S. “beachhead” ports of entry with a view to seeking their assistance and support for the Pacific Island Nations efforts to increase trade between JCC Pacific Island members and the United States as well as to promote investment in the Pacific Islands by the American private sector. To these ends, the U.S. Government is requested, *inter alia*, to make a contact list of all of the trade promotion agencies available to the Pacific Islands.

PROPOSAL 2

BUSINESS NETWORK SYSTEM (BNS)

The BNS (now known as the Pacific Islands Business Network [PIBN]) is envisaged as an information database and transactional referral mechanism to promote trade and investment between the United States and the PINs.

This project was begun under the USAID Market Access and Regional Competitiveness (MARC) Project that has now been canceled. Subsequently, the BNS was turned over to the Pacific Islands Development Program (PIDP), and some funding granted. This proposal intends to complete the BNS project.

INFORMATION BASE

The system will compile basic trade and investment information, probably using CD-ROM technology and will include:

- Business practices in the PINs
- Investment practices in the PINS
- Overview of customs duties, quotas, and practices in the PINS
- Database on current trade flows between the United States and the PINS
- Contact directory of government officials in the PINS
- Contact directory of business organizations in the PINs
- Contact directory of importers and exporters in the PINs

ELECTRONIC BULLETIN BOARD

An electronic bulletin board is an interactive, computer based system, which can be accessed by anyone with a personal computer and a modem. Electronic bulletin boards are widely used in international trading to list, or “post,” trade and investment opportunities. The BNS electronic bulletin board will enable PIN exporters, for example, to post products for sale to U.S. importers.

PUBLICATIONS

Publications will explain how to use the BNS and also advertise the system to potential users in both government and private sectors. In addition, a “hard-copy” of the information base and bulletin board trade opportunities will be made available to users who do not have the necessary electronic links. The publications will include:

- BNS Handbook (technical description of how to use the BNS)
- BNS Brochure (non-technical, promotion of the BNS)
- BNS Newsletter (current system updates, success stories, etc.)

DEMONSTRATION WORKSHOPS

The purpose of the demonstration workshops will be to familiarize and train BNS users with the system and to promote use of the system. The workshops will be given in both PIN and U.S. beachhead ports where the users are domiciled. Effort will be concentrated on trade promotion agencies. The workshop strategy will include placing the BNS system at trade promotion agencies and training their staffers so that they, in turn, can bring the BNS to their local clients.

PROPOSAL 3

TRADE AND INVESTMENT PROMOTION OFFICER (TIPO)

The Trade and investment Promotion Officer (TIPO) is envisaged as the key operational staff person in the PIN Section of the JCC. The TIPO will report directly to the Appropriate Official (AO) of the PIN Section.

The TIPO job description includes:

- This position will be filled by rotation among individuals selected from the PINs. The selected individuals will assist with the development of the JCC. Working with the JCC/PIDP in Honolulu, the position will provide the opportunity for several individuals to increase their experience of trade and investment issues-and gain knowledge of the U.S. trade and investment environment.

- The selected TIPOs will:

Report directly to the director of PIDP who is the PIN AO,

Assist commercial entities and government agencies to deal with specific trade and investment issues,

Engage in trade and investment promotional activities,

Operate the Business Network System (BNS),

Compile information on the problems and impediments that affect trade and investment between the United States and individual PINs.

Every effort will be made to select a person from the PIN region to fill the TIPO position.

NOTE: When necessary, there will be additional requirements for specialist consultants as advisers to the PIN Section of the Commission, including the Trade and Investment Working Group (TIWG).

PROPOSAL 4

COUNTRY SPECIFIC PROMOTIONAL MATERIALS

Printed and audio-visual materials on all aspects of business and investment opportunities will be designed to improve economic and commercial relations between the United States and the Pacific Island Nations.

Because of the diverse conditions of the individual Pacific Island Nations, there is a need for in-depth case studies and assessment of the existing and potential trade and investment projects and opportunities in all the member countries for improved economic and commercial relations between the United States and the Pacific Island Nations.

PIDP will coordinate the preparation and production of audio-visual materials and practical handbooks that will include such topics as:

- the existing and potential trade and investment projects and opportunities in specific industries in the Pacific Island Nations;
- the innovative ways to promote small- and medium-size U.S. firms' investment in the Pacific Island Nations;
- the relevant information, networks, and activities to help U.S. firms to market their products in the Pacific Islands region (the size of this market is currently estimated at about US\$13 billion, which could grow to about US\$20 billion in the near future);
- the information on investment and trade regulations and procedures that serve to reduce uncertainties arising from bureaucratic "red tape";
- the information, networks, and activities that would help Pacific island producers to benefit from having access to appropriate technologies (e.g., renewable energy and food processing) and market niches in the United States; and
- the information on transportation (shipping and air) services, distribution systems, market research firms, business service centers, accounting firms, and sources of capital and technical support.

PROPOSAL 5

TRADE AND INVESTMENT PROMOTIONAL MISSIONS

The Pacific Island Nations (PINs) will receive assistance under the framework of the JCC to undertake trade and investment promotional missions in the United States.

The United States should link its trade and investment promotion agencies with the PINs to promote PIN commercial links with the United States. In this way, the United States can assist in the coordination of U.S. agencies and organizations that wish to participate and make trade and investment promotional presentations.

The United States can assist by compiling a list of contact people in the places where the missions might visit.

It is stressed that this proposal should be undertaken on a collective basis involving all the PINs.

Similar collective approaches have been successfully implemented by the PINs in Japan and Australia with the support of the respective metropolitan governments.

PROPOSAL 6

“SUCCESSFUL BUSINESS STORIES” WORKSHOPS

PIDP will organize a United States/Pacific Islands Workshop on successful business stories in the Pacific Island regions. In addition to government officials, representatives from commercial and development banks, chambers of commerce, successful NGOs, business firms, and entrepreneurs will be selected from the JCC member countries to be the direct participants in this “action oriented” and unique dialogue. The aims of this workshop include:

- sharing and publicizing, through the face-to-face Pacific way, the experience and lessons from successful business projects in the Pacific Islands as well as Pacific Island firms/producers that have access to the U.S. niche market:
- providing a better opportunity for the participants to set up a network of cooperation on a sound business basis; and
- identifying specific trade and investment issues that need to be examined further by the JCC’s United States/Pacific Island Nations Trade and Investment Working Group.

This activity can be carried out in conjunction with other promotional activities.

II. POLICY RESEARCH PROPOSAL

PROPOSAL 1

MARKET ACCESS OPTIONS FOR PIN EXPORTS INTO THE UNITED STATES

The long-term objective of this proposal is to achieve the most favorable market access that is possible for PIN exports into the United States within the context of the evolving nature of the global trading system.

As an initial step it is proposed to:

- Identify impediments to, and problems affecting, trade and investment.
- Obtain comprehensive information on existing programs on investment and trade between the United States and PINs (e.g., GSP).

On the basis of the above, the United States and the PINs will work through all available mechanisms including the Post-Forum Dialogue with the United States and at joint plenary sessions at the Joint Commercial Commission to achieve the objective. This might require policy alterations.

PROPOSAL 2

TRANSPORTATION SERVICES BETWEEN THE UNITED STATES AND THE PINs

The long-term objective of this proposal is to improve the transportation services between the United States and the PINs to better facilitate investment and trade in goods and services

The first step will be to examine the two main transportation sectors impacting U.S. and PIN trade flows and travel:

- Overview of U.S. - PIN Shipping Services
- Overview of U S - PIN Aviation Services

After that, specific regional and sub-regional feasibility studies would be undertaken to identify how transportation services may be improved.

Two such sub-regional feasibility studies were identified in the shipping sector:

- Hawaii/Samoas/Tonga/Cook Islands/Eastern Kiribati
- Hawaii/Fiji/Tuvalu/Western Kiribati /Nauru/Marshall Islands

The feasibility studies are to emphasize effective management, impact on existing shipping lines, and forms of cooperation with existing shipping lines.

The terms of reference for the overview and feasibility studies will be presented at the 1996 meeting of the Standing Committee of the Pacific Islands Conference of Leaders.

III. INSTITUTIONAL PROPOSALS

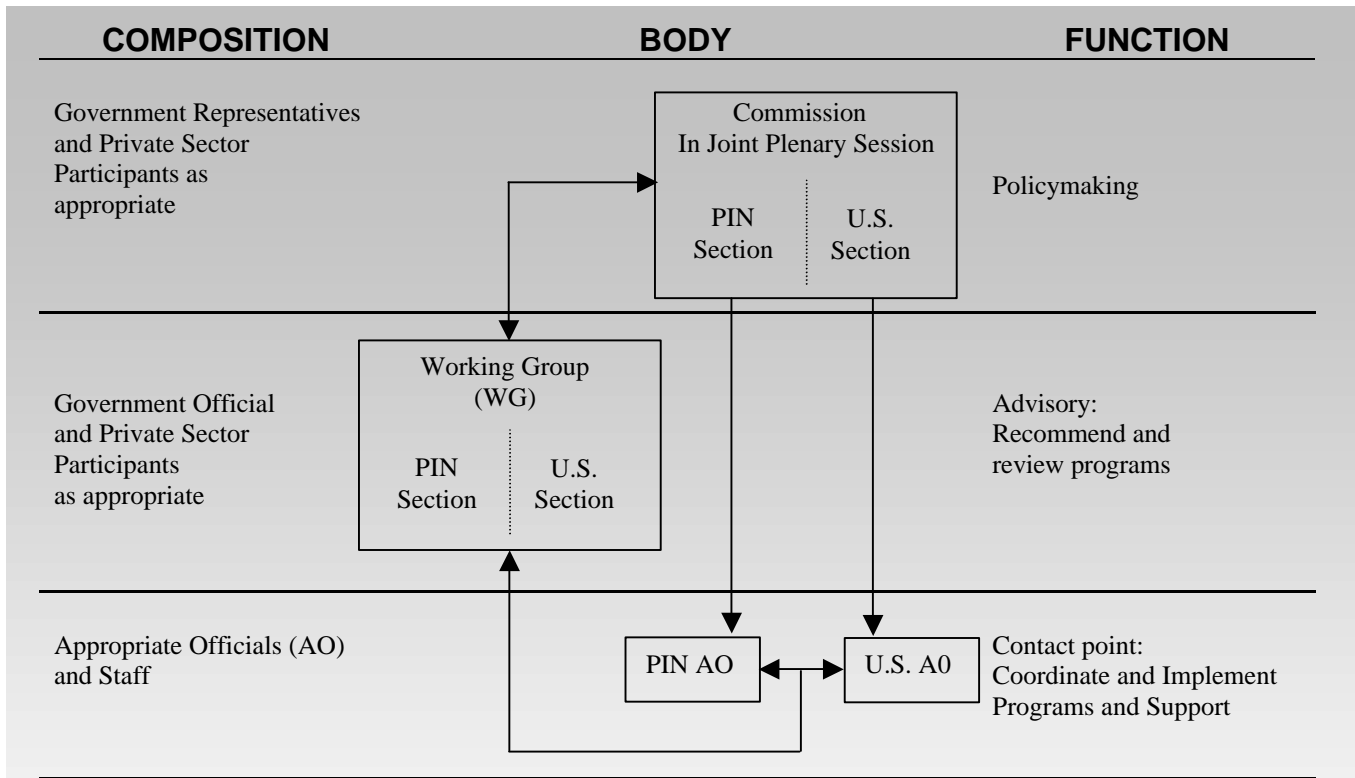
PROPOSAL 1

JCC STRUCTURE

Following from the Memorandum of Understanding (MOU), signed on January 12, 1993, the Pacific Island Nations wish to formalize our mutual understanding of the JCC's structure.

This understanding is incorporated in Figure 1 entitled "U.S. /PIN JCC Structure."

Figure 1. US/PIN JCC Structure



KEY POSITIONS

- PIN Section Co-chair: Chairman of the Standing Committee of the Pacific Islands Conference of Leaders
- U.S. Section Co-chair: Assistant Secretary of Commerce for International Economic Policy of the United States
- U.S. AO: Director of Policy, Office of South Asia and Oceania, International Trade Administration, U.S. Department of Commerce
- PIN AO: Director of the Pacific Islands Development Program (PIDP), East-West Center
- PIN WG Co-chair. Chairman of the Working Committee of Officials

PROPOSAL 2

TRADE AND INVESTMENT WORKING GROUP (TIWG) **STRUCTURE**

Following from the Memorandum of Understanding (MOU), signed on January 12, 1993, the Pacific Island Nations wish to formalize our mutual understanding of the TIWG's structure, composition, and assignment.

It is necessary to arrive at this understanding so that the work of the JCC may commence.

Three attachments follow that are intended to convey the Pacific Island Nations understanding:

1. Proposed TIWG Structure
2. Proposed TIWG Composition
3. Proposed TIWG Assignments

Note: The joint plenary session may choose to form other working groups as may be required for other assignments.

THE TRADE AND INVESTMENT WORKING GROUP (TIWG)

Attachment 1: Proposed TIWG Structure

Two Sections

- Pacific Island Nations
- United States

Two Sectors

- Government
- Private (when invited by government)

Appropriate Officials (AOs)

- Total of Two AOs
- One AO Each chosen by PIN & U.S. Sections
- AOs Responsible to coordinate TIWG Meetings
- AOs Designate TIWG Co-chairs (PIN TIWG Co-chair will be chosen by PIN Co-chair of the Commission)

TIWG Co-chairs

- PIN Government official
- U.S. Government official

Private sector representatives

- Method of selection at discretion of each government

TIWG Sub-committees (as required)

- Formed by Co-chairs
- Assigned specific trade and investment issues

THE TRADE AND INVESTMENT WORKING GROUP (TIWG)

Attachment 2: Proposed TIWG Composition

JCC Sections

PACIFIC ISLAND NATIONS

Cook Islands
Federated States of Micronesia
Fiji
Kiribati
Nauru
Niue
Papua New Guinea
Marshall Islands
Solomon Islands
Tonga
Tuvalu
Vanuatu
Samoa

UNITED STATES

Federal Government
Beachhead States: California
 Hawaii
 Oregon
 Washington

Other U.S. States

Note: Each government will decide the number of its Officials and private sector representatives.

THE TRADE AND INVESTMENT WORKING GROUP (TIWG)

Attachment 3: Proposed TIWG Assignments

- To act as a forum for the exchange of information and ideas between the government and private sectors of the United States and the PINs on joint trade and investment issues.
- To make specific recommendations to the JCC on strategies and programs for trade and investment promotion between the United States and the PINs.
- To make specific recommendations to the JCC to effectively and efficiently coordinate the joint efforts between the United States and the PINs in the areas of trade and investment.
- To have primary advisory purview for all JCC trade and investment issues and programs.
- Any other such tasks as may be mutually agreed.