



## Republic of Palau Office of the President

Tommy E. Remengesau, Jr.  
*President*

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November 8, 2017  
Serial No. 17-344

The Honorable Hokkons Baules  
President of the Senate  
10<sup>th</sup> Olbiil Era Kelulau  
Ngerulmud, Palau National Capitol  
Republic of Palau 96939

### Signing Statement RE: House Bill No. 10-37-2, HD2, SD3 – Plastic Bag Use Reduction Act

Dear President Baules:

I thank you, and all your colleagues in the Olbiil Era Kelulau, for the opportunity to sign the Plastic Bag Reduction Act (HB 10-37-2, HD2, SD3) into law today. By passing this bill, the Olbiil Era Kelulau has taken an important step toward preserving our Pristine Paradise.Palau for future generations.

Disposable plastic bags are everywhere in our Republic, but it is still incredible to think -- as noted in the report of the House Committee on Maritime, Climate Change & Protected Areas -- that “tens of thousands” are being given out *each week* in stores around Palau. Surely, with the constant tide of plastic refuse washing up onto our shores from global commerce, we don’t need to amplify this problem by importing so much more plastic ourselves.

The health risks posed by large volumes of rotting plastic are concisely presented in your legislative findings, so I won’t repeat them here. Suffice it to say that this administration applauds your response to a scientifically well-documented threat to human and environmental health in the Republic of Palau.

Banning retail distribution of plastic shopping bags will not solve all our problems, as both houses of the OEK have wisely noted. But hopefully, this Act will get us all thinking about ways to reduce our dependence on plastic -- and especially on *disposable* plastic -- products. I trust that the Ministries of Public Infrastructure, Industries, and Commerce and Natural Resources, the Environment, and Tourism will take seriously your charge to spread this important message further.



While plastic bags have come to seem nearly indispensable, even to some of our most important customs, we must remember that this has not always been the case. Until relatively recently, we lived full and happy lives without the help of unnatural and potentially-dangerous plastic products. Our traditional functions took shape long before the introduction of plastic bags, and I believe they will continue to succeed after plastic bags are phased out in our community.

With my signing of this bill into law, we take a step together toward that cleaner future.

Sincerely,



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



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November 8, 2017  
Serial No. 17-344

The Honorable Sabino Anastacio  
Speaker of the House of Delegates  
10<sup>th</sup> Olbil Era Kelulau  
Ngerulmud, Palau National Capitol  
Republic of Palau 96939

### **Signing Statement RE: House Bill No. 10-37-2, HD2, SD3 – Plastic Bag Use Reduction Act**

Dear Speaker Anastacio:

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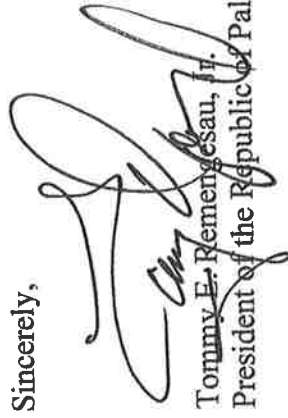
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Tommy E. Remengesau, Jr.  
President of the Republic of Palau





# TENTH OLBIIL ERA KELULAU

FOURTH REGULAR SESSION

OCTOBER - NOVEMBER 2017

HOUSE BILL NO. 10-37-2, HD2, SD3

## AN ACT

SEE TITLE INSIDE

OFFERED BY DELEGATE(S) Marino, Speaker Anastacio, Otobed, Kanai, Ngemaes, Arurang, Isechal, Basilius, Saiske, Rechelulk, Gulibert, Ngiratkakl-Kanai, Gibbons Jr. ETAL,

DATE INTRODUCED August 05, 2017

## HOUSE ACTION

FIRST READING: May 04, 2017  
 REFERRED TO: Maritime, Climate Change and Protected Areas  
 STANDING COMMITTEE REPORT NO: 10-26  
 DATE ADOPTED: July 05, 2017  
 SECOND READING: July 05, 2017  
 LEGAL FORMAT: Proper  
 REVIEW: July 05, 2017  
 THIRD READING: August 03, 2017  
 FINAL ACTION: November 02, 2017

## SENATE ACTION

FIRST READING: July 05, 2017  
 REFERRED TO: Resources, Commerce, Trade and Development  
 STANDING COMMITTEE REPORT NO: 10-65  
 DATE ADOPTED: October 31, 2017  
 SECOND READING: October 31, 2017  
 LEGAL FORMAT: Proper  
 REVIEW: November 01, 2017  
 THIRD READING: November 02, 2017  
 FINAL ACTION:

## CONFERENCE COMMITTEE ACTION

DATE: None  
 COMMITTEE REPORT: None  
 DATE PASSED: None

  
 Marcelino Ngirakelau

HOUSE CLERK

  
 Ann L. Pedro  
 SENATE CLERK

AN ACT

To amend Title 11 of the Palau National Code to prohibit businesses from importing or distributing plastic bags to customers; to authorize a plastics education program to educate the public on the destructive effects of plastic use; and for other related purposes.

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

1           Section 1. Legislative findings.

2           The Olbil Era Kelulau finds that the environment is the greatest resource in the  
3           Republic of Palau and it is the duty of the government to protect our environment for  
4           future generations. Plastic bags are in heavy use within the Republic of Palau and  
5           cause great harm to our oceans and land when they are discarded and left to decompose.  
6           The heavy use of these plastic bags in Palau is inconsistent with “Pristine Paradise.  
7           Palau”.

8           Retail establishments are the greatest distributor of plastic bags within the  
9           Republic, as most transactions result in plastic bag distribution to customers for the  
10          purpose of transport of purchased goods. According to the United States National Park  
11          Service, plastic bags require ten to twenty years to decompose. During this time, our  
12          marine wildlife are at risk of physical harm if they come in contact with the plastic and  
13          our ocean and land is at risk of contamination by toxic chemicals given off by plastic  
14          during decomposition. It is estimated that 100,000 animals are killed each year due to  
15          plastic bags alone. Scientists in the United States and Japan also recently concluded that  
16          when plastic decomposes in the ocean, chemicals such as bisphenol A (BPA) and PS  
17          oligomer are released, causing additional pollution and negatively affecting the  
18          hormones and reproductive systems of sea life. These adverse effects are also found in  
19          humans, as our natural hormone levels are susceptible to chemical interference that  
20          causes lower testosterone levels in males and premature puberty in females. Another  
21          chemical byproduct of plastic, styrene, is a suspected carcinogen for humans.

22          To reduce the risk to our “Pristine Paradise. Palau” environment, the Olbil Era  
23          Kelulau finds that businesses should be prohibited from distributing plastic bags to



1 consumers during point of sale packaging of retail merchandise. In order to facilitate a  
2 smooth transition for both businesses and consumers from the use of plastic bags to  
3 reusable bags, the Olbiil Era Kelulau finds that the initial conversion period should  
4 allow for a two year period in which businesses may still provide plastic bags to  
5 customers.

6 The Olbiil Era Kelulau understands that this bill does not address the full array  
7 of instances in which plastic bags are used. For instance, many Palauan traditional  
8 functions now call for the use of plastic bags for food storage and distribution. While  
9 plastic bags will still be utilized for various functions and activities, the Olbiil Era  
10 Kelulau believes this bill is an important first step towards total freedom from plastic  
11 consumption and a vital measure to protect “Pristine Paradise. Palau”. The Olbiil Era  
12 Kelulau takes this step with full optimism that residents and nonresidents will adopt  
13 sustainable practices and avoid the use of plastics in order to preserve our environment  
14 in advance of future legislative action. In order to inspire all residents to adopt better  
15 practices in their homes, jobs, schools, and communities, the Olbiil Era Kelulau also  
16 finds that the Ministry of Public Infrastructure, Industries, and Commerce alongside  
17 the Ministry of Natural Resources, Environment, and Tourism should educate the  
18 public on the destructive effects of plastic use as well as practical ways to reduce  
19 dependence on plastics. The Olbiil Era Kelulau further urges the Ministry of Education  
20 and Palau Community College to incorporate this educational program and other  
21 information on sustainable practices into its curriculum.

22 Section 2. Amendment.

23 To create a new Chapter 21 within Title 11 of the Palau National Code to read as  
24 follows:

25 “Chapter 21. Plastic Bag Use Reduction Act.

26 § 2101. Definitions.

27 (a) “At cost” means without a profit, or to sell an item for no more than the price  
28 paid by a retail establishment to acquire, produce, or maintain an item.

1 (b) “Biodegradable plastic bag” means a plastic bag that is capable of being  
2 decomposed by bacteria or other living organisms within five (5) years or less.  
3 (c) “Compostable plastic bag” means a plastic bag which is able to decompose in  
4 aerobic environments that are maintained under specific controlled temperature and  
5 humidity conditions, and is capable of undergoing biological decomposition in a compost  
6 site such that the material is not visually distinguishable and breaks down into carbon  
7 dioxide, water, inorganic compounds and biomass at a rate consistent with known  
8 compostable materials.

9 (d) “Plastic bag” means a bag that is provided by a retail establishment to a  
10 customer for the purpose of transporting groceries or other retail goods and not  
11 specifically designed for multiple re-use but does not include biodegradable or  
12 compostable plastic bags.

13 (e) “Retail establishment” means a commercial business such as a shop, store,  
14 food market, convenience mart, department store, hardware store, liquor store, sporting  
15 goods store, restaurant, or any other store operating within the Republic that offers  
16 retail or food items for sale to consumers.

17 (f) “Reusable bag” means a bag that is specifically designed for re-use and is  
18 made of cloth or other washable or cleanable material suitable for reuse.

19 § 2102. Prohibition on plastic bag distribution by retail establishments.

20 (a) Two years following the effective date of this chapter, Retail establishments  
21 may not provide plastic bags that are not biodegradable or compostable to their  
22 customers at the point of sale or prior to exit for the purpose of transporting groceries,  
23 food products, and other merchandise.

24 (b) Retail establishments that sell reusable bags to consumers shall price  
25 Reusable bags at no greater than twenty-five percent (25%) above the At cost value.

26 (c) Nothing in this section shall preclude a Retail establishment from making  
27 available to customers Reusable bags, paper bags, or cardboard boxes for the purpose of  
28 transporting groceries or other retail items.



1            § 2103. Ban on importation of Plastic products.

2            (a) One year following the effective date of this Act, no individual or business  
3 may import plastic products prohibited for distribution by Section 2102.

4            (b) The Bureau of Customs and Taxation shall inspect shipments and shall seize  
5 any goods prohibited by this section. The Bureau shall enforce the penalties listed in  
6 Section 2105 two years following the effective date of this Act.

7            § 2104. Educational program.

8            During the first year following the effective date of this Act, the Ministry of  
9 Public Infrastructure, Industries, and Commerce, in cooperation with the Ministry of  
10 Natural Resources, Environment and Tourism, shall undertake a public education  
11 campaign to increase awareness of the destructive effects of plastic use and inform the  
12 public of practical ways to reduce dependence on plastics. The educational program  
13 shall be funded by the Recycling Program pursuant to Chapter 16 of Title 11 of the  
14 Palau National Code.

15           § 2105. Penalties.

16           (a) Any Retail establishment violating Section 2102 of this chapter shall be  
17 ordered to discontinue the distribution of Plastic bags at the point of sale or prior to exit  
18 and shall be subject to a civil violation and fined one thousand dollars (\$1000) for each  
19 day of violation.

20           (b) Any individual or business found to be in violation of Section 2103 shall be  
21 subject to a civil violation and fined one thousand dollars (\$1,000) for each shipment.”

22           Section 3. Amendment. Section 1604 of Title 11 of the Palau National Code is  
23 hereby amended as follows:

24           “§ 1604. Recycling Fund.

25           (a) There is hereby established a revolving fund within the National Treasury  
26 that shall be known as the “Recycling Fund,” to be maintained by the Ministry of  
27 Finance, separate and apart from other funds of the National Treasury. Independent  
28 records and accounts shall be maintained in connection therewith.

1           **(b)** All revenue received from deposit fees received pursuant to this chapter, or  
2 the sale of beverage containers under the provisions of this chapter, appropriations by  
3 the Palau legislature, any grants, donations and contributions to the Recycling Program,  
4 and any interest or income earned on the money in the Recycling Fund shall be deposited  
5 into the Recycling Fund.  
6           **(c)** Except when specific requirements are imposed by law or by the grantor or  
7 donor, the Recycling Fund shall be first applied to the expenses attributable to the  
8 administration of the Recycling Program, then to the payments required under § 1605 of  
9 this chapter, then to a reserve to cover anticipated and unanticipated future expenses of  
10 the program. The Ministry may also use the money to:

- 11           **(1)** Fund administrative, audit, and compliance activities associated with  
12 collection and payment of the deposits and handling fees of the deposit beverage  
13 container fee and deposit program;
- 14           **(2)** Conduct recycling education, plastics education programs consistent  
15 with 11 PNC § 2103, and demonstration projects; and
- 16           **(3)** Promote recyclable market development activities.
- 17           **(d)** ...
- 18           **...**

19           **Section 4. Amendment.** Section 156 of Title 22 of the Palau National Code is  
20 hereby amended as follows:

21           “§ 156. Curriculum.

22           **(a)** ...

23           **(b)** ...

24           **(c)** The Minister shall provide for the teaching of a plastics education program  
25 consistent with the policies and directives of Chapter 21 of Title 11 of the Palau National  
26 Code. The plastics education program shall be incorporated into the curriculum for all  
27 grade levels.”

28           **Section 5. Amendment.** Section 508 of Title 28 of the Palau National Code is

1 hereby amended as follows:

2 “§ 508. Powers and duties.

3 It shall be the duty and responsibility of the Authority to:

4 (a) ...

5 ...

6 (o) sell reusable bags at the night market and other community events in which  
7 tourists and residents may purchase local products;

8 (p) ...

9 (q) ....”

10 Section 6. Effective date.

11 This Act shall take effect upon its approval by the President of the Republic of  
12 Palau, or upon its becoming law without such approval.

PASSED: November 02, 2017

Approved this 8<sup>th</sup> day of November, 2017.



H. E. Tommy E. Remengesau, Jr.  
President of the Republic of Palau