
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 8th day of NOVEMBER, 2017.



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