

**THE SOUTH PACIFIC TUNA TREATY:
NEXT STEPS FOR RENEWAL**

HEARING
BEFORE THE
SUBCOMMITTEE ON ASIA, THE PACIFIC AND
THE GLOBAL ENVIRONMENT
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
FIRST SESSION

APRIL 2, 2009

Serial No. 111-38

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/>

U.S. GOVERNMENT PRINTING OFFICE

48-442PDF

WASHINGTON : 2009

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN AFFAIRS

HOWARD L. BERMAN, California, *Chairman*

GARY L. ACKERMAN, New York	ILEANA ROS-LEHTINEN, Florida
ENI F.H. FALEOMAVAEGA, American Samoa	CHRISTOPHER H. SMITH, New Jersey
DONALD M. PAYNE, New Jersey	DAN BURTON, Indiana
BRAD SHERMAN, California	ELTON GALLEGLY, California
ROBERT WEXLER, Florida	DANA ROHRABACHER, California
ELIOT L. ENGEL, New York	DONALD A. MANZULLO, Illinois
BILL DELAHUNT, Massachusetts	EDWARD R. ROYCE, California
GREGORY W. MEEKS, New York	RON PAUL, Texas
DIANE E. WATSON, California	JEFF FLAKE, Arizona
RUSS CARNAHAN, Missouri	MIKE PENCE, Indiana
ALBIO SIRES, New Jersey	JOE WILSON, South Carolina
GERALD E. CONNOLLY, Virginia	JOHN BOOZMAN, Arkansas
MICHAEL E. McMAHON, New York	J. GRESHAM BARRETT, South Carolina
JOHN S. TANNER, Tennessee	CONNIE MACK, Florida
GENE GREEN, Texas	JEFF FORTENBERRY, Nebraska
LYNN WOOLSEY, California	MICHAEL T. McCAUL, Texas
SHEILA JACKSON LEE, Texas	TED POE, Texas
BARBARA LEE, California	BOB INGLIS, South Carolina
SHELLEY BERKLEY, Nevada	GUS BILIRAKIS, Florida
JOSEPH CROWLEY, New York	
MIKE ROSS, Arkansas	
BRAD MILLER, North Carolina	
DAVID SCOTT, Georgia	
JIM COSTA, California	
KEITH ELLISON, Minnesota	
GABRIELLE GIFFORDS, Arizona	
RON KLEIN, Florida	

RICHARD J. KESSLER, *Staff Director*
YLEEM POBLETE, *Republican Staff Director*

SUBCOMMITTEE ON ASIA, THE PACIFIC AND THE GLOBAL ENVIRONMENT

ENI F. H. FALEOMAVAEGA, American Samoa, *Chairman*

GARY L. ACKERMAN, New York	DONALD A. MANZULLO, Illinois
DIANE E. WATSON, California	BOB INGLIS, South Carolina
MIKE ROSS, Arkansas	DANA ROHRABACHER, California
BRAD SHERMAN, California	EDWARD R. ROYCE, California
ELIOT L. ENGEL, New York	JEFF FLAKE, Arizona
GREGORY W. MEEKS, New York	

LISA WILLIAMS, *Subcommittee Staff Director*
DAVID RICHMOND, *Subcommittee Professional Staff Member*
NIEN SU, *Republican Professional Staff Member*
VILI LEI, *Staff Associate*

CONTENTS

	Page
WITNESS	
Mr. William Gibbons-Fly, Director, Office of Marine Conservation, Bureau of Oceans and International Environmental and Scientific Affairs, U.S. Department of State	6
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Eni F.H. Faleomavaega, a Representative in Congress from American Samoa, and Chairman, Subcommittee on Asia, the Pacific and the Global Environment: Prepared statement	4
Mr. William Gibbons-Fly: Prepared statement	9
Chart titled "The United States Tuna Imports in Airtight Containers for 2008"	24
APPENDIX	
Hearing notice	32
Hearing minutes	33
The Honorable Donald A. Manzullo, a Representative in Congress from the State of Illinois: Prepared statement	34
The Honorable Diane E. Watson, a Representative in Congress from the State of California: Prepared statement	35

THE SOUTH PACIFIC TUNA TREATY: NEXT STEPS FOR RENEWAL

THURSDAY, APRIL 2, 2009

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON ASIA, THE PACIFIC
AND THE GLOBAL ENVIRONMENT,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 10 o'clock a.m. in room 2200, Rayburn House Office Building, Hon. Eni F.H. Faleomavaega (chairman of the subcommittee) presiding.

Mr. FALEOMAVAEGA. The hearing of Foreign Affairs, Subcommittee on Asia, the Pacific and the Global Environment, will now come to order.

I will first make my opening statement. As you know, we have members coming in and out. This is how the system operates. And so we will give each member an opportunity for opening statements as well if they can make it to the hearing. The hearing this morning encompasses the current status of the South Pacific Tuna Treaty, and the question is, where are we now with that treaty and the future of the treaty?

In 1988, the United States and 16 Pacific Island nations ratified and entered into the Multilateral Treaty on Fisheries between the governments of certain Pacific Island nations and the Government of the United States—often referred to as the South Pacific Tuna Treaty. Under the treaty, the United States tuna industry pays for access to certain areas of the Western and Central Pacific, including the exclusive economic zones of these Pacific Island nations party to the treaty. The U.S. Government also provides about \$18 million annually to the Pacific Island parties through the State Department's Bureau of Oceans and International Environment and Scientific Affairs.

The treaty is important to the U.S. tuna industry and, of course, especially to my own district as its private sector economy is more than 80 percent dependent, directly or indirectly, on the industry. It is very, very important. It not only has ramifications for my own district but the entire tuna industry as well.

The treaty is also important to the Pacific Island nations. Papua New Guinea, the Federated States of Micronesia, the Solomon Islands and Kiribati receive the greatest share of the treaty funds.

But, as the Congressional Research Service has noted, and I quote,

“The influence of the South Pacific Tuna Treaty in the region may decline in the future as competition from other fishing nations in the region grows, and at this time it is not clear how this potential trend may affect the negotiations for the renewal of the South Pacific Tuna Treaty or efforts by parties to the treaty to address issues of overcapacity.”

Also, adopted in the year 2000 and entered into force 5 years ago, a related agreement called the Western and Central Pacific Fisheries Convention established a commission to conserve and manage tuna and other highly migratory fish stocks in the region. According to CRS,

“Over 30 countries, territories and other entities participate in this organization. These include those with major tuna fishing fleets, such as the United States, Japan, Korea, China, Taiwan and the Philippines.”

With the rising influence of other national fleets in the Western and Central Pacific this may raise the profile of this commission as the main system for monitoring and controlling tuna fishing in the region.

How these factors will impact the South Pacific Tuna Treaty remains to be seen. For now, given the treaty’s importance to the United States tuna industry and the Pacific Island parties, the subcommittee has invited Mr. William Gibbons-Fly from the U.S. Department of State to testify before us about what steps the U.S. should take for renewal, since the treaty expires in the year 2013.

Since the 2002 extension of the treaty provided licenses for up to 40 U.S. purse seiners—with an option for five additional licenses reserved for joint venture arrangements—to fish for tuna in the EEZs of the Pacific Island nations, what does the United States intend to do to make sure these licenses are extended?

Secondly, are the Pacific Island parties supportive of this renewal effort?

Third, are the United States and Pacific Island parties supportive of general provisions regarding fishing capacity, revenue sharing and linkages between the treaty and the Western and Central Pacific Convention?

Fourth, what is the current U.S. thinking regarding the amendments to the treaty and its annexes which were included in the 2002 extension, such as revised procedures for amending the annexes, a revised program fee formula, updating the methods available for reporting, and provisions on the use of a vessel monitoring system, or VMS?

Another question is what is the possibility of making the treaty open to U.S. long-liners from the United States territories such as American Samoa, as well as from the state of Hawaii? What are the areas of concern, if any, if we so move forward?

These are the questions, and of course I note that my good ranking member and colleague, the gentleman from Illinois, is not here with us. I am sure at some point he will join us later at the hearing.

So at this time I want to introduce our witness now before us. Mr. William Gibbons-Fly is director of the Office of Marine Con-

servation at the Bureau of Oceans, Environment and Sciences of the U.S. Department of State.

Mr. Gibbons-Fly has nearly 25 years of direct involvement in the development and implementation of international environmental and oceans policy. He is one of the Department of State's most senior negotiators on oceans and fisheries issues. He assumed his current positions after 4 years as deputy director of the office he now heads.

Previous to that, for 4 years at the U.S. Embassy in Mexico City, he served as deputy counselor for the environment, science and technology, covering oceans and natural resources issues, including fisheries, marine science, wildlife, forests, national parks and protected areas, among others.

Mr. Gibbons-Fly holds a master's degree in international affairs from George Washington University and a bachelor's with honors from the University of California at Santa Barbara. He's quite a senior career service gentleman, I must say.

He enjoys playing baseball. I haven't tried baseball as often as I could, sir, but I am certainly hopeful that we could get more baseball players out there. We have enough football players and sumo wrestlers. We need something else that we do.

So I ask my good friend, my colleague and senior ranking member of our subcommittee, Mr. Manzullo, if he has any opening statement?

[The prepared statement of Mr. Faleomavaega follows:]

**COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515**

**STATEMENT OF
THE HONORABLE ENI F.H. FALEOMAVAEGA
CHAIRMAN**

**before the
SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE
GLOBAL ENVIRONMENT**

“The South Pacific Tuna Treaty: Next Steps for Renewal”

April 2, 2009

In 1988, the United States and 16 Pacific Island nations ratified and entered into the Multilateral Treaty on Fisheries between the Governments of Certain Pacific Island States and the Government of the United States, often referred to as the South Pacific Tuna Treaty (SPTT). Under the Treaty, the U.S. tuna industry pays for access to certain areas of the western and central Pacific, including the exclusive economic zones (EEZ) of the Pacific Island parties to the Treaty. The U.S. government also provides about \$18 million annually to the Pacific Island parties via the U.S. Department of State’s Bureau of Oceans and International Environment and Scientific Affairs.

The Treaty is important to the U.S. tuna industry, and especially to the U.S. Territory of American Samoa as its private sector economy is more than 80% dependent, either directly or indirectly, on the industry. Without the agreement, American Samoa’s two canneries would not be supplied, and the jobs of about 5,000 tuna cannery workers would be at risk.

The Treaty is also important to the Pacific Island nations. Papua New Guinea, the Federated States of Micronesia, the Solomon Islands, and Kiribati receive the greatest share of the Treaty funds.

But, as the Congressional Research Service (CRS) has noted, “the influence of the SPTT in the region may decline in the future as competition from other fishing nations in the region grows [and] at this time, it is not clear how this potential trend may affect the negotiations for the renewal of the SPTT or efforts by parties to the Treaty to address issues of overcapacity.”

Also, adopted in 2000 and entered into force in 2004, a related agreement, the Western and Central Pacific Fisheries (WCPF) Convention, established a Commission to conserve and manage tuna and other highly migratory fish stocks in the region. According to CRS, “over 30 countries, territories, and other entities participate in the organization. These include those with major tuna fishing fleets, such as the United States, Japan, South Korea, China, Taiwan, and the Philippines,” and with the rising influence of other national fleets in the Western and Central Pacific this may raise the profile of the WCPFC as the main system for monitoring and controlling tuna fishing in the region.”

How these factors will impact the SPTT remains to be seen. For now, given the Treaty’s importance to the U.S. tuna industry and the Pacific Island parties, the Subcommittee has invited Mr. Williams Gibbon-Fly from the U.S. Department of State to testify before us about what steps the U.S. should take for renewal considering that the Treaty expires in 2013.

Since the 2002 extension of the Treaty provided licenses for up to 40 U.S. purse seiners, with an option for 5 additional licenses reserved for joint venture arrangements, to fish for tuna in the EEZ’s of the Pacific Island Parties, what does the U.S. intend to do to make sure these licenses are extended? Are the Pacific Island Parties supportive of renewal? Are the U.S. and Pacific Island Parties supportive of general provisions regarding fishing capacity, revenue sharing, and linkages between the Treaty and the WCPF Convention? What is current U.S. thinking regarding the amendments to the Treaty and its annexes which were included in the 2002 extension, such as revised procedures for amending the annexes, a revised program fee formula, updating the methods available for reporting, and provisions on the use of a vessel monitoring system (VMS)? What is the possibility of making the Treaty open to U.S. long-liners from the U.S. Territories, including American Samoa? What are areas of concern, if any, as we move forward?

These are the questions we hope are answered today, and I now recognize our Ranking Member, the gentleman from Illinois, for any opening statement he may have.

Mr. MANZULLO. I will yield.

Mr. FALCOMAVAEGA. All right. We will now turn the time over to our witness, Mr. Gibbons-Fly.

STATEMENT OF MR. WILLIAM GIBBONS-FLY, DIRECTOR, OFFICE OF MARINE CONSERVATION, BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, U.S. DEPARTMENT OF STATE

Mr. GIBBONS-FLY. Thank you, Mr. Chairman, and thank you very much for the opportunity to be here today, and thank you for those kind words. These days my baseball is pretty much limited to watching my 14-year-old son, but that is just as much fun as getting out there yourself at times.

Mr. Chairman, I have submitted a full written statement for the record, and with your permission I will try to summarize those remarks. I request that my full statement be included in the record.

Mr. FALCOMAVAEGA. Without objection.

Mr. GIBBONS-FLY. I beg your indulgence, Mr. Chairman. My written statement may go over a 5-minute limit, but I will do my best to keep myself within that time period.

Once again, thank you for the opportunity to be here today to discuss the agreement that we commonly refer to as the South Pacific Tuna Treaty. The treaty, which entered into force in 1988, continues to be a cornerstone of the economic and political relationship between the United States and the 16 Pacific Island states that are party to it.

My written testimony contains significant background on the treaty and the benefits to the United States, to the Pacific Island parties and for the conservation and management of the tuna resources of the Pacific as a whole. In summarizing that background, I would like to mention very briefly a few key points.

First, I would like to recognize right at the outset the very strong support that we get from the National Oceanic and Atmospheric Administration in implementing this treaty.

In particular, the NOAA Fisheries Pacific Island Regional Office in Honolulu and their field station in Pago Pago are responsible for conducting the day-to-day operations of the treaty on behalf of the U.S. Government, and the implementation of this treaty would simply not be possible without the very strong support we get from the entire crew out there.

Second, I would like to highlight the cooperation and the leadership that has been shown by the U.S. tuna purse seine industry and the U.S. fishing industry in general.

My written testimony again highlights in detail how the United States industry has set the standard for responsible and sustainable tuna fishing operations in the Pacific Ocean, including with respect to observer coverage, satellite-based vessel monitoring systems, detailed and extensive region-wide reporting requirements and a record of compliance with agreed measures.

In many cases the leadership shown by the U.S. fleet has resulted in new international standards that now apply broadly across the region. In other cases we must continue working to level the playing field to ensure that all fleets operate according to the

same high standards of transparency and accountability as the U.S. fleet.

The treaty has provided considerable benefits both to the United States and to the Pacific Island parties. The landed value of the catch in 2008 has been estimated at \$250 million, and the total annual contribution to the U.S. economy through the processing and distribution chain, including through the canneries in your district, Mr. Chairman, may be as much as \$400–\$500 million a year.

Under a related economic assistance agreement, as you noted in your opening statement, the United States provides \$18 million annually in economic support funds to the Pacific Island parties. The U.S. industry will contribute this year an additional \$5.7 million.

These funds make significant contributions to the economic development and well-being of the Pacific Island parties, many of which have few other natural resources or reliable sources of income beyond those received from fisheries in waters under their jurisdiction. Beyond the financial considerations, Mr. Chairman, the treaty also provides the basis for cooperation between the United States and the Pacific Island parties to promote the long-term sustainability of the fishery resources in the Pacific Ocean.

For all of these reasons, the treaty has been widely recognized and praised by the international community. The staff of the Forum Fisheries Agency based in Honiara, Solomon Islands, which administers the treaty on behalf of the Pacific Island parties, has praised the U.S. fleet as a model fleet in terms of its record of reporting and compliance with regional standards.

Nongovernmental conservation organizations such as the World Wildlife Fund have recognized the treaty as a model for fisheries access agreements negotiated between coastal states, in particular developing coastal states, and distant water fishing states. In other words, Mr. Chairman, the treaty represents an unqualified success story.

Finally, Mr. Chairman, let me say a little bit about the future of the treaty and related issues. The current extension of the treaty, as you noted, continues through June 14, 2013. If the treaty is to continue beyond that point, we will need to reach agreement with the Pacific Island states on the terms and conditions for extending the agreement.

At our most recent treaty consultation, which took place just last month in Koror, Palau, the parties to the treaty noted that we should begin our discussions to that end later this year. These discussions will not be easy, and the outcome is not certain. Conditions in the Western and Central Pacific have changed from when we negotiated the previous extension in 2001 and 2002.

The interest of other fleets for fishing licenses in waters under the jurisdiction of the Pacific Island states has increased dramatically. At the same time, a subgroup of eight countries within the FFA known as the Parties to the Nauru Agreement or the PNA are implementing a new means of allocating fishing effort in waters under their jurisdiction, which they refer to as the Vessel Day Scheme.

The PNA wants to see the U.S. treaty vessels integrated into this Vessel Day Scheme. We have a number of questions regarding the operational details of this scheme, and we have initiated a dialogue

with the PNA members and the FFA staff to better understand this system.

Additionally, Mr. Chairman, the Pacific Island parties have their own development aspirations with respect to developing locally based purse seine fleets that allow them to gain more direct economic benefits from the fisheries in their waters.

For these and other reasons, it is possible that not all the current parties to the treaty will see continuing as a party as in their best interest. Some may decide they are better off working to develop their domestic industries or to negotiate additional bilateral arrangements with other countries.

Having said all that, Mr. Chairman, and despite the complexity of the issues, it is our strong hope that the 20-plus year relationship established under the treaty and that has worked so well for both sides will continue to be of value to the Pacific Island parties in the same way that it is to the United States.

Working with them, with you and the Congress and with the United States fishing industry, we will seek to demonstrate that a vibrant treaty can be a strong complementary element to the Pacific Island parties' own development aspirations.

Thank you very much. That concludes my oral statement, and I am happy to respond to any questions that any of you may have.

[The prepared statement of Mr. Gibbons-Fly follows:]

UNITED STATES HOUSE OF REPRESENTATIVES
COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE GLOBAL ENVIRONMENT

HEARING ON THE MULTILATERAL TREATY ON FISHERIES BETWEEN THE
GOVERNMENT OF CERTAIN PACIFIC ISLAND STATES AND THE
GOVERNMENT OF THE UNITED STATES
("SOUTH PACIFIC TUNA TREATY")

STATEMENT BY WILLIAM GIBBONS-FLY
DIRECTOR, OFFICE OF MARINE CONSERVATION
BUREAU OF OCEANS, ENVIRONMENT AND SCIENCE
U.S. DEPARTMENT OF STATE

APRIL 2, 2009

Mr. Chairman and distinguished members of the Subcommittee:

Thank you for the opportunity to be here today to discuss The Multilateral Treaty on Fisheries Between the Governments of Certain Pacific Island States and the Government of the United States, often referred to as the "South Pacific Tuna Treaty," or hereinafter "The Treaty." The Treaty, which entered into force in 1988, continues to be a vital component of the relationship between the United States and the sixteen Pacific Island States that are party to it.

Although the Department of State has the lead responsibility for conducting relations under the treaty, implementing the Treaty is a shared responsibility, which would not be possible without a great deal of support and assistance. In particular, the NOAA Fisheries Pacific Islands Regional Office in Honolulu and its Field Station on Pago Pago, American Samoa carry out the operational aspects of the Treaty on a day-to-day basis. We are grateful for the very strong support and collaboration we receive from that office and other offices in NOAA. We also appreciate the active participation and involvement of the American Tunaboat Association, which represents the U.S. tuna purse seine fleet, and all of the U.S. tuna purse seine owners and operators with vessels operating under the Treaty. As discussed later in this testimony, it is these vessel owners and operators that are, in large measure, the foundation of the success of the Treaty over the past 20-plus years.

We also enjoy a strong and cooperative working relationship with the Pacific Forum Fisheries Agency (FFA), which serves as the Administrator of the Treaty for the States that are Party to the Treaty: Australia, the Cook Islands, the Federated States of Micronesia, Fiji, Kiribati, Nauru, New Zealand, the Marshall Islands, Niue, Palau, Papua New Guinea, Samoa, the Solomon Islands, Tonga, Tuvalu and Vanuatu.

The Treaty provides an integral part of the international legal framework under which the U.S. tuna purse seine fleet fishes in a vast area of the Western and Central Pacific Ocean, including the waters under the jurisdiction of those Pacific Island States listed above. Among the driving forces behind the Treaty at its inception, was the goal of eliminating the tensions that existed at the time between the United States and Pacific Island States with respect to claims of fisheries jurisdiction, fishing access rights, and other aspects of international law. Over the past 20 years, the Treaty has achieved this goal and more, and now serves as the foundation for a strong and mutually-beneficial relationship that carries over into other areas, described in more detail later in this testimony.

The Treaty has provided considerable economic benefits to the United States and the Pacific Island Parties. The value of the tuna harvested by U.S. vessels operating under the Treaty has varied widely given fluctuations in ex-vessel prices paid to operators, but it is estimated that the landed value of the 2008 catch was in excess of \$200 million. Because the value of the tuna increases as it moves through the processing and distribution chain, the total contribution to the U.S. economy may be as much as \$400 to \$500 million. In addition, tuna caught by U.S. vessels operating under the Treaty supplies two important canneries in American Samoa that, together with associated services, provide more than 80 percent of the private sector employment in that U.S. territory.

The Pacific Island Parties have also received considerable benefits. Under a related Economic Assistance Agreement, the United States provides \$18 million annually in Economic Support Funds (ESF) to the Pacific Island Parties. These funds make significant contributions to the economic development and well-being of the Pacific Island Parties, many of which have few other natural resources or reliable sources of income beyond those received from fisheries in waters under their jurisdiction. In addition, the U.S. industry contributes an additional \$3 million annually in up-front payments, with the possibility of additional payments if the price of the fish being harvested reaches a certain threshold level. This year Mr. Chairman, those additional payments from the U.S. industry to the Pacific Island Parties will total an estimated \$2.7 million, for a total U.S. industry payment of \$5.7 million. The economic return to the Pacific Island Parties under the Treaty, as a percentage of the value of the fish being caught, is higher than the return for any similar bilateral or regional arrangement adopted between the Pacific Island Parties and other distant water fishing fleets operating in the region.

Beyond financial considerations, the Treaty also provides the basis for cooperation between the United States and the Pacific Island Parties to promote the long-term sustainability of the fishery resources of the Pacific Ocean. One of the unique features of the Treaty is that its provisions apply not only within waters under the jurisdiction of the Pacific Island Parties, but throughout vast areas of the high seas within the Treaty Area. Within the Treaty Area, U.S. vessels are subject to a number of requirements designed to ensure that such vessels operate at the highest levels of accountability. Over the life of the Treaty, the Pacific Island Parties and the FFA Staff have praised the leadership of the U.S. purse seine fleet with respect to implementing a regional electronic vessel

monitoring system, regional observer program coverage, strict and detailed reporting requirements, port sampling, and other operational requirements.

The U.S. industry accepted these strict requirements at the request of the Pacific Island Parties even though, at the time, these requirements did not apply to other fleets fishing in the region. The U.S. fleet agreed to implement these requirements with the understanding that the Pacific Island Parties would use the example set by the U.S. fleet to insist that these requirements be adopted and applied by other fleets operating in the region.

Today, a number of the requirements first accepted by the U.S. fleet are widely required as the regional standard for vessels operating in the Western and Central Pacific Ocean. In this regard, the FFA and the Pacific Island Parties have recognized that without this leadership, it would have been much more difficult, if not impossible, to get other fleets to implement these requirements. At the same time, the U.S. fleet continues to operate with monitoring, control and surveillance requirements that do not apply on a region-wide basis to all fleets. We continue to work within the Treaty, with the States of the region and, in addition, now through the Western and Central Pacific Fisheries Commission (WCPFC), to level the playing field for the U.S. fleet and ensure that all vessels operating in the region do so under the same set of operational requirements and obligations.

For all of these reasons, Mr. Chairman -- the long-term commitment of the United States under the Treaty; the responsibility and accountability of the U.S. tuna purse seine industry; the leadership of the United States in strengthening efforts by the Pacific Island States to monitor and control vessels operating in the region; and the significantly higher economic return to the Pacific Island States under the Treaty than under other such arrangements -- the Treaty has been widely recognized and praised by the international community. A number of non-governmental conservation organizations such as the World Wildlife Fund have recognized the Treaty as a model for fishery access agreements negotiated between coastal States, in particular developing coastal States, and distant water fishing States.

Despite all these positive factors, there are some who have raised issues regarding the Treaty on various grounds. I welcome an opportunity to address these issues and to comment on a number of key points.

One point is that today the U.S. fleet is exercising its right to the full number of 40 licenses authorized under the Treaty, even though for a number of years this was not the case. As you know, in recent years the number of vessels operating under the Treaty was well below this number, which raised concerns both in the United States and among the Pacific Island Parties about the future of the U.S. purse seine fleet and of the Treaty itself. As a result, we supported efforts by the U.S. industry to revitalize the fleet and this effort has been successful. However, this has also led to statements that the United States is "increasing its fleet" and "contributing to overcapacity in the region." This assertion is unfounded and unwarranted and ignores several important points.

Originally, the Treaty provided for a total of 50 licenses to be available to U.S. vessels and, in the early years of the Treaty, the number of vessels actively fishing in the region was close to this number. When we negotiated the current extension of the Treaty, which took effect in 2003 and runs through 2013, the United States gave up 10 of these licenses so that they could be made available to other fleets, including for the expansion of domestic fleets in the Pacific Island States. To date, the United States remains the only country that operates under a legally-binding limit on the number of purse seine vessels that can be authorized to fish in the region. Further, it is the only country that has agreed to, adopted, and implemented a legally-binding reduction of 20 percent in the fishing opportunities available to its fleet. Right now, Mr. Chairman, there is strong interest among the U.S. industry in obtaining additional licenses, but we are bound by and respect the limit imposed under the Treaty and have no intention of exceeding the limit to which we have agreed.

Moreover, Mr. Chairman, it is important to note that throughout this period, the United States Government and industry continued to provide in full all funds specified pursuant to the Treaty and the associated Economic Assistance Agreement, even when the U.S. fleet was not utilizing the full 40 licenses available under the Treaty. We did so because of the long-term commitment to the Pacific Island Parties that the Treaty represents and the importance of honoring that commitment even under difficult circumstances. However, during this same period the level of fishing effort by other States increased significantly. In many cases, the new vessels entering the Western and Central Pacific tuna purse seine fishery had no history of fishing in the region, no history of regional cooperation, and no record of reporting and compliance with FFA rules and requirements.

Another observation you might hear is that it is not appropriate for the United States Government to be making payments for access fees on behalf of U.S. vessels fishing in the region. Here again, we would like to highlight a number of key points to keep in mind when considering this question.

First, as noted earlier, the U.S. industry makes a substantial payment to the Pacific Island Parties under the Treaty. This year that payment will be just short of \$6 million. Moreover, the U.S. Government funds provided under the Economic Assistance Agreement associated with the Treaty are the only significant source of Economic Support Funds (ESF) provided to the Pacific Island States. One of the unique features of the Treaty is that all of the Pacific Island Parties receive some benefit under the Economic Assistance Agreement, even if there is no fishing by U.S. vessels taking place in waters under their jurisdiction. In this regard, the funds provided go far beyond the purpose of affording access by U.S. vessels to fish in waters under the jurisdiction of the Pacific Island Parties. They contribute directly to the economic development and well being of States throughout the region and as a result, are a cornerstone of the economic and political relationship between the United States and the Pacific Island Parties. By all accounts, this is money well spent when considering the needs of these States with respect to their economic development and, in particular, in light of the growing influence and presence of other States and entities in the region.

Second, no vessel can receive a license to fish under the Treaty unless it is registered under U.S. flag. There are significant costs associated with operating under U.S. flag when compared with the costs of operating under flags of other States. All U.S. vessels must comply with a strict regulatory regime related to vessel safety, application of conservation and management measures, and monitoring and reporting requirements. Every vessel must carry significant levels of insurance, at a very high cost, to protect against injury and other tort liability claims that are not a factor for other vessels.

In addition, the Treaty itself has requirements for U.S. vessels that do not apply uniformly to all fleets in the region. These include a requirement to use a satellite-based vessel monitoring system at all times when operating in the Treaty Area, including on the high seas, a minimum level of observer coverage, and strict catch and effort reporting requirements, among others.

So Mr. Chairman, we have a clear choice as to the policy we seek to promote with respect to U.S. purse seine vessels operating under the Treaty. This is the choice between having vessels operating under U.S. flag, where they are bound by both the requirements of the Treaty and the provisions of U.S. law and regulatory requirements or, alternatively, seeing them leave U.S. jurisdiction to operate under flags of other States, where they are not bound by or required to comply with these and other similar requirements. Of these two choices, we see the former as the much preferred policy outcome, and this is the outcome that the Treaty helps us achieve.

With that background, Mr. Chairman, let me address the specific issues raised in the letter inviting me to testify. In particular, I know you are interested in hearing our thoughts and intentions with respect to the future of the Treaty and related issues.

The current extension of the Treaty, which took effect on June 15, 2003, continues for ten years, through June 14, 2013. If the Treaty is to continue beyond that point, we will need to reach agreement with the Pacific Island States on the terms and conditions for extending the agreement. At our most recent Treaty Consultation, which took place just last month in Koror, Palau, the Parties to the Treaty noted that we should begin our discussions to that end later this year. We are currently working to obtain the authority within the Department to begin those negotiations.

These discussions will not be easy and the outcome is not certain. It is clear that the conditions in the Western and Central Pacific have changed from when we negotiated the previous extension in 2001 and 2002. Among other things, the interest for fishing licenses in waters under the jurisdiction of the Pacific Island States has increased markedly. As foreign fishing fleets have depleted the tuna resources in the Atlantic and, more recently, in the Eastern Pacific Ocean, they are looking to move to the Western and Central Pacific, and are currently offering significant sums to the Pacific Island States in exchange for licenses to fish in the region. It is fair to say that such vessels, when licensed, do not and will not operate at the same standards of monitoring, reporting and accountability as the U.S. fleet.

At the same time, a subgroup of eight countries within the FFA, known as the Parties to the Nauru Agreement or "PNA," are in the process of implementing a new means of allocating fishing effort in waters under their jurisdiction. These countries straddle the equator in the Western and Central Pacific Ocean and the vast majority of purse seine fishing in the region by all nations takes place in their exclusive economic zones (EEZ). Instead of the previous straight limit on the number of purse seine vessels authorized to fish in the EEZs of the PNA, this new system allocates fishing days to vessels under a very complex arrangement. The PNA have made it clear that they want to see the U.S. vessels operating under the Treaty integrated into this "Vessel Day Scheme." Given its complexity, we have a number of questions regarding the operational details of the Vessel Day Scheme and have initiated a dialogue with the PNA members and FFA Staff to better understand the system. While these technical discussions are ongoing, we have indicated to the PNA that, provided that outstanding issues can be clarified, we are open to considering an effort to make the Treaty compatible with the Vessel Day Scheme. Having said that, the issues are complex and we cannot predict the outcome.

Additionally, the Pacific Island Parties have their own aspirations to develop locally-based purse seine fleets that allow them to gain more direct economic benefits from the fisheries in their waters. These aspirations have certain parallels to what occurred in the United States in the 1980s and early 1990s, whereby foreign fishing was phased out as local capacity and industry developed. Although the timeframe in which this transition will occur is uncertain, the commitment to this process by the Pacific Island Parties is undeniable. The implications of this process are far reaching and significant to U.S. interests in the Pacific.

For these and other reasons, Mr. Chairman, it is possible that not all of the current Parties to the Treaty will see continuing as a Party as in their best interest. Some may decide that they are better off working to develop their domestic industries or to negotiate additional bilateral arrangements with other countries. In the past, some have sought to explore the option of a separate bilateral arrangement with the United States, outside the Treaty framework, for access to all or a portion of the waters under their jurisdiction. On this latter point, the United States continues to view the Treaty with all the member States of the Pacific Forum as the sole vehicle governing access by U.S. vessels to waters under the jurisdiction of the Pacific Island Parties. We have no intention to negotiate bilateral purse-seine access arrangements with any Party outside the framework of the Treaty. If a current Party decides not to participate in an extended Treaty beyond 2013, we remain interested in negotiating with the other Parties to maintain and extend the Treaty with them.

The issues above highlight the complexity of the upcoming discussion regarding the extension of the Treaty. Nonetheless, we are hopeful that the Pacific Island States will continue to see the long-term arrangement with the United States as in their collective interest, and that we will be able to reach agreement on the terms and conditions that will allow the Treaty to extend beyond 2013. It is our strong hope that the 20-plus year relationship established under the Treaty, and that has worked so well for both sides, will

continue to be of value to the Pacific Island Parties, in the same what that it is to the United States. Working with them, with the Congress and with the U.S. fishing industry, we will seek to demonstrate that a vibrant Treaty can be a strong complementary element to the Pacific Island Parties own development aspirations.

Finally Mr. Chairman, we were asked to comment on the status of the amendments to the Treaty and its annexes that were concluded as part of the previous extension in 2002. The United States deposited its instrument of ratification for the 2002 amendments to the Treaty and its Annexes with the Department of Foreign Affairs of the Government of Papua New Guinea, which serves as the depositary for Treaty, on August 12, 2005. Those Amendments will formally enter into force when ratified by all Parties to the Treaty. To date, there are still some Parties that have not yet ratified.

However, the fact that it might take some time for Parties, including the United States, to ratify the Amendments was anticipated at the time the amendments were adopted in 2002. The amendments to the Treaty and its Annexes related to the operation of the Treaty are being provisionally applied under the terms of a Memorandum of Understanding (MOU) between the United States and the other Treaty Parties signed on March 24, 2002, the same date the amendments were adopted. The MOU specifies that any amendments not in force by June 15, 2003, would be provisionally applied from that date, until such time as they enter into force. These include the amendments regarding the revised program fee formula, the available reporting methods, the provisions relating to the vessel monitoring systems (VMS) and others. The only exception is the amendment to revise the procedures for amending the Treaty annexes. Because this amendment relates to Treaty law, rather than the operational aspects of the Treaty with respect to U.S. vessels, this amendment was not included in the 2002 MOU and will only take effect once the amendments have been ratified by all Parties.

Mr. Chairman and distinguished members of the Subcommittee, thank for the opportunity to be here today. I am happy to respond to any questions you may have.

Mr. FALCOMAVAEGA. I just want to say that we are very happy that we are also joined with us on the dais by the gentleman, my colleague from Arizona, Mr. Jeff Flake, who is a member of our subcommittee.

I will begin the list of questions. I am sure, Don, you will join me later.

But at this point I want unanimous consent, Mr. Gibbons-Fly, if you could submit for the record a copy of the South Pacific Tuna Treaty itself; also a copy of the Treaty Convention dealing with the commission that is now being set up in Pohnpei. I would like to submit that for the record, and also a copy of the Law of the Sea Convention itself, which I will allude to later in my line of questions.

[NOTE: The information referred to is not reprinted here but is available in committee records.]

Mr. FALCOMAVAEGA. I believe the U.S. is the largest consumer country of tuna in the world. Am I correct on this?

Mr. GIBBONS-FLY. It is certainly one of the top three. The top three markets for tuna are generally considered to be the United States, Europe and Japan. There are others in this room who might know the exact order, but we are near the top, if not at the top.

Mr. FALCOMAVAEGA. And one of the issues that I have always raised—I also serve as a member of the Fisheries Subcommittee on the Natural Resources Committee—is that I believe currently we have to import over \$10 billion worth of fish from foreign countries because we don't produce enough of it domestically.

Isn't that kind of weird, somewhat ironic, that we have to import fish, \$9 billion that goes out that we have to purchase? Why can't we have a thriving fishing industry ourselves for our own consumer demand? I am very curious about this.

You had mentioned earlier about this PNA system, the Vessel Day Scheme—whose bright idea was that?

Mr. GIBBONS-FLY. Well, it originated within I believe the staff of the Forum Fisheries Agency, and the intent, Mr. Chairman, among the Pacific Island states, they are looking through this and other means to maximize the revenues that they get from their tuna, the tuna that incurs in the waters under their jurisdiction.

One of the criticisms that you often hear about the agreements that the Pacific Island states make with distant water fishing states, or at least the Pacific Island states will argue that they are not getting a sufficient level of return on the fish. They want more direct involvement and would like to increase the revenues that they gain from the resources that they consider to be their fish in the waters under their jurisdiction.

The Vessel Day Scheme is an effort to do that by creating a cap on the number of fishing days that would be available and then having those vessels that want to fish in the Pacific to bid for that limited number of days with the idea that at some point there would be a maximum revenue that would accrue from the balance between the supply and demand of fishing days available.

As I have said, we have a lot of questions about that, and we are still trying to seek answers to a number of our questions and so

there are a lot of questions that even we are not able to answer at this time about that scheme.

Mr. FALEOMAVAEGA. And one of the questions that comes to mind: What if you are given 10 days to fish and you don't catch anything? Do you still have to pay them?

Mr. GIBBONS-FLY. You pay for the days, as I understand it, but this represents a shift in the way that the Pacific Island states have managed capacity in the region. The previous mechanism that they had for managing fishing effort in the region was a cap on the number of vessels that could fish.

The Parties to the Nauru Agreement, the PNA countries, had a cap of 205 purse seine vessels that were allowed to fish. That is now being replaced with this Vessel Day Scheme, but, as I understand it, they are removing the cap so at some point there is no limit on the number of purse seine vessels that might be available to bid on those days.

As you can imagine, Mr. Chairman, we have some concerns about that, and a number of others have concerns about that, because if you have too many vessels purchasing those days not all those vessels may be able to get a sufficient number of days for them to operate profitably.

Mr. FALEOMAVAEGA. And not only that—

Mr. GIBBONS-FLY. And then where do those vessels go and what do they do? That is a significant concern. And what about the investment of those who have been in the fishery, like the U.S. industry, for 20-plus years that are now bidding against an unlimited pool of bidders?

Those are the kinds of questions that we are seeking answers to as we go into the negotiations on the extension.

Mr. FALEOMAVAEGA. If you were to make a comparison of our regional tuna fishing treaty with the 16 island countries as far as compliance with dolphin-safe standards, how do we compare in terms of the standards that we put on our fishing fleet to other nations?

Here is my problem. We currently have a regional fishing treaty in place with the 16 island countries, and then they turn around and conduct bilateral fishing agreements with other countries that may not necessarily comply with the standards, the high standards, that our fishing fleet has to abide by.

It also destroys the whole idea of conservation, it seems to me, because where does conservation come in? If they don't put on a cap, are you suggesting here that if they are allowing over 200 purse seiners to fish in the waters that they will be overfished in a very short time?

And it somewhat contradicts the whole concept of conservation as outlined under the provisions of this convention that we just have set up this monitoring committee now based out of Pohnpei. Do you care to respond to that?

Mr. GIBBONS-FLY. Yes. First, in response to your first question of where the U.S. ranks in terms of compliance with agreed measures, right at the very top.

As I mentioned in my statement, both my oral and written statement, you don't have to take my word for that. The Forum Fisheries Agency secretariat has repeatedly acknowledged to us that

the U.S. fleet sets the standard for compliance with agreed measures for use of the vessel monitoring system.

The U.S. fleet was the first fleet that agreed to the implementation of a vessel monitoring system in the Pacific at a time when all the other fleets fishing out there resisted that, and it was only because the U.S. fleet took on that obligation that the Pacific Island states were then able to use that as a basis to insist that other countries did the same.

And that same example can be repeated through the level of observer coverage, through reporting requirements, through a whole range of other requirements. The U.S. fleet sets the standard and will continue to set the standard.

We are working now to level the playing field, as I mentioned, and trying to get the Pacific Island states in their negotiations of whatever other agreements they might negotiate to hold other fleets to the same standard as the U.S. fleet.

We now have a second mechanism to do that, and that is through the Western and Central Pacific Fisheries Commission, which is the region-wide body, as you mentioned, responsible for the conservation and management of tunas in the region. We have been working with the Pacific Island states in that forum to do just that.

For example, the Parties to the Nauru Agreement through a separate set of standards——

Mr. FALEOMAVAEGA. I am sorry. Which countries are parties to the Nauru Agreement?

Mr. GIBBONS-FLY. It is three compact states, Palau, Micronesia and the Marshall Islands, as well as Papua New Guinea, Kiribati, Nauru, Solomon Islands and Tuvalu. Those are the states that straddle the equator.

Most purse seine fishing in the region takes place between 20 degrees north and 20 degrees south. Those are the states located in that region, and the majority of fish caught by purse seines in the Pacific, the Central and Western Pacific, is caught in waters under the jurisdiction of those states so they work together to try to set regional standards.

They last year adopted a set of standards in what they are calling the Third Implementing Arrangement, which is an implementing arrangement to a previous agreement to set these kinds of standards, and they set standards such as 100 percent observer coverage, 100 percent VMS coverage, closure of certain areas to fishing, et cetera.

In the past what we have seen when these standards have been set, they are not always effectively and faithfully implemented in the negotiation of the bilateral agreements, and there has been some scattered or uneven implementation of these standards among the states.

So we worked with the Pacific Island states at the most recent meeting of the Western and Central Pacific Fisheries Commission to get these same measures adopted as measures under the WCPFC, which means that now it is not up to the states to negotiate these as part of their bilateral agreements. These standards will now apply under the WCPFC to all the fleets operating in the region.

So that was a successful effort to try to level the playing field to some extent on some issues, but there are other areas where we still have more work to do. There are still cases where the U.S. fleet is operating at a higher standard than some of these other states, and we will continue to work both through WCPFC and with the island states to try to get everybody operating at the same—

Mr. FALEOMAVAEGA. I think I have exhausted my 5 minutes. Mr. Manzullo? I will wait for the second round.

Mr. MANZULLO. Thank you. Now, as I understand the purpose of the tuna treaty is to regulate the amount of fish to be harvested. Would that be correct?

Mr. GIBBONS-FLY. Well, the tuna treaty itself is primarily an agreement by which U.S. vessels gain access. It is what is known as a fishery access agreement, and it sets the terms and conditions for access by vessels flying the U.S. flag to the waters under the jurisdiction of the parties to the treaty.

Now, a quid pro quo for that is that those vessels abide by a certain set of standards, but historically through the life of the treaty there has not been really a need over the last 20 years up until the last 3, 4, 5 years to regulate the amount of tuna being caught because none of the stocks of tuna in the Pacific were considered to be fished at a level that was not sustainable.

That has now changed, and I will get back to that in a minute, but historically it has been an access agreement rather than a vehicle through which catches were capped. It is the WCPFC, the much broader, multilateral convention, that is the conservation and management arrangement where the measures are taken to limit the amount of fish that is being caught.

And that is the agreement and the meeting that I referred to just recently where we were able to adopt a fairly strict set of standards; not as strict as anyone would have liked, but it was the first measure to get at regulation of catches of bigeye tuna in the Pacific Ocean and bigeye—

Mr. MANZULLO. That is not among all the members of the South Pacific Tuna Treaty, is it?

Mr. GIBBONS-FLY. All the members of the South Pacific Tuna Treaty are members of the Western and Central Pacific Fisheries Commission.

Mr. MANZULLO. Okay.

Mr. GIBBONS-FLY. As are a number of other countries, including all the other distant water fishing states.

Mr. FALEOMAVAEGA. Will the gentleman yield?

Mr. MANZULLO. Of course.

Mr. FALEOMAVAEGA. I think maybe just a little background a little further before that.

What happened was that our fishing fleet went all over the Pacific fishing for tuna, declaring that since tuna is a highly migratory fish, there are no restrictions in terms of the EEZs. So we kept poaching into the EEZ zones of these other countries, especially Latin America, and our boats ended up getting confiscated. They got in some very serious problems.

So eventually they left the Eastern Pacific and decided to come to the Western Pacific to do their fishing.

Mr. MANZULLO. Do you mean the boats or the tuna?

Mr. FALCOMA. The boats. Our boats. Our tuna boats went down there, and one of them got seized in the Solomon Islands and all hell broke loose.

George Shultz and our whole government got involved. It caused an international incident because our boat owners said that because tuna is a highly migratory fish there should be no restrictions as to how far we can go and catch the fish.

Well, that didn't work very well, and as a result of that, Secretary of State Shultz, and I think at that time also Mr. Negroponte, initiated this idea with my good friend, Dave Birney, who now has passed, to establish a regional fishing treaty with these island nations. In that way we would have better access going into the EEZ zones to conduct fishing operations. That is how the fishing treaty came about.

Mr. MANZULLO. I really know a lot more about cattle than I do about fish, but I am intrigued over the fact that the last 3 or 4 years there haven't been enough tuna or there haven't been as many tuna as there were prior to this. Is that correct? Did I say that correctly?

Mr. GIBBONS-FLY. Well, you know, it is a very broad question. You did say that correctly, but it varies from region to region, and the Pacific, especially the Western Pacific, the Western and Central Pacific, is the area of the world where the tuna stocks are considered to be in the best shape still.

There are three primary commercial species that are harvested by purse seines, and I won't bore you with too many of the details, but skipjack, yellowfin and bigeye tuna. The primary targets are the yellowfin and the skipjack.

The bigeye tuna is caught in association with the other species, and it is the bigeye tuna that is the one that is currently considered to be at a level that is in technical terms overfished or at very near an overfished state.

Mr. MANZULLO. Do you have a theory on that as our chairman as to—

Mr. GIBBONS-FLY. Well, the theory is—

Mr. MANZULLO. This is a red flag that there could be some problems.

Mr. GIBBONS-FLY. If it is a red flag, yes, and it is more than a theory. The simple fact is they are catching tuna faster than it can replace itself.

The bigeye tuna is caught both by long-line fisheries and by purse seine fisheries, and the purse seine fisheries it is the smaller bigeye that is caught. It is not a target of the fishery, so there are efforts underway to try to find ways to catch the target species of yellowfin and skipjack without catching or minimizing the catch of the juvenile bigeye that is usually found at a deeper depth, than the other two target species.

It is a very complex technical question, but when good minds have been put on these efforts in the past they have been able to come up with solutions, and there may be a technical solution. In the meantime, the solution is to reduce the level of fishing effort so that there are fewer vessels fishing during parts of the year.

Mr. MANZULLO. Can countries that are not members of the South Pacific Tuna Treaty such as South Korea and China get access to that area?

Mr. GIBBONS-FLY. Yes. Both those countries, as well as Japan, Taiwan and the EU, are all parties to the Western and Central Pacific Fisheries Commission, and each of them has negotiated agreements, separate bilateral agreements, with various Pacific Island states for access to fish in the waters under their jurisdiction.

Mr. MANZULLO. Is that working, or is that causing some angst?

Mr. GIBBONS-FLY. Well, right now I think the general perception is that the level of fishing effort as a result of the cumulative total of all these agreements is probably higher than it needs to be or should be.

Mr. MANZULLO. Mr. Chairman, do you want to comment on that? I know this is an intimate area that is being overfished.

Mr. FALEOMAVAEGA. If the gentleman will yield? That is exactly the trend, and this is the direction that we are headed for.

You know, the Atlantic is already overfished, and there is no question in my opinion that the time is going to come when there will be overfishing even in the Pacific for tuna. The demand obviously is going to be a lot greater than the supply.

This is causing a lot of concern about conservation efforts being made seriously. As you know, the swordfish in the North Atlantic were overfished. We have some 100 fishing vessels from the New England states coming to Hawaii to do fishing there simply because the swordfish was overfished.

That is exactly what we are headed for if we don't take conservation measures. This is a concern that is very much in the minds of these countries. The problem is that because these island countries are so economically strapped, desperate if you want to put it in those terms, they end up really for a pittance, giving away these business licenses.

And these fishing vessels that come from foreign countries that don't comply with the conservation standards that we have applied in our regional fishing treaty, this is where the problem is caused. I believe we are going to have some serious situations in dealing with the fishing efforts.

Mr. GIBBONS-FLY. I might add one thing, and that is that I started to mention the measure that was adopted in December at the WCPFC meeting which took place in Busan, Korea. One of the elements of that measure was precisely to get at reducing the catches of juvenile bigeye tuna.

Much of the catch of the juvenile bigeye tuna is caught with vessels fishing in association with what are called fish aggregating devices (FAD). These are floating rafts that are put in the water that attract fish around them, and then the vessel will set its net around the fish that have schooled around that FAD.

In association with that, the catches of juvenile bigeye are higher than they are when fishing on what are called free swimming schools, which are schools that are just swimming in the ocean not associated with these floating devices.

One of the elements of the measure that was adopted by the Western and Central Pacific Fisheries Commission was to close this year the fishery on floating objects for a period of 60 days in

the area this fishing takes place. Next year that will expand to 90 days.

So by reducing the level of fishing effort on these floating devices there is an expectation that if these measures are faithfully implemented that that will result in some fairly significant reduction in bigeye tuna. Perhaps not up to the level yet that the scientists are telling us that we need, but at least it is a first start and first step.

One of the most significant accomplishments of that meeting was that they adopted any measure at all. A number of people are often frustrated with the progress made in RFMOs, regional fisheries management organizations, but to get 26 countries around that table to agree to a set of measures that actually did make some progress in addressing the overfishing of bigeye was a significant accomplishment in my view.

Although a number of people, and they are absolutely correct in saying the Commission needs to do more. It needs to go farther. This wasn't enough, but it was a good first step and a good accomplishment to get this organization moving in the right direction.

Mr. FALEOMAVAEGA. The gentleman from Arizona?

Mr. FLAKE. Thank you, Mr. Chairman.

Mr. Gibbons-Fly, we have the tuna processing facility in American Samoa, which I have had the opportunity to visit a couple of times. Where else in the Central or Western Pacific are there processing facilities at present?

Mr. GIBBONS-FLY. There are different kinds of processing facilities in different parts of the region. For tuna, for the tuna that is being caught by purse seine vessels, there are two main ways to process the fish in the region.

One is through the full plant where the fish comes off the vessel and ends up right in the can. The only other place that I am aware of that there are canneries really in the region are in Papua New Guinea.

There have been efforts to establish canneries in other of the Pacific Island states, but they have not been successful in the long term for a variety of reasons, including lack of fresh water and in some cases political stability or instability.

In some places like Marshall Islands and Fiji there is an intermediary step, which is called a loining plant, where the loins, which are really the meat that ends up in the can—it is the most labor intensive part of the process—are taken out of the tuna and then shipped to a canning facility.

The major canning facilities where a lot of this fish goes is to Thailand, which is really the world's tuna canning center. A lot of it is transhipped out of various ports in the region to carrier vessels, which then go to Thailand. The Philippines also has a significant canning industry down in the Mindanao region, the General Santos region. Those are probably the biggest centers I would say.

Mr. FLAKE. So in terms of distances that are traveled by these vessels, as long as they can upload to a loining facility, as you say, and tranship from there then there are really no restrictions. They can go a long way.

It is not as if there has to be more canning facilities there for overfishing to really occur. Under the current infrastructure that

we have, we can see significant overfishing. Is that what you are saying?

Mr. GIBBONS-FLY. If you are saying does the lack of canneries serve as a check on the possibility of overfishing in the region, no. That is not an obstacle or not a barrier.

Mr. FLAKE. That was my question, yes.

Mr. GIBBONS-FLY. The level of fishing is not constrained simply because the canneries aren't in the region.

Also, some of it actually comes east to canneries in Ecuador where there is a significant canning capacity as well.

Mr. FLAKE. Thank you.

Mr. FALCOMA. Can you provide for the record the list of all the countries competing to export canned tuna to the United States? I think there is a list.

Mr. GIBBONS-FLY. I am sure we can find that list someplace, Mr. Chairman.

[The information referred to follows:]

United States Tuna Imports in Airtight Containers for 2008

(information from National Oceanic and Atmospheric Administration, Office of Science and Technology Imports of Fishery Products Database)

Country	Dollar Value
Thailand	325,589,397
Ecuador	101,893,567
Philippines	95,225,423
Indonesia	49,752,748
Vietnam	44,268,118
China	15,266,313
Papua New Guinea	9,195,309
Mexico	9,021,882
Trinidad and Tobago	2,190,038
South Korea	1,709,207
Costa Rica	1,518,071
Malaysia	1,347,344
Spain	844,476
Italy	808,666
Portugal	748,553
Canada	539,563
India	305,247
Israel	297,677
Mauritius	266,112
Iran	122,046
Morocco	109,316
Poland	86,712
Croatia	74,533
Singapore	72,013
Peru	44,780
Japan	24,180
Turkey	17,880
China-Taipei	17,101
France	3,968

Mr. FALEOMAVAEGA. Just a couple more questions, Mr. Gibbons-Fly.

One of the problems, and this is not just because of the presence of the tuna industry in my district, but looking at the broad, overall situation of the entire Pacific region, which I think impacts directly even our own economic interests in our country. The reason for raising this issue is the whole question of marine resources available to the Pacific region, of which we are part.

I just wanted to raise the question if the State Department is preparing any plans to conduct some kind of a working partnership with these island countries to promote and to enhance their fishing industries, and also as a way to examine U.S. consumer demand to see what products or what marine resources they can develop that could be part of our economic partnership with these countries.

Mr. GIBBONS-FLY. Well, one of the elements of the treaty that is written into the treaty are provisions for what is called broader cooperation to do exactly that and to provide opportunities for enhanced economic cooperation to help develop some of the domestic fisheries.

There have been some efforts to do that. Some U.S. investment has gone into trying to set up some of these loining plants in various places. Some of those have succeeded, and some of those have failed.

The canning plant that is currently operating in a place called Wewak, Papua New Guinea, was an initiative that was originated by U.S. interests and U.S. capital, and it became so complicated politically and economically that they withdrew. Another set of investors came in, but the U.S. companies continued to provide the technology and the expertise to help get that plant up and running.

Developing tuna industries in many of these countries is a very complicated task, and the island states want to explore more of these opportunities. We are certainly open to encouraging that, but at the end of the day those are all decisions that are taken primarily by private sector organizations based on a set of business criteria that they need to decide for themselves.

The money that is set aside under the treaty, the \$18 million in economic support funds, is provided to the Pacific Island states for them to use in a manner they see fit, and there was an early time during the treaty where a portion of that money was set aside to fund fisheries development projects. We have encouraged the Pacific Island states to think about going back to that kind of model.

We don't have additional resources above the \$18 million to contribute from the government's side into those kinds of activities, but if they wanted to use some of that \$18 million to foster some of these activities the government could provide value added in terms of technical expertise and scientific research.

Up to this point, Mr. Chairman, as you noted, the countries, because of their—

Mr. FALEOMAVAEGA. But this is the basis of what I have always said should be part of our foreign assistance program. Rather than just feeding the people, teaching them how to fish so they can eat forever according to the Chinese proverb.

Mr. GIBBONS-FLY. Right.

Mr. FALEOMAVAEGA. Of course, I have always said this for years. The ocean is the farm for these island countries. If we give them the tools so they could better develop their own industries and the resources that they have access to, isn't that a better way to also offer some assistance in that regard?

Eighteen million dollars. I mean, we spend almost \$1 billion in building our Embassy in Baghdad. I mean, I realize you can't comment about the question of foreign assistance, but it seems to me that this is certainly an area that we ought to pursue, or the State Department ought to pursue, to see that tools are provided so that these island countries could better work out these issues.

As you know, the bottom line is that they just don't have the resources to develop a fishing industry. They have the fish, but then going about and catching it and setting up a long-line fleet and all of that is difficult. Do you think that somewhere our country could be of help to these countries?

Mr. GIBBONS-FLY. I don't see why not. I will take your comments, and we will take those under advisement and we will report back your interest in seeing us work in that direction.

Mr. FALEOMAVAEGA. You know, I visited Taiwan. They have tanks about as big as this room for fish farming. They don't even go fishing. They just do the fish farming right there. They catch the fingerlings. In a matter of months it is out in the market all over Asia.

These island countries, if there is any way that we could give them the proper technology. I would think that it would be probably best if we could just work it some way or somehow just to give these people the tools. They can become more self-sufficient. That is really the bottom line.

The \$18 million is nice to give, but I think we should seriously consider other ways of giving the tools so that they could better improve this industry because, like you said, it is complicated and it is scattered all over in such a way that they are never really given an opportunity to really come out with a real serious effort.

More marine biologists trained in our universities, giving them a better understanding on seamanship. I mean, it seems to me that we do have the technology and the resources. I go back to the Chinese proverb: Feed a man fish one day, he will survive, but if you teach him how to fish he will eat forever. I literally believe in that.

Do you think that this is possible? It doesn't take \$1 billion to set up some kind of a training program so that these countries could be self-sufficient in that regard.

Mr. GIBBONS-FLY. Yes. I understand your concerns, Mr. Chairman. As I said, I will report them back and clearly reflect your interest in seeing us work in that direction. We will keep you posted.

Mr. FALEOMAVAEGA. In comparison, we have got the Forum Fisheries Agency out of the Forum countries, and then we have the Pacific Community. It used to be the South Pacific Commission. They have their fisheries program. Now we have the Western Pacific Commission out of Pohnpei.

You don't see any problems with these three organizations working? Are they working together? Are they somewhat overlapping in terms of what they are doing?

Mr. GIBBONS-FLY. They are working together, and one of our challenges and one of our goals is to make sure that they continue to work together and that the activities that are taking place in one organization or under one agreement are not in conflict with activities that are taking place in another.

In fact, this has been a key subject of discussion. We meet each year with the parties to the treaty in an annual consultation which, as I mentioned, takes place in March, and we have added an item to the agenda that talks about coordination between operations under the treaty and the way in which we work together with the Pacific Island states and the Western and Central Pacific Fisheries Commission.

Likewise, the Forum Fisheries Agency in Honiara serves as the mechanism for coordinating the position of the Pacific Island states not only with respect to discussions with us under the treaty, but also within their participation under the WCPFC.

So there is a very conscious understanding of the need to ensure that all of these organizations are working together, not working at cross purposes, but there is a great deal of cross fertilization, and we need to continue to be vigilant in this regard, but up to this point there seems to be a synergy rather than discord in the way that these organizations are working together.

Mr. FALEOMAVAEGA. I understand that there is a current effort by the administration to reevaluate some of these commissions that deal with tracking or monitoring the tuna situation. ICCAT I think is one organization out of California.

How many other commissions are involved in doing this kind of work dealing with marine resources? Just tuna?

Mr. GIBBONS-FLY. Well, depending on how you count them, there are a very large number. Dealing with tuna, there are five principal organizations. The United States is a party to three of them.

There is ICCAT in the Atlantic, there is the IATTC in the Eastern Pacific, the WCPFC in the Central and Western Pacific. Those are the three to which the United States is a party.

And then in addition to that there is the Indian Ocean Tuna Commission, which manages tuna in that ocean, and then there is the Commission for the Conservation of Southern Bluefin Tuna, which manage the bluefin tuna resource in the Southern Ocean.

And there are efforts underway to try to ensure that those five organizations are at least conscious of what the others are doing and if possible to try to harmonize some of the things that they are doing.

The Japanese hosted a meeting of the five tuna RFMOs in Kobe, Japan, 2 years ago to try to get that effort underway. There is going to be another meeting along those lines in San Sebastian, Spain. But it is very complicated because each of these organizations has its own culture. It has its own parties. It has its own way of doing things.

What works in one part of the world isn't always possible in the other or isn't agreeable to another set of parties operating in another part of the world, so trying to get them all on the same page and moving in the same direction is a challenge.

But there are some things perhaps where we might have some success, and one of the areas is with respect to some of these trade

tracking schemes because these different organizations are now trying to track the tuna that comes out of the areas where they exercise jurisdiction. Different organizations are adopting different schemes, and that gets very complicated if you are purchasing tuna from several different parts of the world.

So some effort to try to harmonize these schemes we think is valuable, and then perhaps using that as a basis to see what other things can be done to get all these organizations working along the same lines.

Mr. FALEOMAVAEGA. I am sure that you have opportunities in consulting with members of our tuna fishing fleet, and I was just wondering if there have been any concerns expressed to you about their capabilities and what they are doing right now as it relates to the provisions of the Tuna Treaty.

Is there any area that you think there is something that maybe we should address or look at?

Mr. GIBBONS-FLY. Well, my understanding of where our industry is, is that they are very supportive of the treaty as currently formulated and would like to see it continue very much along the same lines.

One of the things that we are wrestling with now is the fact that we understand that the rules of the game that are being set by the Pacific Island states are changing to this Vessel Day Scheme, and we are engaging in discussions to try to determine whether or not there are ways to make the future operation of the treaty compatible with the Vessel Day Scheme.

That will be the great focus of our efforts over the next year or two as we seek to negotiate an extension of the treaty beyond 2013. As I said, because we have so many unanswered questions about the Vessel Day Scheme we will need more time to sort through that before I can give you a detailed answer as to which way we see this going.

Mr. FALEOMAVAEGA. So the negotiations are ongoing now?

Mr. GIBBONS-FLY. The first session of the negotiations will take place in October. Well, the discussions. We don't yet have authority to negotiate an extension. We need to seek that with the Department of State under a formal process that we have.

But we will begin the first round of discussions later this year in October, and that will take place in Port Vila, Vanuatu.

Mr. FALEOMAVAEGA. What do you think will be the impact to the U.S. tuna fishing industry or the tuna industry if this treaty doesn't become reauthorized or is not given approval by the island countries?

Mr. GIBBONS-FLY. Well, as I say in my statement, we very much hope that that will not be the case, Mr. Chairman, and we don't have to look at that question.

I am optimistic that the Pacific Island states, even though they are taking very—they are negotiators as well. They are very good negotiators, and they are taking I think what I understand to be a fairly tough negotiating position as we head into these negotiations.

That is not unusual. We have faced that in the past, but at the end of the day I am optimistic that they value the treaty to the same extent that the United States values the treaty and that we

will be able to reach an accommodation that will allow the treaty to continue to the benefit of all sides beyond 2013.

As I said, there are no guarantees, and I hope I am not misreading that, but this treaty has worked very well for them. It has very broad support throughout the Pacific. The support for the treaty is not shared equally among all the parties. Some are greater supporters and some are not as strong of supporters these days, depending on a number of factors.

As my written testimony states, there may be some parties to the treaty who decide that they will choose not to continue with the treaty, but that is their right. There is no reason for us to compel them to be part of an agreement that they are not interested in being a part of, and if that is the case then we would work to maintain the treaty with those parties that continue to be interested in doing that.

Mr. FALEOMAVAEGA. To your knowledge, this is the only regional fishing treaty that is in place between the United States and these island countries? What I mean is do other countries have a similar arrangement on a regional basis like Korea or Japan?

These countries have huge fishing fleets, and I am just curious if they also have regional fishing treaties with these island countries.

Mr. GIBBONS-FLY. No, they do not. They operate pretty much on the basis of individual bilateral agreements with the various countries.

We would very much like to see the Pacific Island states reach a level of solidarity where they could insist among themselves that all these countries participate in regional agreements similar to the one that is negotiated with the United States.

We think that is in the best interest of the Pacific Island states, and it results in agreements that are more transparent. We don't always know what the terms are of a bilateral agreement between a Pacific Island state and a distant water state and what the requirements are, whereas all the requirements of our treaty are publicly available and everybody knows what our VMS requirements are, what our observer requirements are, what are reporting requirements are. It is the most transparent agreement in the world, in addition to all these other things.

We have encouraged the Pacific Island states to go along those lines, and I know there has been strong interest in doing so, but they have not been able to reach a state where, as I say, they have been able to agree among themselves that that is what they want to do.

Mr. FALEOMAVAEGA. Do you sense that sometimes some of these island states, out of frustration, would rather deal with other countries than the United States?

Mr. GIBBONS-FLY. No. I have a strong sense that they welcome our participation, and in fact as I have said, they have valued the leadership that the U.S. fleet has provided in terms of getting some of these other countries up to the same standard.

As I said, they have not gone as far as we would like to see in insisting that all of the other fleets operate at the same standard, but they continue to tell us that if it were not for the U.S. fleet they would have a much harder time. It would be difficult, if not

impossible, to insist that some of these other fleets carry observers and carry VMS and those kinds of things.

Our relationship is a very mature one. As with any mature one, there are things on which we agree and things on which we disagree. I think it is probably a lot easier for some of these countries to deal individually with another state and reach a very simple agreement than dealing not only with the United States, but having to balance their individual interests with the interests of the other 15 parties that are a party to this multilateral treaty.

That is one of the things that makes this agreement so complex, but it is also one of the things that I think adds to its strength and makes it so valuable to both sides.

Mr. FALEOMAVAEGA. Without objection, I am going to keep the record open. There may be some additional materials and information that I will be requesting of your office, Mr. Gibbons-Fly, to submit to be made part of our record.

Mr. GIBBONS-FLY. We would be happy to provide additional information that you request.

Mr. FALEOMAVAEGA. I do want to thank you very much for coming this morning to testify before the subcommittee.

I hope that in the coming weeks and months we will continue the dialogue, and hopefully we can resolve some of these issues as far as our fisheries program not just in the Pacific, but in other areas as well. But I do want to thank you for coming.

Mr. GIBBONS-FLY. Thank you, Mr. Chairman, and thank you for your support. I very much have appreciated the opportunity to be here today. As I said, we are happy to provide any additional information that you request.

Mr. FALEOMAVAEGA. Thank you very much. The hearing is complete.

[Whereupon, at 10:56 a.m., the subcommittee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE GLOBAL ENVIRONMENT
Eni F. H. Falcomavaega (D-AS), Chairman

March 26, 2009

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Subcommittee on Asia, the Pacific, and the Global Environment to be held in Room 2200 of the Rayburn House Office Building:

DATE: Thursday, April 2, 2009
TIME: 10:00 a.m.
SUBJECT: The South Pacific Tuna Treaty: Next Steps for Renewal
WITNESS: Mr. William Gibbons-Fly
Director, Office of Marine Conservation
Bureau of Oceans and International Environmental and Scientific Affairs
U.S. Department of State

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202/225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee as noted above.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON ASIA, THE PACIFIC AND THE GLOBAL ENVIRONMENT

Day: Thursday
Date: April 2, 2009
Room: 2200 Rayburn House Office Bldg.
Start Time: 10:02 a.m.
End Time: 10:57 a.m.
Recesses:
Presiding Member(s): Chairman Eni F.H. Falcomavaega

CHECK ALL OF THE FOLLOWING THAT APPLY:

Open Session
Executive (closed) Session
Televised
Electronically Recorded (taped)
Stenographic Record

TITLE OF HEARING: "The South Pacific Tuna Treaty: Next Steps for Renewal"

COMMITTEE MEMBERS PRESENT: Donald Manzullo, Jeff Flake

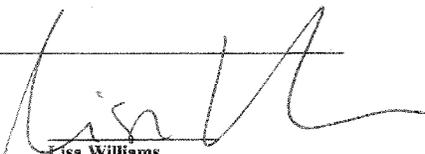
NONCOMMITTEE MEMBERS PRESENT:

WITNESSES: Same as meeting notice attached? Yes No (If "no", please list below and include title, agency, department, or organization.)

ACCOMPANYING WITNESSES: (Include title, agency, department, or organization, and which witness the person accompanied.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record)

Chairman Falcomavaega
Ranking Member Manzullo
Mr. William Gibbons-Fly (Witness)


Lisa Williams
Staff Director

**COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON ASIA, THE PACIFIC, AND THE GLOBAL ENVIRONMENT
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515**

**Donald A. Manzullo (IL-16), Ranking Member
Opening Statement**

April 2, 2009

Mr. Chairman, thank you for calling this hearing regarding the South Pacific Tuna Treaty. I know this an issue that is important to you and the district that you represent.

The South Pacific Tuna Treaty, which includes a total of 17 nations, is a legal framework that has effectively governed the harvest of tuna for the past 20 years. In fact, the Treaty is a keystone of the special relationship between the United States and the South Pacific, and it has contributed positively to the economic development of South Pacific nations. However, despite the usefulness of this Treaty for the past two decades, the future of this fishery is under greater pressure today than ever before.

Looking towards the future, it is important that the South Pacific Tuna Treaty remain the primary mechanism for regulating tuna harvests. The positive participation by the American tuna fishing fleet under the Treaty is a success story that should be replicated more broadly. Last year, the American fishing industry paid almost \$6 million to the Pacific Forum Fisheries Agency for the right to harvest tuna in the South Pacific. This amount is in addition to the \$18 million that the U.S. Government contributes annually under the Treaty. The U.S. should not deviate from this working multilateral framework and enter into separate agreements with individual states; all parties must be held to the same standard.

Before the renegotiation of the Treaty commences later this year, it is critical to account for the increased pressure that non-Treaty nations are putting on the tuna fisheries in the South Pacific. In addition, any renegotiation that fundamentally weakens the U.S. fishing fleet's ability to compete in this industry should be avoided. The fact is that fishing boats from other countries do not have the same level of respect or sound management practices as American fishing vessels. American fisherman should not be penalized for playing by the rules. When it comes to a valuable natural resource such as tuna, care must be exercised so that we do no harm.

Thank you for appearing before the Subcommittee. I look forward to your testimony.

**Statement
Congresswoman Diane E. Watson
Subcommittee on Asia and Global Environment
Committee on Foreign Affairs
Thursday, April 2, 2009
2172 Rayburn House Office Building
10:00 a.m.**

Mr. Chairman, thank you for holding today's very important and timely hearing addressing the renewal of the South Pacific Tuna Treaty. I trust the distinguished panel before us will provide insight into current state of affairs, as well as any needed changes to the treaty.

The current agreement is economically important to the U.S. and other members of the treaty. For American Samoa, tuna provides 80% of private sector employment. Per the treaty, the financial assistance that the U.S. provides is vital to many of the countries that receive it.

As the opportunity arises to amend the treaty, we must take into consideration the changes in fishing by foreign vessels. Increased fishing in the Western and Central Pacific may result in over-fishing, which has occurred in the Atlantic and Eastern Pacific. We must be wary of these potential changes as we look into renewing the South Pacific Tuna Treaty.

Mr. Chairman, thank you and I yield back the remainder of my time.

