

The Billfish Foundation
June 2016 Update

The United States stunned many nations in January of this year by giving notice that in 12 months it will withdraw from the South Pacific Tuna Treaty (Tuna Treaty), a multi-lateral agreement negotiated 27 years ago with members of the Forum Fisheries Agency (FFA) – Australia, New Zealand, plus the small island nations of Fiji, Niue, Samoa, Tokelau, Tonga, Vanuatu, Federated States of Micronesia, Kiribati, Marshall Islands, Nauru, Palau, Papua New Guinea, Solomon Islands and Tuvalu. The latter 8 nations collectively are called the Parties to the Nauru Agreement (PNS) in whose waters 80% plus of the skipjack tuna caught in the region are landed.

The Treaty provided the means for up to 40 U.S. purse seine vessels to fish waters of the signatory nations and established a U.S. economic development fund for the small island nations, administered through the FFA. The fund provides a set dollar amount paid by the U.S. annually to the FFA that covers the agency's administrative costs. The remaining U.S. government funds are distributed in equal amounts to each of the small island nations. The second payment comes from the U.S. tuna industry and is based on the tonnage of tuna, primarily skipjack, landed by U.S. vessels in each of the island nations. The economic development fund is the only U.S. aid program for the small island nations; should that aid be stopped it could prove devastating to the region.

Only twice has the Treaty been amended, in 2003 and 2015, each time the access payment amount increased. In the 2015 Treaty negotiations, the U.S. agreed to pay \$89.2 million dollars, \$21 million from the U.S. government in the form of economic development grants and \$69 million from the U.S. tuna fishing industry for 5,700 fishing days.

Following the negotiated agreement to pay the economically unfeasible funds, five converging factors created an insurmountable situation. First, record level landings created a tuna glut in markets causing prices to fall to half of previous levels. Second, the resulting economic challenges for the U.S. tuna vessels was made worse by the fact that the annual license fee structure changed to higher daily rates even when the prices of tuna declined significantly. Third, an increased fishing capacity resulted with the change in the license fee structure that resulted in an increase the number of vessels from 205 in the region to over 300. This occurred when the limit on the vessel capacity was removed to allow the island nations to could grow their fleets. Fourth, the nation of Kiribati, which is the closest to the U.S. tuna processing plant in American Samoa, reduced its available fishing days for U.S. access by 95% in 2015 leaving access to ports in other nations economically unfeasible for the U.S. fleet. Fifth, the designation by President Bush and expansion by President Obama of the Pacific Remote Island Marine National Monument closed fishing access to a large swath of water to all commercial fishing, thus reducing potential U.S. landings.

Hence late in December 2015, the U.S. tuna industry representatives requested the U.S. State Department to negotiate a reduction in the number of fishing access days from 5700 to 3700 so

payments could be reduced. FFA refused to lower the number of days and payments, and thus, the required vessels licenses for U.S. vessels were withheld. The U.S. State Department then instructed all U.S. vessels fishing in the South Pacific to stop fishing, which they did. The U.S. then gave its notice in January 2016 of its intent to withdraw from the Treaty. The standoff was hurting the U.S. fleet and some vessel owners were willing to try to continue negotiating through the American Tuna Association (ATA) for reduced fishing days. In March 2016, an agreement was reached to reduce the U.S. fishing access days to 3700 with the understanding that the remaining 2,000 days can be sold to other nations.

Why should anglers be concerned about the future of the Treaty and/or a possible new treaty or bilateral treaties between small South Pacific island nations and other distant-water-fishing nations wanting fishing access?

Because at the present individual island nations conclude bi-lateral access agreements with other distant-water-fishing nations. Depending on which nation, overfishing may result if they do fish without strict compliance and enforcement by the fishing flag nation. Under the current Treaty, observer and data reporting requirements exists along with measures to help monitor and control illegal, unregulated and unreported fishing. The U.S. government strictly enforces compliance with the Treaty and imposes high fines on the U.S. fleet for any infringement. As other nations' fleets increase capacity with joint venture vessels fishing in the island nations' waters that could lead to a disregard for such requirements and result in overfishing. Overfishing obviously means fewer fish in the water remaining for anglers to target throughout the range of the migration of fish. Retaining the current Treaty relations, but with amendments that allow adjustments when severe economic dynamics come into play would better insure continued progress. Progress can be made in sustaining fish stocks and economic development in the small island nations, especially in support of health care and education.

A revised treaty could be negotiated that may increase U.S. economic development aid to the south Pacific island nations if tied to more flexibility in fishing days based on tuna market factors and conservation thresholds. An opportunity to re-shape the Treaty in ways that would assist the U.S. fishing industry could add a fishing dimension to Obama's "Pacific re-pivot" statement while supporting Secretary Kerry's statements, during a visit to Solomon Islands, that the U.S. might be willing to "re-define" its foreign aid policy to the region. The next date for re-negotiate the South Pacific Tuna Treaty is scheduled for the end of June in 2017.