



Purseiner at work...PNA countries are putting in place measures to control the exploitation of tuna, their major source of income. Photo: Greenpeace

# Islands revoke US fish treaty

## 25-year relations come to an end

By Christopher Pala

AMERICA'S RELATIONS WITH PACIFIC ISLANDS nations will end a 25-year long chapter next year following Papua New Guinea's decision to unilaterally abrogate the South Pacific Tuna Treaty, which has framed these relations since it was signed in 1987.

"We formally give notice to withdraw from the multilateral treaty on fisheries with the US," acting PNG Prime Minister Sam Abal was quoted as saying in April in the *Post Courier*, one of the local daily newspapers, under a banner headline screaming "USA Ejected." The decision effectively ended two years of fruitless negotiations to renew the treaty.

"We've been begging them for years to update it, but they haven't been listening at all," said Sylvester Pokajam, a senior fisheries official in PNG, who is also the chairman of the Parties to the Nauru Agreement (PNA), an association of eight Pacific islands nations in whose waters most of the region's tuna is caught.

"Now the treaty is dead in the water," he said in a telephone interview.

The treaty had been in its third set of renegotiations since it was first signed and was due to expire in mid-2013 if no agreement could be reached between the United States and the other 15 countries.

Under its provisions, it ceases to exist a year after any one of four key members (US, PNG, FSM or Kiribati) withdraws. Thus, the agreement will expire a year earlier than if negotiations had simply failed to produce a new one. "We're looking at June 2012," Pokajam said.

The other treaty members are the Cook Islands, FSM (Federated States of Micronesia), Fiji, Kiribati, the Marshall Islands, Nauru, Niue, Palau, Papua New Guinea, the Solomon Islands, Tonga, Tuvalu, Vanuatu and Samoa. New Zealand and Australia are also members but do not receive development aid.

PNG, FSM, Kiribati, Marshall Islands, Nauru, Palau, Solomon Islands and Tuvalu formed the PNA after they concluded the Western and Cen-

tral Pacific Fisheries Commission, also known as the Tuna Commission, which includes the distant water fishing nations and is based on Pohnpei, did not adequately regulate the fishery.

If the American-flagged vessels, which now account for nearly 10,000 vessel/days out of a total of 34,000 in PNA waters, want to keep fishing there after June 2012, they will have to either negotiate a new multilateral treaty or reach the same kind of bilateral arrangement, renegotiated every year, under which Japan, China, Spain, Taiwan, Korea and other distant water fishing nations operate.

### Treaty unique

The US treaty is unique in the region in that it directly links development aid to access to fishing grounds, though such arrangements are common between European and African states.

The aid totals US\$18 million a year and is shared by 13 countries. For some, which receive little money from fishing license because their waters attract few tuna, the aid is significant; for others, like PNG or Kiribati or FSM, much less.

In addition, the treaty provides for the US taxpayer to subsidise to the tune of \$6 million a year, most of the vessels' license fees, while the vessels contribute about US\$5 million. It caps the number of US vessels at 40, but does not limit how many days each vessel can fish. It also provides a framework for such cooperative ventures as overflights by US Coast Guard planes searching for poachers and other law-enforcement activities.

Discontent with the treaty and what Pokajam and many observers said was the refusal of the American delegation to make significant concessions focused mostly on attempts by the PNA countries to take control of the way international



Dr Transform Aqorau...islands need a better treaty.

## Why we need a new fishing arrangement: Dr Aqorau

By Robert Matau

**P**NA Secretariat director Dr Transform Aqorau told **ISLANDS BUSINESS** that there is nothing wrong with the US multilateral fishing treaty, but with the changing fishing scenario, the treaty needs to reflect that.

"All the things they say about the treaty benefitting our islands nations is true. We have received about US\$400 million since the treaty started and it has been a lot of money and no one denies that because it is the truth.

"Everyone gets a bit of money—those in whose waters where fish are caught get a larger share of the money in fees compared to others. Even those who do not contribute anything in terms of fish still get money.

"Today, they get an average of \$300,000 a year, which is a lot of money for small fisheries administration and so the US and everyone will say we are paying a lot of money. So now at this time, fisheries has changed—we now have a tuna commission, we have a stock that is not as healthy as we once thought it was, especially bigeye and other species. We have domestic industries that have been established in many of our countries and we have management schemes like the vessel day schemes, we have conservation measures which we have implemented of which are outside of the US Treaty.

"The US fleet now comprises two thirds of the boats operating in our waters. Fourteen out of 39 are owned by American businesses, the rest are owned by US companies whose beneficiary owners are Taiwanese companies—those boats are very large. Their patterns of fishing are different to US fishing vessels. Traditionally, when the US fleet started, they were landing their fish in American Samoa, now they are landing their fish in Taiwan and in doing so, they are undermining and depressing the fish price because they are keeping it low.

"They are undermining our domestic industries and undermining the price of fish, and that affects the return countries can get. It is undermining our domestic companies because they are effectively keeping the price low so we can't compete, so it is not helping our industries. And that is the reason PNG has taken this step," Dr Aqorau said.

"In its current form, I think it is important to state the US treaty is no longer able to meet our domestic development aspirations. It is constraining on nation sovereign rights because you cannot do anything that is not consistent with the US treaty. We can't put in place measures unless US agrees to them so in order to address that, we need to have a different kind of agreement. So what we're saying is let's terminate the US treaty in its current form and renegotiate a different one." 



A big haul...a Taiwanese ship in Pohnpei transshipping frozen skipjack and bigeye tuna.

fishing fleets operate within their 200-mile Exclusive Economic Zones.

Their goal: to curb overfishing and prevent the same collapse of the stocks that occurred in other oceans, notably of the valuable but overfished bigeye; to increase the revenue they receive from foreign fishing fleets, and to have more of the tuna canned in their islands and thus keep more than the 5% or so of the US\$2 billion value of the tuna that the fishing fleets now pay them.

The decline in the Pacific stocks of tuna started in the 1970s, when purse-seining began, and accelerated in the past decade, when large numbers of foreign vessels moved into the region after depleting other oceans.

According to John Hampton, head of the fisheries programme at the Secretariat of the Pacific Community, bigeye stocks have fallen from 1.2 million to 500,000 tonnes; yellowfin from 8 million to 3 million tonnes; albacore from 1.5 million to 1 million; and skipjack from 4 million to 3 million tonnes.

### Americans refusal

After the Tuna Commission repeatedly failed to adopt reductions in fishing advocated by its own scientists (who say the bigeye catch must be cut by 30% now), the PNA group instituted a system called the Vessel Day Scheme in which vessels pay a set daily fee, between \$3,000 and \$4,500, to fish in their territorial waters. By controlling the total number of days, now set at 34,000, the PNA countries can begin to reduce the catch.

The group has also decided recently to extend the ban on fish-aggregating devices, which lower the cost of fishing skipjack but cause up to 30 percent of juvenile bigeye to die unnecessarily, from three months this year to six months next year.

## All about bigeye

Second only to the dwindling bluefin tuna in economic importance and vulnerability, the bigeye (*Thunnus obesus*, or obese tuna in Latin) is the deep diver of the tuna family and is warm-blooded, like the bluefin.

It typically spends most of its day foraging for fish and squid at depths of several hundred metres. At night, it follows its prey to waters closer to the surface. Adults can reach 2.5 metres and weigh 180 kilogrammes.

The bigeye's fatty, zebra-striped flesh,

known as otoro in Japan, is fast replacing bluefin as the most expensive tuna variety for sushi.

About half the catch—entirely adults—are caught by longliners and hook-and-line vessels in numbers that researchers say are sustainable. But teenage bigeyes like to swim with the same-sized, adult skipjack when these assemble in huge schools around whale sharks, logs and, more recently, fish-aggregating devices used by the purse-seine fleet.

These devices have sonars and transmitters, so

the ships know when the device has attracted a mass of fish worth hauling out. All end up in cans, but paradoxically mixing in the young bigeyes diminishes the value of the mix.

Environmentalists and Pacific islanders have called for the devices to be banned entirely to spare the bigeyes. The Parties to the Nauru Agreement, a group of eight islands nations in whose waters most Pacific bigeye is caught, have limited their use to nine months this year and six months next year. **B**

Sources close to the talks cite the Americans' refusal to even begin to discuss how the arrangement could be made part of the treaty as one of the reasons for PNG's withdrawal. (PNG, as the largest nation among the group, often refers to its "big brother" responsibility to defend the interests of the smaller islands, which are more dependent on the license fees for their budget.)

The other reasons for the walkout, according to sources with knowledge of the negotiations, are:

- A controversial programme that allowed the US fleet to triple in size in three years by adding 25 Taiwanese vessels to the existing 14 American ones based in Pago Pago, just as the vessel-day scheme was being set up;

- The US refusal to abide by a ban for PNA-licensed purse-seiners to fish in an area of international waters south of Hawaii that is the size of India and that contains high concentrations of bigeye. In December, the PNA's pleas to the United States to voluntarily adopt the conservation measures were ignored;

- Threats made by William Gibbons-Fly, the chief negotiator on the American side, that the US would cease all development aid to the region if the treaty was not renewed largely in its present form; and

- Last but not least, the money. American-flagged vessels were paying a tenth or less of what the other ones were being charged, and even if the US subsidies and development aid were counted, PNA countries stilled received a quarter of what other fleets were paying.

The use of the Stars and Stripes as a flag of convenience began when a group of cannery company executives, including the late David Burney, head of the US Tuna Foundation, visited American Samoa's representative to the US Congress, Eni Faleomavaega.

As majority-owners of Taiwanese vessels that operate exclusively in the Western Pacific and sell their catch to Thailand, they told him that these boats, if allowed to switch to American registry and use Pago Pago as a homeport, would offer all their catch to Samoa's canneries.

At the time, the US fleet, based there (there are none in Guam or CNMI), had fallen to 14 and the canneries faced an uncertain future because of competition from Thailand, where labour is much cheaper.

"Chris Lischewski, CEO and former President of Bumble Bee, is a part-owner of South Pacific Tuna Corporation. Chicken of the Sea and/or its parent company, Thai Union, is also a part-owner of the foreign-built tuna boats," Faleomavaega wrote in an official statement to the US Coast Guard.

The congressman obliged and had law passed in 2006 that exempted the Taiwanese vessels from carrying US crews and from having to be built in the US, as other American vessels must.

To the congressman's dismay, the purse-seiners, most of which are owned by South Pacific Tuna Corp., in which Chicken of the Sea and Bumble Bee have a part-ownership, continued operating as before, freed of onerous access fees and of the burden of having to limit their fishing under the Vessel Day Scheme. Not one ever showed up in Pago Pago, nor was a single tuna ever provided to the canneries, according to the island's governor.

"And what does the American taxpayer get in return?" wrote Faleomavaega in the statement to the Coast Guard.

"We get a depleted tuna stock and new threats to safety. Disregarding US interests and outsourcing American resources was never the Congressional intent of a crew exemption provision," he wrote, endorsing to a Coast Guard proposal—now largely moot—to force the vessels to travel to Samoa at least once a year for their inspection or lose their American registry. The exemption expires in July 2012, a month after the treaty itself will expire.

### Worried

"Now I'm really worried that our canneries are going to have to pay more for the fish," he said in a phone interview from Samoa.

From PNA's point of view, ramping up the US fleet artificially with Taiwanese vessels (a Greenpeace report singles out Taiwan as the most lawless and poaching-prone of the international fishing nations) was not well received—it even drew protests from Japan.

In his testimony to Congress, Gibbons-Fly only mentioned the "expansion" of the US fleet to state that it was within its treaty rights.

Gibbons-Fly also testified that, "The economic return to the Pacific Islands 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 Islands Parties and other distant water fishing fleets operating in the region."

But industry statistics paint a different picture. Combining access fees paid by the US taxpayers with those paid by the vessels themselves, the per day US rate was about \$330, compared to Japan's \$3,560.

If development aid is thrown in, the Japanese paid PNA countries \$6,050 per day on average and the American-flagged vessels contributed about \$1,800.

Finally, in a testimony to Congress last year, William Gibbons-Fly, who is the director of the Office of Marine Conservation in the State Department's Bureau of Oceans, confirmed what PNA negotiators had been reporting: that US would cease foreign aid to the region, which has some of the poorest communities in the world, if the treaty was not renewed on United States terms.

"The US attitude was political suicide," says Lagi Toribau, a Fijian Greenpeace ocean campaigners who closely follows the issue. Gibbons-Fly declined to comment for this article and a state department spokeswoman declined too to comment on PNG's treaty abrogation.

### Not keen on another treaty

Looking ahead, Toribau says he hopes a completely new multilateral treaty can be created with a new American negotiating team, arguing that multilateral treaties can bring more benefits than less transparent bilateral arrangements.

Pokajam, the PNA chief, is not so sure. "I'm not keen on another treaty," he says, "nor indeed on a bilateral arrangement."

Meanwhile, PNA commercial director Maurice Brownjohn is working on a two-track plan to bring tuna-related jobs and associated commerce back to where they belong: in the region where the tuna come from.

"The PNA countries have a canning capacity of about 100,000 tons a year from six canneries and loining plants in PNG, the Solomons and Marshalls," he says.

"We expect the processing capacity will double in the next year with current investments, which will bring a further 10,000 jobs and maybe three-folds associated commerce and indirect employment in the communities."

On the other track, at the PNA's behest, Moody Marine Ltd Of UK has completed an extensive certification study on PNA-fished free-school skipjack and concluded it would qualify for the coveted Marine Stewardship Council label, which many supermarket chains demand because of pressure from environmentalist campaigns.

It would be the first time the label would be granted to a tuna purse-seine fishery and a badge of honour for the PNA group's efforts to maintain a sustainable and well managed fishery.

About half of PNA's skipjack or 300,000 tons on average is caught in free-swimming schools.

Skipjack is the most suitable tuna for canning and the abundance of the tropical varieties, though it has recently showed signs that it is being fished faster than it can reproduce. **B**