



REPORT ON THE Fishing Industry Advisory Committee Meeting

October 19, 2015
2:00 p.m. – 5:00 p.m.

Fale Laumei
Pago Pago, American Samoa

1. Introduction and Welcome

The Chair, Stuart Chikami, welcomed Fishing Industry Advisory Committee (FIAC) members. Participants introduced themselves and their respective organizations.

Chikami explained the FIAC is one of three mandated advisory bodies, and recommendations originating from the body will come before the Council for their consideration.

2. Round table discussion on fishing and seafood industry issues

The Chair asked committee members if there were any issues they would like to raise for possible FIAC consideration. Russell Dunham said one of the main issues to focus on is possibility of getting MSE certification for the albacore fishery in American Samoa. Also noted was the Tokelau Arrangement looking to control the limits and members must be aware of how American Samoa fits within the context.

Joe Hamby commented on capacity management. The purse seine industry is catching more fish than what the market really needs, which translates into lower market process. American Samoa is only competitive with other sources of canned tuna to the US market because of duty-free access. It is a relatively high cost processing area. There's not much that American Samoa can do about the price, but they can certainly raise the capacity issue with the WCPFC. The Chair agreed that maintaining supply and price is an issue for American Samoa.

Basil Oshiro commented that the bottomfish industry in Hawaii is having a difficult time working together with the scientists. The desire of the fishermen is to work directly with the scientists to develop the stock assessment model. Through cooperative research projects, they remain convinced that the fishery is not overfished, while the stock assessment scientists continue to cut the quota.

Christine Lutu commented that managers must make sure all the players are kept in mind. Referring back to the PAC meeting last week, she noted it's very important that the American Samoa fishing industry, including the vessels, are participating at all levels. She would like to see

the Council address NMFS to make sure their policies are in line with the rest of the region. The US is a leader in implementing conservation measures and standards but must not be so far ahead that jeopardizes the US fleet.

Archie Soliai, StarKist participant, noted with respect to maintaining a sustainable supply the effects of USCG regulations impacting that supply. During the past few months, local feeling is that the USCG is being overzealous in their enforcement. On the local government side, the fleet is doing their best to discuss those issues. He asked if the Council can help to mitigate the impact to the supply as it seems the US fleet is being most impacted. Eric Kingma commented that the Admiral will be attending the Council meeting on Wednesday morning, and it would be good to make these concerns known to him at that time.

Victor Artero commented that the Marianas could use some assistance to boost the Guam industry. Shark depredation continues to be the main limiting factor to pelagic troll vessels.

Carlos Sanchez said that approaching the enforcement issue is difficult as the USCG can't change the rules for just for the American Samoa industry, but they should be more consistent in interpretation of the regulations so enforcement actions can be anticipated. Courtesy visits may be a solution.

Jonathon Hurd remarked that the USCG in the NWHI allowed vessels to continue fishing for minor violations and write a letter upon their return to port. This might be another solution.

3. Albacore Fishery

a. Status of the American Samoa Longline Fishery

Keith Bigelow presented on the status of the American Samoa longline fishery. There is a long term decline in participation. American Samoa is about 1/6th of the Hawaii effort. 2014 was a poor year for catch and CPUE.

b. South Pacific Albacore Stock Assessment

Bigelow presented on the albacore stock assessment. There are two populations – one in the North Pacific, and one in the South Pacific that do not overlap. The catch time series begins in 1960; the subtropical region is the most important to the albacore catch. Albacore enter the fishery at an age of about 4 and live for about 12 years. Spawning potential (biomass of adults) has declined but varies by region. Several time series were presented – fishing mortality showed a large increase in 2,000 from the longline fleet on adults. There is increasing impact from the subtropical longline fleets. Overfishing is not occurring, but more longline effort will not result in the same proportional catch amounts. The decline in abundance is affecting Pacific Island country fleets and prices are affecting distant water fleets. The Scientific Committee recommended that the longline fishing mortality and longline catch be reduced to maintain economically viable catch rates.

Dunham asked if the data takes into account a percentage of albacore that isn't recorded. One of the problems with albacore is that the effort could be much worse than is reported. Bigelow responded that the logsheets were used, which collect retained catch and are reported by flag states.

Oshiro asked if the catch reports are compared to baseline data. Bigelow responded that the data begins in about 1952, coarsely reported by distant water fleets. The quality varies throughout time. Now, there are daily logsheets that are compared to what is unloaded at port. Bigelow explained that the spawning potential is a relative measure of biomass. Oshiro indicated the fishermen are vested in the sustainability of the stock.

Basil asked how CPUE is calculated. Keith explained that at the beginning of the time series until 1975, longlines were set shallow with fewer hooks. CPUE is calculated with the difference in catchability between shallow and deep longlines.

c. Economic conditions of albacore

Bigelow presented on the relative index of albacore prices across six different territories (FFA research). The index of fuel cost is the only comparable variable. Five of the six are consistent in their terms of economic conditions. The domestic fleets need a certain CPUE to make them viable.

The Chair asked if they are going to look at more fisheries. Bigelow responded that he is always directed to do more economic studies.

Joe Hamby commented that it is interesting that the fleets here have a higher cost of operation due to conservation factors. If it is only about the money, we will only have the low cost fleets in operation.

4. Seafood/Market Issues

a. Marine Stewardship Council Albacore Certification for American Samoa Longline Fishery

Dunham presented on the possibility of the MSC certification for the American Samoa albacore fleet. It is important to make the domestic fleets as economically viable as possible. MSC certification is an opportunity to do that. The MSC certification standard is recognized internationally as sustainable, so draws a higher price and more market access. The small size of the American Samoa EEZ makes it more likely to meet the requirements.

The first step to certification is defining the unit, which can be the EEZ. Pre-assessment is the first step, which if you pass the fishery undergoes a full assessment. Then, it is posted online for comment from objectors. In five years' time, the fishery must be re-certified, so there is a continuing associated cost.

The sustainability of the stock on the regional level, ecosystem impact, and effective management are factors considered during certification. Once that's done, a chain of custody certificate must be obtained; this is an additional cost. After that, you are allowed to put the MSE logo on the product which translates to more favorable access to the market.

Dunham recommended engaging the NGOs at the beginning of the process to decrease the likelihood of filing objections. The pre-assessment and full assessment would cost between 50 and 100 thousand US dollars, most likely. The Cook Islands cost over \$100k, but their fishery is more complex with foreign players involved. The American Samoa fleet operates completely within the EEZ. If it was approximately 50 – 100 k, the return would be about a half million

dollars – and be a reasonable return on investment. Currently, the Cook Islands fish demand a premium of about 10% on their fish. Given the cost structure at the moment and the need to get an advantage over the distant water fleets, it is warranted to consider this approach.

The yellowfin purse seine fishery in the Indian Ocean failed MSE certification recently mainly due to lack of harvest control rules. The impact of that on WCPFC fisheries should be taken into account. Do we have better harvest control rules for our fishery? The Tokelau Arrangement puts some into place, so we may be able to appease objections that may arise. Since the Cook Islands did get certified, the American Samoa fleet should have a good chance.

Sanchez asked for clarification on the cost estimate, and Russell responded that he estimated it at 100,000 for the entire fishery, not per vessel. Carlos followed up with a question about separating catch. Russell responded that vessels must separate the certified fish from the uncertified fish.

Bigelow asked how observer coverage plays into MSC. Russell responded that the certification relies a lot on where the vessels go out. For small fisheries, they're not likely to transship.

Lutu asked if the Council has another certified fishery to which Kingma responded there isn't. Lutu asked how NMFS would see the requirements for MSC worked into the management of the fishery. Dunham responded that five year audits are required, and it depends on the scoring on the assessment if there is a different timeline for additional checks. Kingma said that there would probably not need any additional regulations or change in operations to achieve MSE certification, given the Cook Island's Chinese fleet certification.

The Chair commented that the chain of custody should be fairly simple, since it is all US. Dunham commented that anyone who buys fish in this port must have a COC certification.

5. Pelagic/International Management Issues

b. South Pacific Albacore

c. Tri Marine Petition

Mike Tosatto said that as of this morning, NOAA Fisheries AA Eileen Sobeck signed a response to the petition. NMFS received a petition in May. TriMarine requested that NMFS initiate emergency rulemaking to implement the limit on purse seine fishing limit in the high seas and zones. That sought an exemption for vessels that contract the intent to deliver half its catch to processing facilities in American Samoa. As NMFS got the petition, they were wrapping up rulemaking to implement effort limits in the ELAPS, including the high seas and the zones. The first part has been addressed. NMFS received a number of comments on the TriMarine petition, from a number of sectors. After considering the petition and those comments, NMFS finds that it is not appropriate to grant the second part of the petition as requested. The ELAPS may have substantial economic impacts in terms of income and employment on those industries that supply purse seiners and receive the fish caught. However, to sufficiently assess whether these impacts require a change to the regulation, they need more time to collect and analyze data. NMFS needs to understand how the loss of competitiveness may affect the overall market in American Samoa; and how to manage this while meeting the obligations of the Agency under the WCPFC. An advance notice of proposed rulemaking will be published later this week.

Joe Hamby said that TriMarine is disappointed that NMFS could not make a rule to assist the local economy. We were hoping the rulemaking process could be expedited considering the dire straits of these boats. There's no question that loss of access is having an impact on the canneries, and we look forward to working with NMFS on providing information. Hamby asked about the timeline. Tosatto responded that it is difficult to put a timeline on what it will take. There are two pieces of work: one is to fully understand the potential impact of the current circumstances and the other is exploring the clauses of the Convention to see what can be done. NMFS will likely take at least several months.

Hamby asked about ELAPS. Can you give background on why the government picked days? It is unfair for those boats with fishery endorsements to share their quota with those boats in the EEZ. Tosatto responded that when NMFS put together that proposed rule in 2009, they were looking to implement a limit which was generally a limit on current levels. The US was looking to implement that in a way which gave the fleet as a whole a greater amount of flexibility. NMFS did not receive significant comments in opposition. When NMFS combined the area, the numbers became prescriptive and smaller. Whether or not that continues is one option on the table.

Lutu asked how NMFS decides which rules to apply to which fishery when it comes to American Samoa, since they are US flag but also a SID? Tosatto responded that this is part of the reason why this is a complex problem without a quick correct answer. A fishery that takes place wholly within a zone, by vessels based in that island territory, with all fish landed in that territory, is easily an American Samoa fishery, e.g. the American Samoa fishery. The US purse seine fishery, even though it has a component based out here, has a transshipment component. It had always operated on the high seas and in foreign zones but it was not as easily categorized as an American Samoa fishery. The link has to be where the landing and economic benefit happens. NMFS would have to look at the impact to the economy, landings, shoreside processing in American Samoa in order to hook in to the WCPFC participating territory status.

Solip, American Samoa Fishery Task Force Chair, asked if there was anything that they can do to expedite the process. Tosatto replied that helping us understand the cannery and ops, hopefully without leaning on proprietary information, would be helpful. They heard from the fuelers that if seiners don't come, fuelers won't come. Make sure no stone is unturned. When asked if the local government could assist, Tosatto said Valerie Chan would be coming down with the task of understanding all the details.

6. Insular Fisheries

Mark Mitsuyasu introduced the American Samoa bottomfish fishery discussion as a long standing interest of trying to get local bottomfish to the Hawaii market. Recent landings have been about 30% of the allowable ACL. Potential for expansion in the fishery is available.

a. Hawaii standards for receiving bottomfish imports

Mike Pasher commented that Mama's Fish House on Maui has a very healthy supply network that cuts out the middleman. However, there is a steady demand for imported bottomfish in Hawaii. Mike was not familiar with what the American Samoa species are, but assumed there are onaga and paka. The local market has a fairly high price but it could be almost the same

pricing. In Hawaii there is a stronger demand than what the local fishery can supply, so if the American Samoa fishermen were willing to supply the market it could be a very lucrative market. The fresh fish market is never frozen. The biweekly shipments offered through Hawaiian Air would be an advantage over shipping through other countries.

Mike recommended removing gills and guts and shipping and packing on ice. He has seen head and gill collar cut off, but that leads to more exposure of the meat in the front part and reduced quality. Leaving gill collar on provides protection. For export, concentrate on the most prestigious and sought after species. Mama's uses 24,000 pounds/month.

Chikami asked how much imports are coming in. Imports have declined since 2003 to approximately 150,000 pounds so far this year. The main Hawaiian island ACL is 326,000 pounds.

Jonathan Hurd commented that there is an opportunity for providing work for people here through export to the Hawaii market. Oshiro added that the imports would go to the auction. Freight cost and quality are the main considerations for developing the fishery. It worth a try to make a deal with Hawaiian Airlines.

Lemuelu Kitiona explained that he has the experience to catch fish of the quality that the auction block expects.

7. International Fisheries

a. Impacts from 2015 WCPFC/IATTC closures

Eric Kingma presented on the impacts from the longline closure. The fishery was closed west of 150 W on August 5 when it reached its quota of 3,554 metric tons. Some dual permitted vessels were allowed to fish; on August 13, the EPO closed to vessels larger than 24 meters. The limit was 500 metric tons. There was a period from August until just a few days ago when 30 vessels were shut down completely.

b. National WCPO Bigeye Catch Limit

Kingma presented options to address the WCPO bigeye quota and closure of fishing areas to the Hawaii longline fishery. These included creating a unified US longline quota or a catch share program. A unified purse seine bigeye quota presents the issue of estimating the catch of purse seine big eye onboard. Bigeye might only be 5% of the total catch. The issue in the EPO is not going to go away; now the US catches a lot more fish in the EPO. Japan is selling their quota to China; the Council needs to work with the State Department and NMFS to obtain quotas that are meaningful to the US fleet while maintain conservation of the stock.

Victor Artero asked how the CNMI quota was handled. Kingma responded that it's handled under the Amendment 7 framework. The Council specifies limits annually that can be transferred. The limits were approved for the CNMI one week ago. Artero said he understands they are having problems with the Guam quota. The HLA is negotiating with Guam to get an agreement that will carry them through the end of the year.

Dunham asked if longliners under 24 meters are subject to any quota? Eric clarified that in the EPO there is a vessel size threshold of 24 meters over which the catch limit applies, and only 20% of the fleet is over 24 meters.

c. IUU Fishing and Seafood traceability

Kingma presented on the IUU task force recommendations. The US and European Commission are leading the way in regulating IUU. The US is developing a national traceability program for at risk species that will affect all US fisheries, processors, and sellers. Billfish, Mahi, Opah, red snapper, sharks, tunas, swordfish, and wahoo are on the at risk list that will be subject to the traceability program. It will involve some level of documentation onboard the vessel that travels with the fish. The first point of sale is where the traceability terminates. The Council comments pointed out that the traceability program is addressing a foreign problem by burdening US fisheries.

d. Proposed Rule on Fish and Fish Product Import Provisions of the MMPA

Asuka Ishizaki presented on the proposed rule to the Marine Mammal Protection Act. An NGO petitioned the agency to ban the import of foreign swordfish under this provision, and in response the agency has published a proposed rule. The agency is to develop a list of foreign fisheries, and in order to import, countries must demonstrate a comparable regulatory structure to the US MMPA implementing regulations. The Council's review of the proposed rule identified several issues with the rule. It could result in significant resources needs to address the large number of foreign fisheries; the impact of forgoing exports to the US is unknown; and the tariff schedule is listed by product, not gear. Stuart directed participants to send their comments to Asuka.

8. Fishery Funding – SK Solicitation

Mitsuyasu presented on the Saltonstall-Kennedy solicitation and asked members to refer to the package in their materials for details.

9. Other Issues

Lutu questioned Tosatto regarding the status of the second request from the American Samoa fishery for a waiver for larger vessels for LVPA. Tosatto responded that unfortunately, the NMFS AA only signed one and the decision on the LVPA has not yet been made.

10. Public Comment

No public comment.

11. Discussion and Recommendations

Kingma went over the draft recommendations noting the FIAC's prior consensus based decision making. The recommendations will go to the Council, who will consider them over next couple of days. The following recommendations were carried

A. Regarding South Pacific albacore:

The FIAC recommends that the Council continue to advocate for more effective international management of the south pacific albacore longline fishery and notes that the economic conditions for longline fisheries across the region remain well below historic levels.

B. Regarding the AS longline fishery and potential MSC certification:

The FIAC recommends that Council initiate further discussions with Am. Samoa longline participants, Am. Samoa canneries, and other interested parties on the costs and benefits of obtaining certification.

C. Regarding potential impacts to Am. Samoa from reduced access for US purse seine vessels based in Am. Samoa:

The FIAC recommends that the Council request that NMFS expedite its economic analysis on impacts to Am. Samoa of the US rules on purse seine effort limits.

D. Regarding impacts to the Hawaii longline fishery from WCPFC bigeye limits:

The FIAC recommends that the Council request that the US govt. work to restore US bigeye limits applicable to the Hawaii fishery and recognizes that it is highly monitored, fishes in an area of low impact to the bigeye stock, and supplies a local domestic market.

E. Regarding IUU Task Force and Traceability:

The FIAC recommends that the Council continue to request that NMFS work with the fishing industry on the development of the national traceability program and to limit impacts on US fishermen and US seafood products.

F. Regarding Am. Samoa bottomfish exports:

The FIAC recommends that the Council continue to work with the local alia fleet and Am. Samoa government on training opportunities to improve seafood handling and quality, identification of export markets, and reduced freight costs.

G. Regarding the MMPA import provision:

The FIAC recommends that Council respond to the proposed rule comment period by including the following:

a. Support the general intent of the provision, which is to level the playing field for U.S. fisheries by requiring similar marine mammal bycatch mitigation provisions for foreign fisheries exporting fish and fish products to U.S.;

b. Express concern that the process and requirements outlined in the proposed rule are extremely complex and burdensome, and has the potential to divert resources necessary to implement MMPA provisions for domestic fisheries, may impact the U.S. seafood import industry, and result in other unintended consequences to the domestic fishing and seafood industries.