

**Western
Pacific
Regional
Fishery
Management
Council**

April 9, 2018

The Honorable Wilbur L. Ross
Secretary of Commerce
US Department of Commerce
1401 Constitution Ave., NW
Washington, D.C. 20230

Dear Secretary Ross:

This letter follows up on our September 2017 meeting where we discussed Marine National Monuments in the Western Pacific Region and the need to increase the very low US longline Pacific bigeye tuna quotas applicable to the Hawaii longline fishery. Following the meeting, we provided a paper (attached) on Hawaii fisheries and the US seafood trade deficit in October, as you had requested.

Your recent statements to the US House of Representatives on the importance of US fisheries and the need to reduce the Nation's seafood trade deficit as well as the pressure you are applying to NOAA Fisheries to address the situation are laudable. Your statement on the amount of water around the United States in relation to the seafood trade deficit is compelling.

Certainly, the Regional Fishery Management Councils will play a pivotal role in any initiative to promote greater yields from US fisheries. For the Western Pacific Region, major stumbling blocks to achieving this goal are the fishing prohibitions established by national monument proclamations under the Antiquities Act and the disproportionately low and unscientifically based allocations provided to the United States through international tuna quotas in the Pacific Ocean.

More than half of the US Exclusive Economic Zone (EEZ) waters in the Western Pacific Region are closed to commercial fishing due to the establishment of Marine National Monuments. Marine National Monuments force US vessels to fish outside of US waters to compete with subsidized foreign vessels on the high seas. These foreign vessels provide fish to the US seafood market and contribute to the trade deficit. To attain optimal yield and combat the seafood trade deficit, it is critically important for US vessels to have the ability to sustainably fish in US waters, away from foreign competitors. Should President Trump remove fishing prohibitions established by national monument proclamations under the Antiquities Act, the result would not be a management void for these resources. Instead, these fisheries would return to sustainable management under the 10 National Standards and other provisions of the Magnuson-Stevens Fisheries Conservation and Management Act.

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Regarding the US longline bigeye catch limits, the US government was unable to obtain a reasonable quota increase at the December 2017 meeting of the Western and Central Pacific Fisheries Commission. Hawaii longline vessels will again face an in-season closure in 2018 and will have to rely on allocation agreements with the US Pacific Territories of American Samoa, Guam and the Commonwealth of the Northern Mariana Islands to fish in the Western and Central Pacific Ocean in order to operate throughout the calendar year. While the US Territories benefit from funding derived from these annual agreements to support fisheries development, NOAA Fisheries has failed in recent years to implement Territory catch and allocation limits in a timely manner. As a result, the US longline vessels based in Hawaii were unable to fish for over 40 days. We urgently request that NOAA Fisheries begin in earnest to obtain an increased US longline bigeye quota to alleviate such impacts. Bigeye is not subject to overfishing. The next Western and Central Pacific Fisheries Commission meeting is scheduled to be held December 3 to 7, 2018, in Pohnpei, Federated States of Micronesia.

The Council greatly appreciates your time and effort committed to accomplishing the goals of this Administration and the mission of the Regional Fishery Management Councils as mandated by the Magnuson-Stevens Act. Fishing by US fishermen in US waters and increasing our quotas for bigeye tuna in the international commissions will significantly support the Administration's goals and our mission. We look forward to continuing our work with you and NOAA Fisheries on these mandates.

Sincerely,



Kitty M. Simonds
Executive Director

Cc: Honorable Representative Rob Bishop, Utah
Honorable Representative Aumua Amata Coleman Radewagen, American Samoa
Earl Comstock, Director, US Department of Commerce Office of Policy and Strategic Planning
Chris Oliver, Assistant Administrator, NOAA Fisheries

Attachment



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Information Brief: Hawaii and the US International Seafood Trade Deficit

(October 2017)

Synopsis

- **The Hawaii seafood trade deficit was \$32.5 million in 2016.**
- **The deficit of Hawaii-targeted seafood (species normally caught in the Hawaii fishery) was \$20.3 million in 2016.**
- **A 245% rise in the Hawaii-targeted seafood trade imbalance over the past 15 years parallels the imposition of US fishery regulations, quotas, and closed fishing areas that reduced the Hawaii fishery's ability to meet an expanding local demand.**

International Trade in Seafood through the U.S. Customs District of Honolulu

While seafood represents a small percentage of total international trade through the U.S. Customs District of Honolulu (imports are dominated by fuel and passenger vehicles; exports are dominated by aircraft parts and fuel), **tuna is the eighth highest revenue import into Honolulu.**

Imports of seafood to Hawaii (\$55 million) exceeded exports of seafood (\$23 million) in 2016, leading to an international trade deficit in seafood of \$32.5 million. Imports of fish targeted by Hawaii fishing vessels (including tunas, snappers, groupers and mahimahi) were \$21.0 million and dwarfed targeted exports (less than \$1 million). Hawaii's commercial fishery landings are valued at \$110 million per year, with nearly all fish caught by the Hawaii fishery supplying the local and mainland U.S. markets.

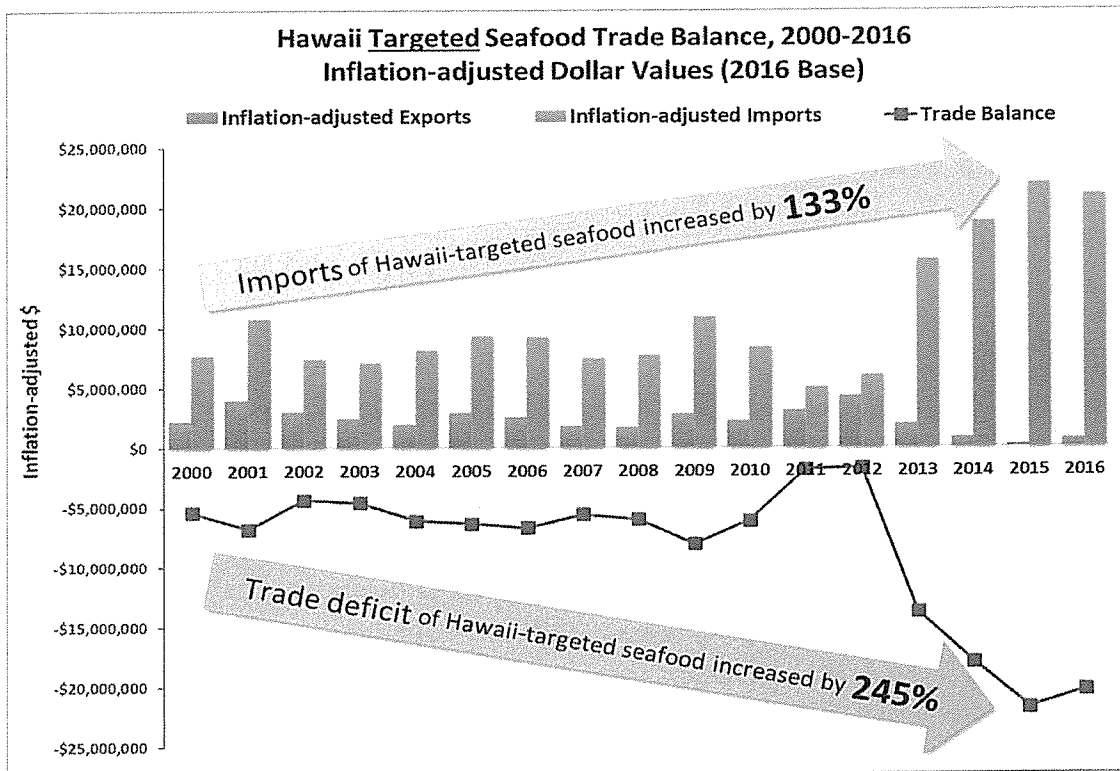
The trade imbalance in 2016 for the Hawaii commercial fishery's targeted species through the Honolulu Customs District was as follows:

Tuna:	\$16.8 million
Snapper & Grouper:	\$ 1.5 million
Mahimahi (Dolphinfish):	\$ 2.0 million
All <u>targeted</u> species:	\$20.3 million deficit

During the period of extensive regulation and executive orders (2000-present), the nominal dollar value of total seafood imports to Hawaii rose 23% and **imports of Hawaii-targeted fish rose 133%. The trade deficit on Hawaii-targeted species increased by 245%.**

Proclamations, executive orders, non-Magnuson-Stevens Act fishery regulations and international fishery quotas over the past 15 years closed the Northwestern Hawaiian Islands lobster, bottomfish (snappers and groupers) and troll fisheries; restricted the operations, range and landings for the Hawaii domestic longline fisheries (swordfish and tuna); and contributed to both the US seafood trade deficit and the Hawaii longline fleet's competitive disadvantage vis-à-vis highly subsidized foreign fleets that import competitive seafood to the United States.

Much of the trade imbalance in Hawaii represents the greater level of regulation and impediments faced by US fisheries compared to many, if not most, of their international competitors. This results in the export of negative environmental externalities and can be counterproductive from an international environmental perspective. For example, the Northwestern Hawaiian Islands bottomfish fishery closure by Presidential Proclamation is correlated with increased bottomfish imports to Hawaii from other Pacific islands countries that have few, if any, conservation standards.



Hawaii seafood wholesalers and retailers substitute locally produced fresh product with imported seafood in the absence of adequate and consistent quantities of local products. Given Hawaii consumers' and tourists' strong preferences for fresh fish, locally produced seafood has a price premium. Examples include *ahi* (bigeye tuna) used in high-end *sushi* restaurants throughout the state and fresh *moi* (Pacific threadfin) on the menu of white tablecloth restaurants. Importation of fresh and frozen fish has increased due to the demand of these fresh products, coupled with reduced and irregular domestic landings and associated increased domestic ex-vessel prices (due to reduced product supply and increased operating costs).

Conclusion

Constraints on Hawaii's commercial fisheries have led to reduced and irregular domestic landings and associated increased domestic ex-vessel prices. This in turn opened the door to expanded seafood imports, as local restaurants and retailers increasingly substituted locally produced seafood with foreign products. Hence the trade balance shifted incrementally against the Hawaii fishing industry. **Ensuring access to important fishing grounds is a necessary step to securing adequate and consistent supply of Hawaii-targeted seafood for Hawaii and U.S. mainland markets**, which would in turn reduce the trade deficit caused by a dependence on imports of the same seafood that the Hawaii fisheries supply.

References and Data Sources

US Census Bureau, USA Trade Online website: <https://usatrade.census.gov/>

US National Marine Fisheries Service, US Foreign Trade: <http://www.st.nmfs.noaa.gov/commercial-fisheries/foreign-trade/>