

INTER-AMERICAN TROPICAL TUNA COMMISSION

85TH MEETING

**Veracruz, Veracruz (Mexico)
10-14 June 2013**

PROPOSAL IATTC-85 H-2

SUBMITTED BY JAPAN

**DRAFT RESOLUTION ON MANAGEMENT OF FISHING
CAPACITY**

EXPLANATORY MEMORANDUM

1. Japan is concerned about over capacity of purse seine fishing vessels in the Eastern Pacific Ocean as it is likely to negatively affect stocks of tunas and species incidentally caught, especially where there is no catch limit on these stocks. Although IATTC has been adopting the measures on specified closure period and area to offset such negative impacts, adjustment of capacity to the level commensurate with the stock level would be much better in terms of enforcement feasibility and response to unexpected decrease of stocks of tunas.
2. Based on these ideas, Japan submitted a draft resolution on Management of Fishing Capacity to the 83rd Meeting of IATTC taking into account comments received from CPCs during the 12th meeting of the Permanent Working Group on Fleet Capacity in 2011 and the 1st Workshop on Vessel Buybacks in 2012.
3. Taking into account comments received from the 83rd Meeting of IATTC, Japan has revised the draft and herewith submitted to the 85th Meeting of IATTC. The main points of the revisions are as follows;
 - 1) With regard to a capacity management scheme for purse seine fishing vessels, this draft resolution presents an automatic reduction of capacity at the time of replacing current active vessels only in order to easily implement the capacity reduction scheme.
 - 2) Taking into account of comments received from CPCs during the 83rd meeting, this draft resolution incorporates a new element, which would exempt any capacity of purse seine fishing vessels under dispute from the capacity reduction scheme.
4. The part of capacity monitoring scheme for long line fishing vessels remains unchanged. Japan believes that at this moment no capacity management measure is necessary for long line fishing vessels whose active capacity has been decreasing, but at the same time shares the view that some measures may be required in the future. In this regard, it will be important for IATTC to establish a system to monitor changes of active fishing capacity of long line fishing vessels so that IATTC can adopt necessary measures quickly if the active capacity of long line fishing vessels has surpassed or is likely to surpass a threshold.
5. The Commission needs to take a step forward to reduce the excessive fishing capacity in the EPO in accordance with Resolution C-02-03. Japan hopes that this draft resolution will provide a good basis for discussions for this purpose.

DRAFT RESOLUTION ON MANAGEMENT OF FISHING CAPACITY

The Inter-American Tropical Tuna Commission (IATTC), gathered in La Jolla, California (USA) on the occasion of its 83rd Meeting:

Concerned that purse-seine fishing capacity in the eastern Pacific Ocean (hereinafter referred to as “EPO”) has been increasing in recent years;

Understanding that excess fishing capacity in a region makes it more difficult for governments to consent on and implement effective conservation and management measures for the fisheries of that region;

Believing that it is important to limit fishing capacity in the EPO in order to help ensure that the tuna fisheries in the region are conducted at a sustainable level;

Recalling that the Commission adopted Resolution on the Capacity of the Tuna Fleet Operating in the Eastern Pacific Ocean (C-02-03) at the 69th Meeting in 2002 in order to address the problem of excess capacity in the tuna purse-seine fleet operating in the EPO;

Further recalling that the Commission adopted Plan for Regional Management of Fishing Capacity at the 73rd Meeting in 2005 toward the same objective;

Reminded that Article VII, paragraph 1 (h) of the Antigua Convention reads “adopt appropriate measures to prevent or eliminate over-fishing and excess fishing capacity and to ensure that levels of fishing effort do not exceed those commensurate with the sustainable use of the fish stocks covered by this Convention”:

Agrees:

I. CAPACITY MANAGEMENT SCHEME FOR PURSE SEINE FISHING VESSELS

Objective

1. The Commission shall gradually reduce the capacity of purse seine fishing vessels in order to ensure sustainable use of tuna stocks in the EPO.

Basic principle

2. Any capacity change under this scheme shall be effective only with the consent of the flag Member and Cooperating non-Member of IATTC (hereinafter referred to as “CPC”).

Reduction of capacity

3. The total active capacity of purse seine fishing vessels shall be gradually reduced to 158,000 cubic meters, while giving due consideration to development of purse seine fisheries by coastal developing CPCs. The benchmark “158,000 cubic meters” may be changed by the Commission based on advice of the Scientific Advisory Committee and the scientific staff of the Secretariat.
4. Reduction of active capacity will be achieved by automatic reduction of active capacity at the time of replacing current active vessels in accordance with paragraph 5 below. This automatic reduction shall be applied to any case including those caused by force majeure.

Automatic reduction of capacity at the time of replacing current active vessels

5. When an active purse seine vessel is replaced by a second-hand vessel, no more than 90% of the existing vessel’s capacity shall be used (i.e., the capacity of the replacing second-hand vessel must be 90% or less than that of the one to be replaced). When an active purse seine vessel is replaced by a newly built vessel, no more than 80% of the existing vessel’s capacity shall be used (i.e., the capacity of the replacing newly built vessel must be 80% or less than that of the one to be replaced). When an

active purse seine vessel is replaced, it shall be done so by a single vessel, not multiple vessels. .

6. When a purse seine vessel is newly introduced by activating inactive capacity registered at IATTC's inactive and sunk purse-seine capacity list, the actual capacity of the vessel, regardless a second-hand one or a new one, shall be no more than 95% of the inactive capacity used (i.e., if 500 cubic meters of inactive capacity is used, the actual capacity of the vessel shall be no more than 475 cubic meters.). When such a vessel is replaced with a second-hand vessel or a newly built vessel later, paragraph 5 above shall be applied.
7. After an active purse seine vessel is replaced with a second-hand vessel or a newly built vessel in accordance with paragraph 5, such a second-hand vessel or a newly built vessel shall be exempted from paragraph 5 if the vessel must be replaced again due to force majeure. Under no circumstances, however, the capacity of the new vessel shall be no more than that of the previous one within 10years after its replacement.

Others

8. Any capacity of purse seine fishing vessels under disputes may not be used for the purpose of this Resolution.

II. CAPACITY MONITORING SCHEME FOR LONG LINE FISHING VESSELS

Objective

9. The objective of the scheme is to enable the Commission to properly monitor changes in the total active capacity of long line fishing vessels operating in the EPO so that the Commission can consider the introduction of appropriate capacity management measures in the future.

Basic principle

10. Each CPC shall report its active long line fishing capacity every year in accordance with the scheme below.

Scheme

11. By the end of 2013, each CPC shall report to the Director the number of tuna long line fishing vessels (hereinafter referred to as "TLFV") under their flag which actually operated in the EPO in 2012. The number of TLFV shall be reported in accordance with the following categories:
 - a. 24 m or greater in overall length
 - b. Less than 24 m in overall length with freezing capacity
 - c. Less than 24 m in overall length without freezing capacity

In 2014 and thereafter, each CPC shall submit such information for the previous year to the Director by the end of March.

12. The Director shall compile the information submitted in accordance with paragraph 3 and 4 above by CPCs by category and circulate it to all CPCs one month prior to the annual meeting.
13. The Scientific Advisory Committee shall evaluate relative impact of each category and report the result back to the 2015 Commission meeting.

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I. I. CAPACITY MANAGEMENT SCHEME FOR PURSE SEINE FISHING VESSELS

Objective

1. The Commission shall gradually reduce the capacity of purse seine fishing vessels in order to ensure sustainable use of tuna stocks in the EPO.

Basic principle

2. Any capacity change under this scheme shall be effective only with the consent of the flag Member and Cooperating non-Member of IATTC (hereinafter referred to as "CPC").

Reduction of capacity

3. The total active capacity of purse seine fishing vessels shall be gradually reduced to 158,000 cubic meters, while giving due consideration to development of purse seine fisheries by coastal developing CPCs. The benchmark "158,000 cubic meters" may be changed by the Commission based on advice of the Scientific Advisory Committee and the scientific staff of the Secretariat.

4. Reduction of active capacity will be achieved by automatic reduction of active capacity at the time of replacing current active vessels in accordance with paragraph 5 below. This automatic reduction shall be applied to any case including those caused by force majeure.

Automatic reduction of capacity at the time of replacing current active vessels

5. When an active purse seine vessel is replaced by a second-hand vessel, no more than 90% of the existing vessel's capacity shall be used (i.e., the capacity of the replacing second-hand vessel must be 90% or less than that of the one to be replaced). When an active purse seine vessel is replaced by a newly built vessel, no more than 80% of the existing vessel's capacity shall be used (i.e., the capacity of the replacing newly built vessel must be 80% or less than that of the one to be replaced). When an active purse seine vessel is replaced, it shall be done so by a single vessel, not multiple vessels.

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Deleted: <#>Any one CPC shall not possess at time more than 30% of the total active capacity of purse seine vessels in the EPO. ¶

<#>The Director shall revoke any transactions if it detects violation of any rules and restrictions contained in this document or those adopted by the Commission.¶

Freeze of capacity¶

<#>After January 1, 2013, each CPC shall not increase the total active capacity of its purse seine fishing vessels beyond the maximum level of 2011 except the case permitted in paragraph 6 below.¶

<#>As an exception to paragraph 5 above, each developing CPC may increase its active capacity utilizing up to 50% of Inactive/Sunk capacity and Available capacity (hereinafter referred to as "non active capacity") that it possesses. In case of developed CPCs, this percentage shall be 30%.¶

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<#>Active capacity may be auctioned for buy-back purposes. ¶

<#>For the purpose of buying back active capacity through auction, the Commission shall establish a Capacity Reduction Fund to be administered by the Director (hereinafter referred to as "the Fund"). ¶

<#>The Director shall first seek assistance from intergovernmental organizations such as the World Bank or GEF or donation from industry group for operation of the Fund as well as voluntary contribution from CPCs. If this is not feasible, the Director shall seek a low-interest loan from international financial institutions, which shall be paid back later by the fees collected from owners of active purse seine fishing vessels. If this is not

feasible, owners of active purse seine fishing vessels shall contribute to the Fund annually [50] dollars per 1 cubic meter of fish hold capacity. The Commission shall decide details of the Fund operation, including how to deal with cases of change of owners and cases of retirement of owners from fishing, etc. ¶

During each annual meeting, the Director shall hold an auction using the Fund in the margin of the meeting to buy back active capacity. A flag CPC authority or owner, who offered the lowest price per 1 cubic meter of the fish hold capacity, shall win the auction and receive the amount (the price multiplied by the capacity amount for the buy-back)

<#>The vessel bought-back shall be scrapped under the supervision of the Director. The cost for scrapping the vessel shall be paid by the Fund. If any money is accrued from the scrapping, it shall be put into the Fund.¶

<#>The owners of the purse seine vessels who wish to participate in an auction shall obtain approval from the flag CPC authority in advance of the auction. Before the commencement of an annual

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6. ~~When a purse seine vessel is newly introduced by activating inactive capacity registered at IATTC's inactive and sunk purse-seine capacity list, the actual capacity of the vessel, regardless a second-hand one or a new one, shall be no more than 95% of the inactive capacity used (i.e., if 500 cubic meters of inactive capacity is used, the actual capacity of the vessel shall be no more than 475 cubic meters.). When such a vessel is replaced with a second-hand vessel or a newly built vessel later, paragraph 5 above, shall be applied.~~

1. ~~After an active purse seine vessel is replaced with a second-hand vessel or a newly built vessel in accordance with paragraph 5, such a second-hand vessel or a newly built vessel shall be exempted from paragraph 5 if the vessel must be replaced again due to force majeure. Under no circumstances, however, the capacity of the new vessel shall be no more than that of the previous one within 10 years after its replacement.~~

Others

2. ~~Any capacity of purse seine fishing vessels under disputes may not be used for the purpose of this Resolution.~~

II. II. CAPACITY MONITORING SCHEME FOR LONG LINE FISHING VESSELS

Objective

1. The objective of the scheme is to enable the Commission to properly monitor changes in ~~the~~ total active capacity of long line fishing vessels operating in the EPO so that the Commission ~~can~~ consider ~~the~~ introduction of ~~appropriate~~ capacity management measures in the future.

Basic principle

2. Each CPC shall report its active long line fishing capacity every year in accordance with the scheme below.

Scheme

3. ~~By the end of 2013, each CPC shall report to the Director the number of tuna long line fishing vessels (hereinafter referred to as "TLFV") under their flag which actually operated in the EPO in 2012. The number of TLFV shall be reported in accordance with the following categories:~~

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~~In 2014, and thereafter, each CPC shall submit such information for the previous year to the Director by the end of March.~~

4. The Director shall compile the information submitted in accordance with paragraph 3 and 4 above by CPCs by category and circulate it to all CPCs one month prior to the annual meeting.

5. The Scientific Advisory Committee shall evaluate relative impact of each category and report the result back to the ~~2015~~ Commission meeting.

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~~Deleted:~~ obtained by purchasing active

~~Deleted:~~ . The principle in paragraph 15 shall be also applied to such additional capacity

~~Deleted:~~ is purchased, only 450 cubic meters may be used in case that the replacing vessel is second-hand one and only 350 cubic meters may be used in case that it is newly built one.). The purchased capacity may not be activated until the documented proof certifying that the purchased vessel has been scrapped is provided to the Secretariat. ¶

Consideration to development of purse seine fisheries by coastal developing CPCs¶

<#>Any active capacity which is bought-back through auction or which becomes available as a result of replacement in paragraph 15 and 16 above shall be added to the Reserve Capacity to be established by the Commission and administered by the Director (hereinafter referred to as "the Reserve Capacity"). ¶

<#>The Director shall announce the availability of capacity in the Reserve Capacity when it exceeds 3,000 cubic meters. The Director shall establish a period during which a request for utilizing such capacity can be submitted. Only owners from CPC with non-active Capacity authorized by the Commission may utilize the capacity available in Reserve Capacity. Such owners shall submit a concrete utilization plan which is authorized by the flag CPC. ¶

When there are

~~Deleted:~~ one capacity requests and the total requested amount of capacity is more than the capacity available in the Reserve Capacity, the following order shall be applied:¶

<#>1st priority: utilization of the capacity authorized under paragraph 10 of Resolution C-02-03¶

<#>2nd priority: utilization of capacity authorized by the Commission as necessary for fishery development of coastal developing CPCs (other than 1st)¶

<#>3rd priority: utilization of non-active capacity (other than 1st and 2nd)¶

If the owner whose request was accepted does not use the obtained capacity within 6 months (in case

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~~Deleted:~~ When the total amount of the Non-active Capacity becomes zero, the Reserve Capacity shall be terminated and the remaining capacity in the Reserve Capacity shall be voided. If the total active capacity is above 158,000 cubic meters at that time, reduction of active capacity shall be continued in

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