### INTER-AMERICAN TROPICAL TUNA COMMISSION PERMANENT WORKING GROUP ON FLEET CAPACITY 25<sup>th</sup> MEETING

Panama City, Panama

### 29 August 2024

### **CHAIR'S REPORT**

### AGENDA

		Documents
1.	Opening of the meeting	
2.	Adoption of the agenda	
3.	Review of changes in the utilization of fleet capacity in the EPO	<u>CAP-25-01</u>
4.	Report of the Workshop on Management of Fleet Capacity in the Antigua Convention (Santa Marta)	
5.	Identification and consideration of pending issues related to the management and control of the capacity of the fleet	
6.	Review of pending capacity claims, disputes, adjustments, and requests according to the list presented at the 89 <sup>th</sup> meeting of the IATTC and referred to in document CAP-17 INF-A REV (14 May 2016)	
7.	Recommendations to the Commission	
8.	Other business	
9.	Adjournment	

The 25<sup>th</sup> meeting of the Permanent Working Group on Fleet Capacity was held in Panama City, Panama, on 29 August 2024.

### 1. Opening of the meeting

The Chair of the Working Group, Mr. Julio César Guevara, opened the meeting and requested the appointment of a rapporteur. Panama offered the support of Ms. María Patricia Diaz, who took on the role of rapporteur. He provided a brief introduction regarding the informal meeting of the Fleet Capacity Working Group, which was held in conjunction with the Capacity Workshop in Santa Marta, Colombia. In that meeting, the participants had the opportunity to review the agenda for the current meeting. It was confirmed that a quorum was present to proceed with the meeting, with 16 Members in attendance. Each of these introduced themselves, along with representatives from various NGOs.

### 2. Adoption of the agenda

The Working Group adopted the agenda, noting that the following matters would be discussed under "Other business":

- Ecuador requested to address the case of a vessel that had not been included in the register in 2002, as well as another that requires an update to the register regarding its well capacity.
- Vanuatu requested the Chair to confirm the receipt of its request for well capacity and to discuss it under agenda item 6.

• Venezuela announced its intention to present a capacity resolution proposal at the plenary meeting of the Commission and requested to share it with the Working Group. Additionally, it asked the Secretariat for a list of vessels (without revealing their names) detailing their cubic meter capacities, metric tonnage, and the maximum landings achieved, which would support its proposal.

The Chair of the Group recalled that this matter was informally addressed during the meeting in Santa Marta, Colombia, at the capacity workshop. The Secretariat said that a graph was available that could be shown at the meeting.

### 3. Review of changes in the utilization of fleet capacity in the EPO

The Director of the IATTC, Dr. Arnulfo Franco, presented the situation of the capacity of the purse-seine fleet operating in the EPO, as described in Document <u>CAP-25-01 - Review of changes in the utilization of fleet capacity in the EPO</u>. After summarizing its evolution and the stages of its regulation by the resolutions adopted successively by the Commission since 1999, Dr. Franco pointed out that, as of 30 June 2024, the active purse-seine capacity in the Regional Vessel Register (RVR) is 279,071 m<sup>3</sup>. The capacity of inactive, sunken, or under-construction vessels stands at 9,149 m<sup>3</sup>, while the available capacity resulting from movements in the RVR is 14,643 m<sup>3</sup>, leading to a total potential capacity of 302,863 m<sup>3</sup>.

When Resolution C-02-03 came into effect in June 2002, the active capacity was 218,482 m<sup>3</sup>. The combined total of active and inactive capacity, including that referenced in paragraph 10 of the resolution, was 273,467 m<sup>3</sup>. Although the current operational capacity is below that level, this reflects an increase in total potential capacity of 29,396 m<sup>3</sup>. It is important to note that these figures do not fully account for the capacity requests mentioned in the footnote of the resolution, which were partially utilized by two of the three countries involved, Peru and Colombia, with the Commission's approval. It was indicated that there exists a potential capacity due to claims amounting to 52,667 m<sup>3</sup>, along with pending matters under dispute regarding administrative capacity management issues, new requests, and those established in accordance with the footnote of Resolution C-02-03.

Guatemala requested a review of the potential capacity mentioned in the previous points to clarify the figures, especially in light of a new request from a Cooperating non-Member. The Chair of the meeting asked the Director to reformulate the existing table concerning pending capacity allocations, distinguishing between those related to claims and other requests. It was stated that this would be ready for the next meeting of the group.

# 4. Report of the Workshop on Management of Fleet Capacity in the Antigua Convention (Santa Marta)

Dr. Arnulfo Franco reported that from 29 to 31 July 2024, a workshop on capacity management in the EPO was held in Santa Marta, Colombia. During this workshop, attendees had the opportunity to hear Dr. Dale Squires, the consultant, present his plan for fleet capacity management, which can be found on the IATTC website: Plan of Action for Management of Fleet Capacity in the IATTC.

After this brief introduction, the delegations were given the opportunity to share their comments regarding the plan and potential future activities. In this regard, numerous delegations expressed their concerns, which can be generally summarized as follows:

- The plan fundamentally comprises economic elements aimed at enhancing fleet production; however, it lacks provisions for the management of tuna resources and does not guarantee the sustainable management of the fishery.
- The plan suggests that fleet capacity is owned by private industries. Nevertheless, several countries argue that this capacity resides under government authority, which prevents the transfer of fishing rights from one vessel to another as indicated in the plan.
- Countries that currently lack available well volume capacity in accordance with Resolution C-02-03 would be excluded from the opportunity to participate in this plan.

- Current issues regarding requests for new capacity, disputes, or claims regarding capacity would not be resolved under this plan.
- Establishing a pilot program involving certain vessels, while allowing the rest to continue management primarily through the application of closure periods is very challenging. This is because a subset of vessels would be subject to closures while others would not, leading to significant risks for resource conservation and potentially requiring an increase in the number of closure days.
- The planned activities were not carried out, as the consultant's visits to the countries to meet with relevant tuna companies to discuss the viability of the plan and tailor it to the emerging needs and realities did not take place.
- It was noted that the plan has remained in a theoretical stage for several years, making it essential to decide whether to advance to a practical phase or to set it aside for the time being.
- It was pointed out that the work conducted by the consultant did not take into account the fishing rights established in Resolution C-02-03
- Multi-fleet companies may be able to apply and adapt to the system recommended by the consultant; however, those that do not have this status may not be able to do so.

The European Union, which provided financial resources for the study, inquired whether the Committee believed that the plan could progress or if it was time to seek alternative solutions. In this regard, the majority of delegations expressed that, unfortunately, it was difficult to continue the work in the absence of funding to proceed to a practical phase to carry out the exercise requested at the last IATTC meeting in Victoria, Canada.

Vanuatu requested that the issue of capacity be regarded as a national matter, as capacity is about the governance of a public good. The Chair recalled that capacity governance is the responsibility of each country, established through its own legislation.

Throughout the workshop, it was discussed that before supporting the continuation of a second phase of the consultancy, discrepancies must be resolved, new capacities that could entail an additional 50-day closure for the fleet operating in the EPO.

The Director indicated that the plan requires testing to ascertain its potential outcomes. The Working Group asked the scientific staff about the impact of having part of the fleet implement the pilot plan while the rest continue to apply current conservation measures. Dr. Alexandre Aires-da-Silva noted that the scientific staff would continue to assess the resource conditions and, as always, would recommend management measures to ensure the sustainability of the resource.

Ecuador expressed its interest in continuing the work, suggesting that the focus should deepen on the relationship between the state and the industry, expanding the study to enhance insights and data. However, the United States, which had provided resources for the workshop in Colombia, reported that it no longer had funding available to support the continuation of the efforts.

The Chair noted that, with the exception of Ecuador, the remaining delegations believed that the uncertainties outweighed the certainties. Without the necessary adjustments to address the numerous outstanding aspects, there is no consensus to support the continuation of the consultant's work or the initiation of a pilot program, especially in the absence of an established protocol and methodology. Consequently, the Chair indicated that the Working Group's recommendation to the Commission will be that there is insufficient justification to continue with Dr. Dale Squires' study. However, it will await Ecuador's efforts to implement a pilot plan, with the understanding that such a plan will require the Commission's approval to proceed. El Salvador requested that the matter be presented to the Commission separately, clarifying that while the vast majority of Members do not see the feasibility of continuing work

based on Dr. Squires' proposal, Ecuador is interested in pursuing a pilot program that would build upon the study.

Finally, the Chair emphasized that the potential capacity is double the target capacity and urged the CPCs to explore alternative approaches for reducing fleet capacity. Recommendations from the Secretariat are anticipated for the next meeting, with an emphasis on collaborative efforts. The Chair also invited the CPCs to share any ideas that could assist the Secretariat in seeking options for capacity management.

## 5. Identification and consideration of pending issues related to the management and control of the capacity of the fleet

The Chair provided a verbal summary of an informal meeting held in Santa Marta, Colombia, during the Capacity Management Workshop. It was noted that discussions covered various capacity-related topics.

Venezuela indicated that at the annual IATTC meeting, it would present a resolution proposal addressing issues concerning the capacity of vessels recorded in the register, as well as the maximum amount of tuna landings, in order to assess their consistency and identify an appropriate stowage factor.

The Chair addressed the review of the current regulations, noting that some vessels utilize tunnels as freezing areas. Additionally, he raised concerns regarding sealed wells, emphasizing that these spaces should not be used for storing fish. He ultimately suggested developing a protocol to manage the increase in active capacity.

The United States requested that the Secretariat provide a list of vessels using freezing tunnels for fish storage. The Director stated that no such document currently exists, but indicated that it could be presented at the next meeting.

The European Union requested clarity in this information regarding the various uses of freezing tunnels for fish storage, including distinctions between sealed wells and the use of tunnels as storage areas, as well as the number of vessels involved in this matter.

The Director emphasized the need for the Secretariat to establish clear protocols and regulations for sealing wells, as well as for measuring the capacity of vessels when modifications are made in order to update their capacity in the Regional Register.

# 6. Review of pending capacity claims, disputes, adjustments, and requests according to the list presented at the 89<sup>th</sup> meeting of the IATTC and referred to in document CAP-17 INF-A REV (14 May 2016) and in document CAP-24-01

The Chair introduced this agenda item by noting that these are recurring matters. Therefore, it was suggested that discussions commence by alternating the topics addressed in each meeting. In previous meetings, the topics were discussed in the same order as shown in the table from the 89<sup>th</sup> meeting of the IATTC, held in June-July 2015. This time, however, the discussion will begin with the topics related to new requests.

It was noted that, under the argument for recognizing their special needs and requirements as developing States, there were requests in the aforementioned table from El Salvador (2,105 m<sup>3</sup>), Nicaragua (4,200 m<sup>3</sup>), Honduras (3,000 m<sup>3</sup>), Guatemala (9,000 m<sup>3</sup>), and Mexico (2,000 m<sup>3</sup>). Additionally, there was a request from Bolivia for 5,000 m<sup>3</sup>, which, unlike the previous ones, did not appear on the list presented at the 89<sup>th</sup> meeting of the IATTC.

Belize expressed its interest in securing 2,638 cubic meters, which was not included in the table presented by the Secretariat. Vanuatu conveyed its desire for an allocation of 12,500 m<sup>3</sup> to support the development of a tuna purse-seine fleet and to address food production needs and job creation in Vanuatu, similar to efforts in other countries. They read their request, which is detailed in **Appendix X** of this report. Regarding the capacity of 1,358 m<sup>3</sup> noted in the table, they indicated there had been procedural errors that would eventually be resolved, and they hope a solution to their claim will be found by that time.

Peru recalled that it had been assigned 5,000 cubic meters in 2014, and the allocation of the remaining amount from the total cited in the footnote of Resolution C-02-03 (14,406 m<sup>3</sup>) was still pending.

The Working Group took note of these requests along with others indicated in the table resulting from the 89<sup>th</sup> meeting of the IATTC, recalling the previous agreement to consider these requests once a capacity management plan for the EPO was in place to offset any new capacity that might enter the Regional Register. It was also reiterated that the previously noted cases from the table derived from the 89<sup>th</sup> meeting would be recognized as the final requests, and no further requests would be added. The Director reminded that the 5,000 cubic meters requested by Bolivia, as well as Belize's request, did not appear in the aforementioned table, due to the Commission's decision not to register new requests, which must instead go through the Commission for documentation. The Director stated he would seek support for this guideline of not registering new capacity requests by the CPCs for presentation at the next meeting.

Guatemala requested a review of the current status of disputes, noting that the Antigua Convention lacks designated mechanisms for resolving capacity-related issues, and therefore, such matters should not continue to be treated in this manner. It emphasized that this is a procedural issue and suggested that it be stated as such. Additionally, at Colombia's request, it was agreed that in the future, requests deemed to be in dispute between two countries would not be considered in terms of dispute settlement, but rather as *resolution of cases arising from administrative problems*, a stance supported by the Committee.

### 7. Other business

Under this agenda item, a couple of topics were presented concerning two Ecuadorian vessels regarding their inclusion in the IATTC Regional Vessel Register.

The first was the case of the vessel **Victoria A** (ex Cabrillo). Ecuador reported that this vessel engaged in fishing activities prior to the establishment of the Regional Register in 2002, which is the sole requirement outlined in the Resolution for registration. Additionally, the vessel contributed to the IATTC observer program and had an observer on board, demonstrating its operations in the eastern Pacific Ocean. However, due to an oversight, it was not included in the IATTC Regional Vessel Register. The Chair inquired whether this case would be forwarded to the Commission for approval to be added to the Regional Vessel Register (RVR). The European Union, supported by Japan and the United States, stated that although the case holds merit, they could not agree to forward it to the Commission for inclusion in the RVR until a comprehensive capacity management plan is established.

The second case involved the vessel **Diana María**, which has been in the RVR since 2002. Repair activities were carried out that required the replacement of the well wall coverings with thicker materials, resulting in a measured capacity reduction of 3 cubic meters. Consequently, an update to the vessel's well volume (7.9 m<sup>3</sup>) was requested in the Regional Register.

The Director emphasized the importance of the recommendations from this Working Group on these matters for the Secretariat's work. It was advised that no changes be made to the RVR record for this vessel, and the matter will be revisited in the next meeting, with the hope of gaining a clearer understanding of how to proceed with this case and others that are currently reducing their capacity volumes.

The Chair recalled Resolution C-15-02, Interpretation of Paragraph 6 of Resolution C-02-03, stating that as of 1 January 2017, the capacity recorded is to be regarded as the confirmed capacity of vessels in the Regional Register.

Ecuador requested that its request be recorded in the minutes and urged the Director to progress these matters through correspondence.

### 8. Recommendations to the Commission

The Working Group adopted the following recommendations:

- a. Inform the Commission that the consultancy study regarding a fleet capacity management plan developed by Dr. Dale Squires will not be pursued, as the group deems it impractical. It was agreed to thank the consultant for the work undertaken over several years.
- b. Inform the Commission of Ecuador's request to develop a theoretical pilot program for capacity management, based on the perspective presented by Dr. Dale Squires and taking into account the need to circulate the implementation plan of the pilot program well in advance of the next meeting of this Working Group, prior to its implementation. In addition, provide the CPCs with information on the potential positive or negative impacts of the program in order to proceed with the consideration of the possible implementation of the theoretical pilot by the Commission.
- c. Recommend that the Commission schedule a meeting of this Group dedicated solely to discuss issues related to the freezing tunnels, the temporary sealing of wells for fuel transport, the management of remaining or available cubic meters, the permanent or temporary nature of structural adjustments to fish storage wells, and the stowage factor (conversion).
- d. Review the two requests from Ecuador concerning the vessels Victoria A (ex Cabrillo) and Diana María. In this regard, several Members stated that they could not support the inclusion of new capacity in the RVR until a comprehensive capacity management plan is adopted in the EPO.
- e. Amend the table of pending capacity issues stemming from the 89<sup>th</sup> meeting by replacing the designation concerning capacity disputes between two countries with an indication that these are *issues arising from administrative problems*.

### 9. Adjournment

The meeting was adjourned at 1 p.m. on 29 August 2024 in Panama City, Panama.

Country	m <sup>3</sup>	Details			
a. Requests based on footnote in Resolution C-02-03					
Peru	5,851	Part of 14,046 m <sup>3</sup> in footnote to Resolution C-02-03. Already granted 5,000 m <sup>3</sup> in 2014.			
Costa Rica	7,058	Part of 16,422 m <sup>3</sup> in footnote to Resolution C-02-03.			
Colombia	4,772	Part of 14,046 m <sup>3</sup> in footnote to Resolution C-02-03. Already granted 2,014 m <sup>3</sup> in 2013.			
SUBTOTAL	17,681				
b. Capacity cl		administrative issues			
Bolivia	5,830	Capacity which was allegedly transferred to Colombia without Bolivia's approval.			
Vanuatu	1,358	For the vessel <i>Esmeralda C</i> , which was allegedly transferred to Panama without Vanuatu's approval.			
Venezuela	3,805	From vessels <i>Jane IV</i> (1,250 m <sup>3</sup> ), <i>Baraka</i> (1,287 m <sup>3</sup> ) and <i>Templario I</i> (1,268 m <sup>3</sup> ) request still pending for the future if the status of the tuna stocks allows it. All these vessels are on Regional Register under Panamanian flag.			
SUBTOTAL	10,993				
c. New Requests					
El Salvador	2,105	Special needs and requirements of developing coastal countries			
Nicaragua	4,200				
Honduras	3,000				
Guatemala	9,000				
Mexico	2,000				
SUBTOTAL	20,305				
d. Other cases	5				
Ecuador	220	Eli			
	176	Ljubica M.			
	908	Monteneme			
	1,534	Isabel IV (never on the Regional Register)			
	1,554				
	850	Victoria A. (never on the Regional Register)			
SUBTOTAL					

### Capacity issues recorded during the 89<sup>th</sup> meeting of the IATTC.

### Requests submitted during the 25<sup>th</sup> meeting of the Working Group in Panama - 29 August 2024.

Country	m <sup>3</sup>	Details			
Requests submitted after the decision to close the list at the 89 <sup>th</sup> meeting of the IATTC					
Belize	2,638	As a developing country to create a fleet.			
Bolivia	5,000	In addition to a dispute over administrative issues.			
Vanuatu	12,500	As a developing country to create a fleet.			
SUBTOTAL	20,138				