

**INTER-AMERICAN TROPICAL TUNA COMMISSION**  
**PERMANENT WORKING GROUP ON FLEET CAPACITY**  
**18<sup>TH</sup> MEETING**  
**Mexico City, Mexico**  
**22-July 2017**

**CHAIRMAN’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	CAP-18-03
4. 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(May 14, 2016) 4.1. Peru and Costa Rica pending capacity requests	
5. Progress in the implementation of a Capacity Management Plan in the EPO	
6. Recommendations to the Commission	
7. Other business	
8. Adjournment	

**Opening of the meeting**

Mr. Alfonso Miranda, from Peru, opened the meeting in his capacity as Chair of the Working Group.

**Adoption of the agenda**

The agenda of the meeting was adopted with a change in the order of items 4 and 5 of the agenda to first review the pending capacity issues before the item relating to the management plan for fishing capacity in the EPO. Likewise, the review of the cases of Peru and Costa Rica was specifically identified as a sub-item in the agenda.

**Review of changes in the utilization of fleet capacity in the EPO**

Dr. Guillermo Comepán, Director of the IATTC, presented document CAP-18-03 that describes the changes in capacity utilization in the last year. He pointed out that the active purse-seine capacity in the Regional Registry as of May 31, 2017 is 281,538 m<sup>3</sup>. The capacity of inactive or sunken vessels is 6,493 m<sup>3</sup>, and the available capacity derived from movements in the Regional Register is 14,330 m<sup>3</sup>, for a total potential of 302,361 m<sup>3</sup>. When Resolution C-02-03 entered into force in June 2002, the active capacity was

218,482 m<sup>3</sup>, while the total amount of active and inactive capacity, plus that included in paragraph 10 of the Resolution, was 273,467 m<sup>3</sup>. Although the current operative capacity is below this level, this represents an increase in the potential total capacity of 28,894 m<sup>3</sup>.

Many delegations expressed concern about the continued increase in capacity and indicated that it is now time to implement measures to reduce capacity and implement a management plan.

#### **4. Review of pending capacity claims, disputes, adjustments, and requests according to the list presented at the 89<sup>th</sup> meeting of the iattc**

##### **4.1 Peru and Costa Rica pending capacity requests**

###### **i. Peru**

Peru made a presentation to justify its capacity request. It indicated that it had a reserve of 14,046 m<sup>3</sup> mentioned in the footnote of paragraph 10 of Resolution C-02-03 and requested the allocation of 5,851 m<sup>3</sup>, which would be added to the 5,000 m<sup>3</sup> already granted in 2011 in Resolution C-11-12 as amended in 2014 by Resolution C-14-05. It pointed out that it fishes 94% on schoolfish and 6% on FADs, for which reason it fishes mainly skipjack tuna, a species that is abundant in its jurisdictional waters seasonally or temporarily. Its current capacity is insufficient to prompt the development of tuna fishery in Peru. Peru has fully respected the management measures adopted by the Commission, in addition to having economic reasons that justify its request.

Several delegations expressed that this request has merits to be analyzed and acknowledged that it was presented with all the necessary elements for its analysis.

###### **ii. Costa Rica**

Costa Rica indicated that it is rethinking its policy to develop a tuna industry and its request is based on the footnote of Resolution C-02-03, reason for which it requests the allocation of 7,058 m<sup>3</sup>. Costa Rica has adopted several unilateral conservation measures and has banned fishing with FADs in its Exclusive Economic Zone (EEZ). It requires increasing its capacity and therefore the amount of catches in order to produce more raw material to supply its industry.

In response to a question from the United States as to whether they would use the capacity to transfer it to other countries, Costa Rica indicated that it is revising its legislation so that catches with that capacity be made in waters under its jurisdiction.

###### **iii. Bolivia**

Bolivia noted that it had been stripped of the capacity it had been assigned, and therefore, although it was not making a capacity claim, it requested the Commission to recognize the right to that lost capacity, its allocation and it would activate it only when appropriate management measures would be taken, which would ensure that tuna stocks would not be affected. Bolivia would be activating only 2,217 m<sup>3</sup> of the 5,830 m<sup>3</sup> it requests, considering always the conditions of the tuna resource as a priority.

###### **iv. Colombia**

Colombia noted that Bolivia's statement on the stripping of its capacity should not be discussed in this group but at a bilateral level and that the issue had already been discussed and resolved in the past. Colombia submitted its request for 4,772 m<sup>3</sup>, covered by the footnote of paragraph 10 of Resolution C-02-03. It requested that its statement be attached to the report (see Annex).

**v. Honduras**

Honduras indicated that it requested 3,000 m<sup>3</sup>, since it has only 141 m<sup>3</sup> to date. It considers this amount reasonable and legitimate with a view at promoting its fishing sector and taking into account not only its condition as a developing country but also its status as a cooperating non-Member of the IATTC that is committed to compliance with the conservation and management measures adopted by the Commission.

**vi. Nicaragua**

Nicaragua recalled that it requested 4,200 m<sup>3</sup>, taking into consideration its special needs and requirements, as well as its condition as a developing coastal country. It recalled that there is no categorization or priorities for the review of pending cases of capacity.

**vii. El Salvador**

El El Salvador recalled that it is requested 2,015 m<sup>3</sup>, taking into consideration its special needs and requirements, as well as its condition as a developing coastal country.

After these presentations were made, some Members stated that all requests should be analyzed as a single package, since they together amount to approximately 47,000 m<sup>3</sup>, and that they should be accompanied by conservation and management measures that compensate for the increase in capacity and greater fishing effort that such increase implies.

Peru stated that, in the various meetings of the Working Group, it was agreed that capacity requests should be addressed according to the categorization established in Costa Rica in 2011, with requests from the coastal countries mentioned in the footnotes in Resolution C-02-03, the first to be addressed.

The United States noted that some of the amounts of capacity that have been granted have not always led to the development of the national industry and have been transferred to other countries, so this element must be taken into account in the analysis of the possible allocation of new capacity, in addition to carrying out an analysis of the capacity loans and concessions made from one country to another and what is the income generated by that activity.

**5. Progress in the implementation of a Capacity Management Plan in the EPO**

Dr. Compeán recalled that there is a project funded by GEF-World Bank to carry out a study that links capacity with conservation and management measures and how to advance capacity management in the EPO. He noted that the terms of reference of the study, which will be assigned to the WWF, are not known.

Costa Rica proposed that an analysis be carried out by an external consultancy to address this issue and generate practical proposals to resolve this problematic issue in the Commission. After a long discussion, a series of recommendations were agreed upon for the Commission on how to continue the work.

**6. Recommendations to the Commission**

The Group made the following recommendations:

- a. The hiring of a group of consultants to recommend to the Commission on how to address operationally the solution to aspirations, requests and claims of capacity, as well as the management of existing capacity, in conjunction with management measures in accordance with the conditions of the resource and the special circumstances and needs of developing countries, particularly developing coastal countries and small island countries, in order to make compatible with them the solution to those capacity issues within the framework of overall capacity management plan based on the "*Elements for implementing a fleet capacity management plan in the IATTC*" set out in the document that was adopted in 2016.
- b. To instruct the Director to prepare, in consultation with all Members concerned, a baseline of terms of reference for the contracting of the group of consultants so that these terms are informed to the

CPCs and they may issue comments that strengthen those terms of reference. It is understood that such terms of reference will exclude the possibility for consultants to consider and give their opinion on the substantive and legal aspects of existing disputes.

- c. The results of the work carried out by the group of consultants will be analyzed in a specially convened CPCs workshop in order to recommend to the Commission concrete actions to resolve the capacity theme in harmony with the necessary conservation measures at a date and place that the Director will notify in a timely manner, within the framework of an overall capacity management plan based on the "*Elements for implementing a fleet capacity management plan in the IATTC*" set out in the document that was adopted in 2016.
- d. The results of the workshop should be presented to the Commission at the plenary meeting in 2018.

## **7. Other business**

The European Union presented its proposal IATTC-92 PROP C-1 EUR Working group on allocation of fishing opportunities to be submitted to the plenary meeting of the Commission. It pointed out that it was about creating an institutional framework to advance in the discussion of this topic.

Some delegations pointed out that there was no consensus in the Commission to move forward in the work to design a system of catch quotas, so that the creation of the group might not be appropriate. Other delegations indicated that they would present their comments during the meeting of the IATTC. It was also pointed out that it might be preferable to strengthen the Working Group on Capacity by assigning this task to it. Algunas delegaciones señalaron que no existía consenso en la Comisión de avanzar en el trabajo para diseñar un sistema de cuotas de captura, por lo quizá no sería oportuno la creación del grupo. Otras delegaciones señalaron que presentarían sus comentarios durante la reunión de la CIAT. Igualmente se señaló que quizá sería preferible fortalecer el grupo de capacidad asignándole esta tarea.

## **8. Adjournment**

The meeting was adjourned at 12:00 p.m. on 22 July 2017.

### **Annex**

#### **Statement by Colombia**

For the Government of Colombia, and according to what was stated at the Meeting of the Permanent Working Group on Fleet Capacity and the 88th Meeting of the Parties held in La Jolla, California, the meeting of the Parties is not the appropriate place to discuss the request from the Plurinational State of Bolivia.

For the Government of Colombia, head of Colombia's maritime authority—the General Maritime Directorate (DIMAR)—the registration process of the referenced vessels that granted them the Colombian flag was carried out in accordance with the proceedings established in the Colombian legislation in force for that date and in good faith.

For the Colombian Government, the certificates of cessation of flag are authentic since they are duly legalized by the Bolivian Ministry of Foreign Affairs.

Finally, it is important to point out that the carrying capacity transferred from Bolivia is not part of the capacity reserve authorized for Colombia in the footnote of Resolution C-02-03 and it must be understood as an additional capacity that the country acquired through transfer, which has not been duplicated.