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Waning US Influence and Impacts to Major US Pacific Tuna Fisheries within the Western and Central Pacific Ocean (WCPO): A Call for a US Government Strategic Plan

Summary

For the small island developing States across the Pacific, fishery resources – particularly tuna – are often the greatest, if not the only, natural resource available to support their national development. As a result, engagement in the fisheries sector is seen by the Pacific Island States as a litmus test for the commitment of other States to support their development aspirations. The engagement of the United States in tuna fisheries across the Pacific has declined significantly in recent years. This is due to a variety of factors, including competition from highly subsidized fleets from China and other Asian nations; exemptions granted to other fleets (but not US vessels) from strict conservation and management measures under international management regimes; positions and policies of certain Pacific Island States that are wholly adverse to US interests (including by States receiving significant amounts of US economic assistance); and the lack of any concerted US strategy to combat these factors in favor of US interests.

The diminishing role of US fisheries in the Pacific has a range of adverse consequences including 1) economic consequences for the state of Hawaii and the US Pacific Territories of American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands; 2) waning US political and economic influence throughout the region; 3) weakening national security in the face of China's growing influence and presence across the Pacific; 4) conservation consequences for the species impacted by fisheries in the region, including protected and endangered species of marine mammals, sea turtles, and sea birds; 5) weakening of regional governance and rule of law; among others.

The greatest beneficiary of diminished US engagement and influence is China. China is actively implementing a specific set of policies, programs, and investments to expand its influence throughout the Pacific specifically focusing on the fisheries sector, recognizing that the Pacific Island States see their development aspirations tied as closely to the fisheries sector as the Middle East is to oil. If the United States is to effectively stem China's rise as a regional power across the Pacific, it must develop a more holistic, high-level strategy to reinforce and reinvigorate the US posture in the Pacific, using fisheries as the influential conduit. Such a strategy requires coordination across multiple federal departments and agencies, including the Departments of State, Interior, Commerce, Defense, and Homeland Security.

I. Overview of Competing Interests in the Pacific

In post-war years, the United States maintained a strategic geopolitical position among Pacific nations, much of which was brought about through foreign assistance and economic development in Pacific Islands. This strategic position helped advance the mutual interests between the US and those of Pacific Islands and Oceania nations, particularly with respect to national security which extended to fishery interests. Many of these Pacific Islands where the US had physical presence included its overseas possessions – which were to become US Territories (American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands, CNMI) and the Freely Associated States (Federated States of Micronesia, Republic of the Marshall Islands, and Palau). Since the Compact of Free Association in 1986, the United States has provided economic assistance through trust funds, defense, and other services or benefits to Freely Associated States (approximately \$270 million in 2020 obligations¹). The Freely Associated States prove to be critical in negotiating fishery policy in the Pacific, as discussed in following sections. The United States also contributes foreign aid elsewhere throughout the Pacific, such as \$2 billion of its global \$51 billion 2020 aid obligations to be disbursed throughout Oceania and East Asia¹.

While the US maintains a pivotal role with respect to foreign aid distribution and global security, the US seldom has its fishery interests supported the Pacific, which should serve as a litmus test for how the US is unable to advance its interests in the Pacific in a time when it needs to counter the influence of competing countries. Such an interest includes having a US catch limit for bigeye tuna commensurate with current capacity. Advancement of US fisheries interests in the Pacific are often stymied through disagreements with beneficiaries of US aid. US fisheries also operate with inherent disadvantage relative to other competing nations, most of which are also industrialized and are vying for influence in the Pacific. Many of these competing fishing nations rely significantly on subsidies, much of which are deemed ‘harmful’ towards sustainability which include capacity enhancing or fuel subsidies, whereas the majority of US fisheries subsidies were deemed ‘beneficial’ because they enhance conservation, research, and management². 55% of global fishery subsidies originate from Asia, including China which invested the greatest amount in fishery subsidies - \$7.3 billion in 2018, of which 91-95% are deemed ‘harmful’¹. This contrast may be apparent whereas the registry and fishery participation of Chinese flagged tuna vessels in the Pacific has increased dramatically over the last two decades³. The World Trade Organization vowed to move towards reducing harmful fisheries subsidies; however progress on this front has been delayed as of November 2021 with draft negotiation text still in circulation⁴.

¹ USAID Foreign Assistance Data Dashboard, <https://foreignassistance.gov/>

² Sumaila, U.R., N. Ebrahim, A. Schuhbauer, D. Skerritt, Y. Li, H. S. Kim, T. G. Mallory, V.W.L. Lam, D. Pauly. (2019). Updated estimates and analysis of global fisheries subsidies. *Marine Policy*, Vol. 109

³ *Attachment* - Informational Paper: The Rise of China in Pacific Tuna Fisheries

⁴ Godfrey, M. “WTO fishing subsidies agreement draft text sent to trade ministers, raising hopes of deal” *Seafood Source* November 29, 2021

China has contributed an unknown portion of its global 2020 contribution of \$4.8 billion in foreign aid to the Pacific region - to countries such as Kiribati, Solomon Islands, Papua New Guinea, and others that are supported by the United States as well. Policy analysts warn that much of this aid, as part of China's *Belt and Road Initiative*, could lead to 'debt-trap diplomacy' – a practice of issuing monetary or infrastructure assets in another country that cannot be reciprocated or repaid, thus creating leverage on that nation out of repercussion of having those assets seized. China's presence in the Pacific challenges the posture of US (and of other nations) influence. Such a presence and revisionist approaches to erode alliances and partnerships have been noted by the US Navy and the *Tri-Service Maritime Strategy* as detrimental to US naval advantages and potentially degrading to free and open international order⁵. Recently in Kiribati and the Solomon Islands, China supplanted Taiwanese influence, restored, and strengthened diplomatic relations. In Kiribati, China drafted plans to develop a large airstrip and infrastructure that could be used for military purposes, which is of concern for US national security. Chinese influence for fishing access in Kiribati is purported to have driven a decision towards opening the world's second largest marine protected area – the Phoenix Island Protected Area – adjacent to the EEZs of US Pacific Remote Island Areas (PRIAS).

Other Asian distant water fishing nations or entities (ADWFN), such as Korea, Japan, and Taiwan compete with the US through foreign aid, much of which is intended to influence fisheries specifically. For example, Japan's Ministry of Foreign Affairs reported that Japan had provided \$172 million in grants to Federated States of Micronesia and \$233 million to Palau from 1980 to 2016, plus numerous other contributions and infrastructure projects to Pacific Island nations. The Japan Trust Fund and the Chinese Taipei Trust Fund contribute significant funds for fisheries development within the Western and Central Pacific Fisheries Commission (WCPFC)⁶. Aid by ADWFN may be conditional on support for donor nations' fisheries in international fora and negotiations. Fisheries are the economic common denominator and the largest shared commodity among all communities in the Pacific, including the ADWFN and the US alike.

II. Overview of the Western and Central Pacific Fisheries Commission

Roughly 60% of the world's tuna supply, including the majority of US-caught tuna, is under international management of the Western and Central Pacific Fisheries Commission (WCPFC), a regional fishery management organization (RFMO) that includes waters under US jurisdictions around Hawaii and the US Pacific Territories. The WCPFC was established by the international treaty, Convention on the Conservation and Management of Highly Migratory Fish Stocks in the Western and Central Pacific Ocean. The treaty was ratified in June 2004, based off the 1995 UN Fish Stocks Agreement. The WCPFC serves the purpose *to ensure, through effective management, the long-term conservation and sustainable use of highly migratory fish*

⁵ US Navy. 2020. "Advantage at Sea Prevailing with Integrated All-Domain Naval Power."

⁶ <https://www.wcpfc.int/implementation-article-30-convention>

stocks in the western and central Pacific. This is achieved through a consensus-based approach to adopt resolutions and conservation and management measures (CMMs) for which members agree to abide.

The WCPFC, like other tuna RFMOs, assesses and reviews stocks through a scientific committee on an annual basis. The major tuna RFMOs manage the principal species which include tropical tunas (yellowfin tuna, bigeye tuna, skipjack tuna) and albacore stocks. The WCPFC is the only tuna RFMO for whereas these species are not overfished nor experiencing overfishing (Figure 1).

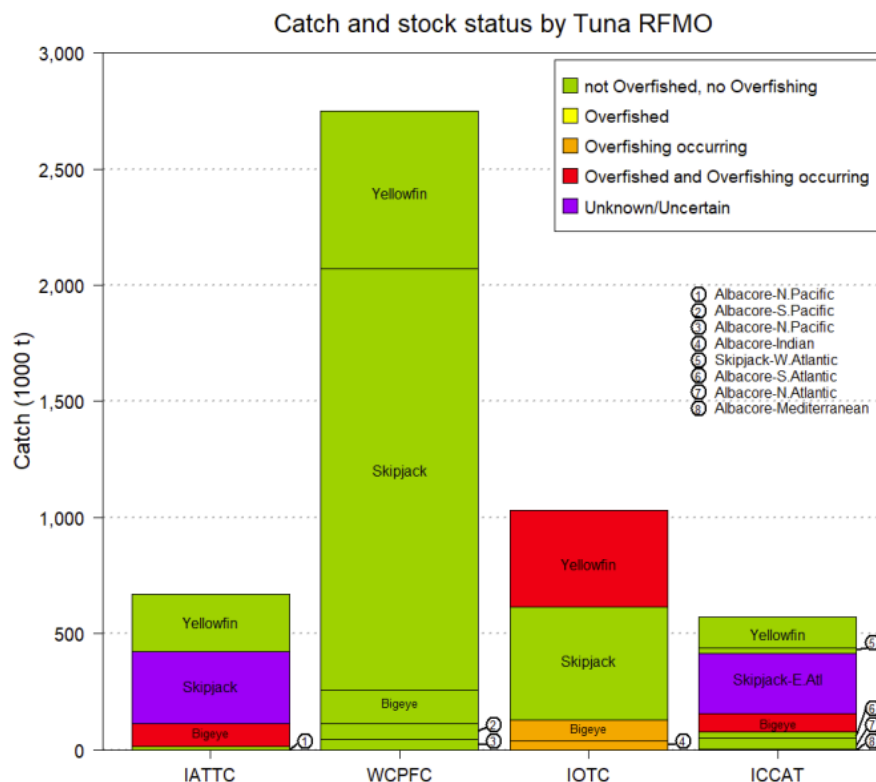


Figure 1 – Comparison of catch volume and stock status between the WCPFC and other RFMOs: International Commission for the Conservation of Atlantic Tunas (ICCAT), Indian Ocean Tuna Commission (IOTC), and the Inter-American Tropical Tuna Commission (IATTC)⁷.

Conservation and management is to be consistent with Articles of the WCPFC Convention Text, which include objectives and guidelines from incorporating principles related to best available science, precautionary approach, governance, WCPFC functions, compliance, enforcement, monitoring, cooperation with other organizations, and other guidelines. One of the most important and unique considerations of conservation and management within the WCPFC is the recognition of special requirements of small island developing states (SIDS) through reducing or preventing ‘disproportionate burdens’ that may affect them. SIDS may have inherent

⁷ Hare, et al. 2020. The western and central Pacific tuna fishery: 2019 overview and status of stocks. SPC Ocean Fisheries Programme. Noumea, New Caledonia, 2020.

economic and political disadvantages relative to larger nations such as the US, Australia, New Zealand, or ADWFN; and SIDS may be more reliant on its marine resources within their jurisdictions (inside their respective EEZs). WCPFC members are to be cognizant that shared fishery resources managed under the WCPFC are highly migratory, and thus these resources move among and outside national jurisdictions, often into the high seas where SIDS may not have the capacity to access them. The US Participating Territories are also entitled to the same considerations and privileges as SIDS. American Samoa also has a special consideration the WCPFC must consider, in that it does not have direct high seas access from its own EEZ. There are salient concerns among WCPFC members that non-compliance to CCMs and threats from illegal, unreported, and unregulated (IUU) fisheries on the high seas disproportionately impact SIDS and Participating Territories. Cooperation with developing states, such as the SIDS, to combat IUU fisheries, promote safety at sea, and strengthen compliance are notable priorities of the US Coast Guard in its 2021 implementation plan⁸.

While the US has its own delegation to the WCPFC, each US Participating Territory is also recognized participant to the Commission, such that they may have their own delegation and thus attend and speak at Commission meetings on their own behalf. Having separate delegations consisting of the US and the three US Participating Territories also underscores the importance of the territories in negotiating mutual interests in the WCPFC and the need for US federal agencies work closely and in coordination with the US Participating Territories, particularly with improving relations with Pacific Island nations that may share cultural and economic commonalities.

III. US Pacific Tuna Fisheries Operating in WCPO and their Hardships

US Pacific Tuna Fisheries in the WCPO include the Hawaii-based longline fishery, the American Samoa longline fishery, and the US purse seine fishery. The Hawaii longline fishery is a limited-entry two-sector fishery (capped at 164 vessels) that targets bigeye tuna and swordfish, operating predominantly on the high seas around the Hawaiian archipelago. The American Samoa longline fishery targets albacore, but fishes exclusively in the US EEZ around American Samoa. Both the Hawaii and the American Samoa fisheries operate using vessels less than half the size of competing foreign longline vessels with fewer crew, do not transship, and far exceed all mandatory observer coverage requirements⁹. Many regard the Hawaii and American Samoa longline fisheries as the gold standard with respect to compliance and monitoring within the WCPFC. The US purse seine fishery operates almost exclusively in waters between 10°S and 10°N, targeting skipjack tuna that supplies canneries in American Samoa and throughout the Pacific.

⁸ US Coast Guard. 2021. "Illegal, Unreported, and Unregulated Fishing Strategic Outlook and Implementation Plan".

⁹ *Attachment- Uneven Playing Field for U.S. Longline Fleet within the Western and Central Pacific Ocean (WCPO)*

Hawaii Longline Fishery

The Hawaii longline fishery is recognized as a ‘fresh fish’ fishery, in that it packs bigeye tuna on ice for the purpose of consumption as poke and sashimi to supply the US market and Hawaii locally. The fishery is the most important domestically managed tuna fishery in the United States, supplying nearly 60% of the ex-vessel revenue of US-landed tuna fisheries, excluding canned tuna, and is the leading domestic US supplier of swordfish. The fishery contributes over \$105 million annually¹⁰ in ex-vessel dockside revenue to Hawaii alone and is a significant component to the Hawaii economy, local culture, and food security. The Hawaii longline fishery has additional value in supporting thousands of jobs and supplying the local restaurant industry and vast tourism industry.

Despite the national importance that the Hawaii fishery has in the geopolitical footprint of the US in the Pacific, the US has been unable to negotiate a fair US longline catch limit for bigeye tuna that is representative of fleet capacity, historical production, and demand. At present the US has a longline bigeye tuna catch limit of 3,554 mt, which is the lowest catch limit for six countries with specified catch limits^{11,12}.

At the 18th Regular Session of the WCPFC (WCPFC18) in December 2021, the US proposed increasing the US longline bigeye tuna catch limit by 3,000 mt, based on the rationale that a significant portion of catch remains unutilized by other members and such an increase would not undermine conservation objectives. The WCPFC Science Committee noted that the ‘temperate region’, which includes the region where the Hawaii fishery exclusively operates has some of the lowest levels of regional depletion and offered scientific advice with the goal to increase bigeye fishery yields but reduce any further impacts on the spawning biomass in the tropical regions¹³. The delegations of the US and US Participating Territories also submitted analyses further demonstrating that increases in US fishing privileges do not create disproportionate burdens for SIDS and may have positive benefits for SIDS and Participating Territories¹⁴. Despite scientific support and demonstrable evidence that an increase of US longline bigeye tuna catch would pose no conservation risk or hardship to other members, the US was rebuked and was placed into a defense posture at WCPFC18. As a result, the US is to retain its catch limit through 2023.

¹⁰ Data from: WPRFMC Stock Assessment and Evaluation Reports <https://www.wpcouncil.org/annual-reports/>

¹¹ *Attachment-* Annual Western and Central Pacific Bigeye Tuna Longline Catch Limits Adopted by the Western and Central Pacific Fisheries Commission (WCPFC).

¹² WCPFC CMM 2021-01 Conservation and Management Measure for bigeye, yellowfin and skipjack tuna in the Western and Central Pacific Ocean

¹³ WCPO Bigeye Tuna Stock Status and Management Advice, <https://www.wcpfc.int/doc/01/bigeye-tuna>

¹⁴ Assessments under CMM 2013-06 for Proposed and Potential Provisions of a New Conservation and Management Measure for the Tropical Tuna Stocks, 18th Regular Session of WCPFC, WCPFC18-2021-TTM-DP09

American Samoa Longline Fishery

The American Samoa longline fishery has declined in participation and fishery performance since 2007, declining from over 5,000 mt catch to under 1,200 mt in 2020¹⁰. In 2007, the ratio of Chinese to US catch South Pacific albacore was approximately 1:1. Since that time, Chinese catches of South Pacific albacore are over 20 times that of the US. In 2018, the WCPFC adopted an interim target reference point to increase biomass with the goal to increase biomass and resulting catch-per-unit effort (CPUE). WCPFC members have suggested a reduction in fishing effort in the South Pacific targeting the stock, noting that the stock has gradually declined and CPUE has declined even greater. Despite all of this, the stock is not overfished, nor experiencing overfishing. However, regional depletion in waters around American Samoa is the highest in a region comprised mostly of EEZs of Pacific Island States¹⁵. There is little to no chance of an interim target reference point for the stock being reached under status quo levels of catch and effort¹⁵. Therefore, there was a need for WCPFC18 to possibly revise the CMM 2015-02 for South Pacific albacore to encompass the entire stock distribution and develop harvest strategies. Unfortunately, the WCPFC18 made no progress on reducing catches towards a biomass target and instead was fixated on reducing catches on the high seas, while substantive level of catches are extracted from areas inside EEZs around American Samoa. Meanwhile, fishery performance and profitability for the American Samoa fishery continues to decline due to increasing disproportionate burden, despite being entitled to special consideration as a SIDS.

US Purse Seine Fishery

From 2018-2020 the US purse seine fishery caught and landed an annual average of 202,415 mt of tuna, of which on average of 78,879 was offloaded in American Samoa¹⁶ to supply the local StarKist cannery in Pago Pago. Viability of the only remaining cannery is existential for the American Samoa economy and directly tied to the success of all American Samoa fisheries – including the American Samoa longline fishery. GDP of American Samoa dropped 18.2% from 2007 to 2019¹⁷, following closure of a cannery in Pago Pago. The remaining StarKist cannery needs assurance of product supply to maintain business. US purse seiners have been offloading on average of 39% of catch among all US-flagged vessels in Pago Pago from 2016-2020¹³. From 2005-2007, 76% of those vessels were offloading in Pago Pago¹³. While total tonnage has been relatively consistent, there is room to expand and increase the amount of product from US vessels offloading in Pago Pago as the amount of fish from US vessels offloading in foreign ports has increased.

¹⁵ Reference Document for South Pacific Albacore for the Review of CMM 2015-02 and Development of Harvest Strategies under CMM 2014-06, 18th Regular Session of WCPFC, WCPFC18-2021-18

¹⁶ Data provided by NMFS Pacific Islands Regional Office, Honolulu, HI

¹⁷ Government Accountability Office, <https://www.gao.gov/products/gao-20-467>

However, from 2018 to 2021, the US purse seine fleet declined from 34 vessels to 13 vessels, considerably lower than the peak of US purse seine operations with 60 vessels in previous decades. Many of these vessels re-flagged from the US to avoid perceived stringent restrictions on allowable fishing effort on the high seas, access fees for US vessels under the South Pacific Tuna Treaty, and FAD closures. At WCPFC18, the US proposed recognizing US-flagged purse seine vessels that operate out of American Samoa as being eligible to benefits of SIDS. The idea was rebuffed and no progress was made to recognize these vessels.

The inability for the US to progress and advance its interests in the WCPFC will undoubtedly have negative consequences – not only on the economies of Hawaii and the US Pacific Territories, but also for conservation and management of marine resources. When US fisheries cannot contribute adequately to meet demands, they supplanted by foreign fisheries that do not have regulatory equivalencies to the Magnuson-Stevens Act, Endangered Species Act, Marine Mammal Protection Act, National Environmental Protection Act, and other applicable laws to that US fisheries are beholden to. Supplanting US fisheries would likely lead to higher catches of sea turtles, mammals, birds, sharks, and other species in loosely regulated foreign fisheries. These fisheries are often not as well monitored and do not have the level of monitoring and surveillance as US fisheries. Diminishing the relevance of US fisheries in the Pacific also diminishes the political capital of the US to advance conservation and management measures that benefit marine life.

IV. Dynamic Political Landscape in the WCPFC

The WCPFC political landscape is driven by blocs of likeminded participating members, either linked by geographical, cultural, or economic commonalities. The US is often dismissed by delegations at the WCPFC, likely due to animus towards the US that may be residual from unrelated or past disagreements. With Pacific Islands, the animus is likely predicated on the notion that the interests of Pacific Islands are counter to those of the US and the lack of progress (or perceived willingness) by the US to find common ground with those nations. In contrast, ADWFN, despite cultural or political differences, tend to find themselves in mutual agreement among one another with respect to conservation and management negotiations.

Most Pacific Island nations are generally unified by their membership to the Pacific Islands Forum Fisheries Agency (FFA). FFA members generally support interventions and negotiations by other FFA members. Eight Pacific Island nations comprise the Parties to the Nauru Agreement (PNA), which have specific interests regarding fishery management in the highly productive waters around the Equator.

To ameliorate any perceived or substantiated disproportionate burdens for SIDS in negotiating conservation and management, the FFA and PNA often promote a rationale to balance fishing effort and/or catch between waters within SIDS jurisdiction and waters on the high seas. Presumably, WCPFC members would utilize high seas waters or within their own

jurisdiction at no access cost, but would access another nation's jurisdiction (such SIDS) at an associated cost. This rationale is referred to as 'zone based management'. US fisheries do not have access to most of the US EEZs in the WCPFC Convention areas due to establishment of Marine National Monuments and other closures, hence access to the high seas is important for the US. Zone based management is integrated in the WCPFC tropical tunas CMM through implementation of a vessel day scheme (VDS). Within the VDS, WCPFC members are limited to purse seine effort on the high seas, balanced with effort limits within member EEZs. WCPFC members are also subjected to seasonal restrictions on the use of fish aggregating devices (FADS) on the high seas and within EEZs. SIDS may declare registered vessels exempt from seasonal FAD closures on an annual basis.

This privilege of FAD exemptions for SIDS often comes with debate at the WCPFC, out of concern that these exemptions undermine conservation precaution for bigeye tuna without due diligence of scientific review or may be misused by partnering distant water nations. In 2020, nearly one third of purse seine vessels in the WCPFC had declared exemptions from FAD closures, including 14 Chinese-flagged purse seiners operating through agreements with Kiribati¹⁸. Meanwhile, US-flagged purse seiners are subjected to FAD closures, effort limits on the high seas, and may not have incentive to remain in the WCPFC Convention Area through the year in order to supply the American Samoa cannery.

Freely Associated States comprise three of the eight members of the PNA, which render the opportunity for the US and US Participating Territories to work towards mutual goals with these nations through the Compact of Free Association (COFA) and the Micronesia Island Forum. Through COFA, the US contributed ~\$170 million in 2019 to Free Associated States within a twenty year trust fund of \$3.5 billion. While the US does not presently identify closely with any group of WCPFC members, which can make it difficult to garner support or open dialogues that could be beneficial, Guam and CNMI are members of the Micronesia Island Forum. External to the WCPFC, the Micronesia Island Forum is an organization *which plans for, and enhances, the quality of life throughout its member states while preserving each states diverse culture*. Improving the relationship with the Freely Associated States can be critical to improving the positions of the US and the US Participating Territories and may reduce the overall animus towards the US.

V. A Path Forward and Need for a Strategic Plan

The diminishing role of US fisheries in the Pacific can have dire consequences on US food production for the Pacific Islands and local economies. This may be indicative of waning US geopolitical influence in the region, while the present is a point in time that strengthening US positions within the Pacific is critical to countering the influences of global competitors such as China. Congressional members have demonstrated interest on this issue with proposed

¹⁸ WCPFC Circular 2020/08, 3 August 2020: Notifications Relevant to Footnote1 of CMM 2018-01

legislation referred to House Foreign Affairs¹⁹ and Senate Foreign Relations²⁰ Committees. The US Navy, US Coast Guard, and the Tri-Services Maritime Strategy identify threats to US influence and its sustained national security advantages^{5,8} that could very well be resulting in part to inaction of US agencies to advance US fisheries in international fora. A more holistic, high-level strategy is needed to strengthen US interests in the Pacific, using fisheries as the influential conduit. Such a strategy requires coordination across multiple federal departments and agencies, including the Departments of State, Interior, Commerce, Defense, and Homeland Security.

A task force consisting of representatives from agencies within these federal departments need to design a roadmap for calculated actions each agency must take within a timeline in the next two years consistent with the current Administration. This task force may need to plan workshops and in-country visits. For example, Council had requested NOAA-NMFS to develop a workshop on zone-based longline management for WCPFC fisheries with cooperation with the Pacific Islands Forum Fisheries Agency. This task force could glean steps needed to assuage any disagreement or unrelated issues taken by Pacific Island countries. This may require numerous meetings of US Pacific Island stakeholders with decision makers in Washington DC. The end result must lead to increased US agency integration in the Pacific which will improve the US posture in the Pacific so it may achieve its goals for increased economic development, food security, and national security.

¹⁹ H.R.2967 - BLUE Pacific Act. Introduced May 4, 2021 to the 117th Congress, 2021-2022.

²⁰ S.1774 - Honoring OCEANIA Act. Introduced May 20, 2021 to the 117th Congress, 2021-2022.



Informational Paper: The Rise of China in Pacific Tuna Fisheries

February 2017

I. Introduction¹

China has experienced substantial growth of its fishing industry since the late 1970s with catches increasing from about 5 million tons to over 60 million tons. Historically, China's marine fisheries production was eclipsed by freshwater fisheries production and disrupted by political events such as the mid-1960s Cultural Revolution. In 2013, China's total fishery production reached 61.7 million tons, representing over one-third of the world's total fishery production. China's enormous fishing industry is supported by the world's largest fishing fleet, with nearly 200,000 marine (sea-going) fishing vessels and 2,460 distant-water (i.e., fishing on the high seas beyond China's EEZ) fishing vessels that fish on the high seas beyond China's EEZ.

Apart from being the biggest fishery producer, China has also been being the world's leading exporter of fishery products since 2002. In 2013, China grossed USD 11.6 billion surplus from its external fishery trade.

II. China's Tuna Fisheries in the Pacific Ocean

Since 2000, there has been rapid growth in Chinese longline and purse seine fisheries operating in the Pacific Ocean targeting tuna.

Longline Fisheries

Chinese longline vessels target bigeye, yellowfin, and albacore tuna, and operate in both the high seas and national waters of Pacific Island countries. Significant increases in both number of vessels and catch have been observed since 2000 (Figures 1). In 2015, 429 Chinese-flagged longline vessels operated in the Western & Central Pacific Ocean (WCPO), catching over 35,000 mt of tuna and billfish. A significant component of the Chinese longline fleet is capable of landing ice-chilled and super-frozen tuna for various markets including sashimi (e.g. bigeye) and cannery (e.g. albacore). Chinese large scale longline vessels also operate in the Eastern Pacific Ocean (EPO), with observed increased catches since 2000 (Figure 3).

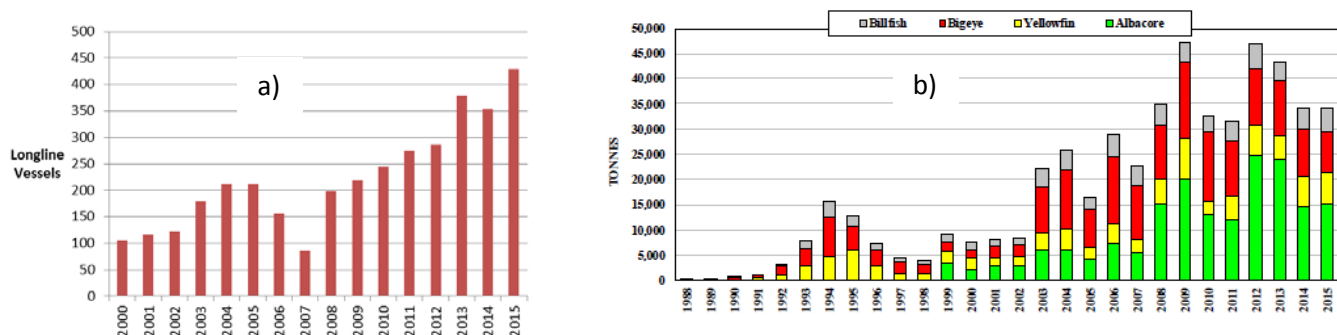


Figure 1: a) Number of active Chinese-flagged longline vessels operating in the WCPO; b) WCPO catch of tuna by Chinese longline vessels

Source: WCPFC 2016.

¹ This introductory section on China and its fisheries is freely adapted from a paper by Zhang Hongzhou (2015).

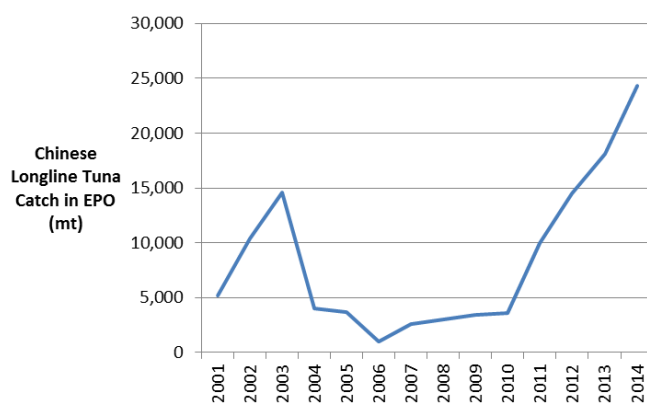


Figure 2: EPO catch of tuna by Chinese-flagged longline vessels
Source: IATTC 2015.

Purse seine Fisheries

China has a growing purse seine fishery. In 2000, there were no Chinese flagged seiners operating in the WCPO, now there are 20. The WCPO catch of Chinese-flagged purse seine vessels in 2015 was 43, 236 metric tons. China's emergence in purse seine fishing has been coupled with significant investments in onshore processing facilities under development in Papua New Guinea, Federated States of Micronesia, Fiji, Marshall Islands, and Kiribati. Onshore investments are typically coupled to fishing access agreements to the EEZs of certain Pacific Island countries.

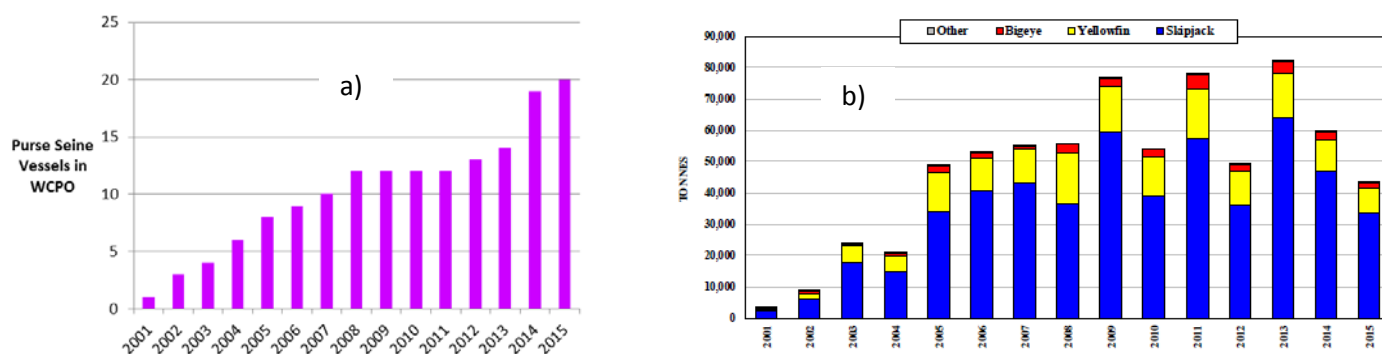


Figure 3: a) Number of Chinese-flagged purse vessels operating in the WCPO; b) WCPO catch of tuna by Chinese purse seine vessels
Source: WCPFC 2016.

III. Chinese Government Subsidies²

China subsidizes its distant water tuna fleets to levels unmatched globally. In its 11th five-year plan (2006-2011), China's central government's 'going global' strategy was emphasized, as it announced that it intended to actively support domestic enterprises abroad. Part of this strategy includes a set of incentives and subsidies to continue expanding its distant water fleet. These include subsidies on fuel, vessel construction, preferential tax treatment and payment for access to other nation's EEZs (Table 1).

² The following section on China's subsidies for its fishing industry is freely adapted from paper by J. Ilakini and R. Imo of the Forum Fisheries Agency (2014).

Table 1: Tax incentives and Direct Subsidies by the Chinese government to its distant water fleets

Tax Incentives	Direct subsidies to the fishing industry
• Corporate tax relief • Tax incentives to shipyards • Tariff cuts on imported equipment • Accelerated depreciation	• Fishery research, development and exploration and technology transfer • Fuel offsets • Access fees • Favorable industry loan rates

Source: Ilakini and Imo 2014.

The extent and magnitude of the subsidies and other support given by the Chinese government to its DWF sector is significant and likely to provide the Chinese DWF with significant cost advantage over unsubsidized fleets. The extent of Chinese subsidies and tax incentives appears to be growing under each five-year plan. Operators of other fleets operating in the WCPO longline fishery feel that they may soon be rendered economically unviable due to their cost disadvantage.

IV. Influence in Western and Central Pacific

It is no coincidence that China's rapid growth in fisheries also coincided with its growing influence in Oceania. Since the early 2000s, China has been an aggressive player in Oceania in search of natural gas, minerals, fish, and other raw materials. China provides hundreds of millions of dollars in foreign aid to governments of Pacific small island developing states. In many cases, the aid includes infrastructure projects, which are constructed by Chinese firms employing non-local Chinese workers. There are numerous articles that describe China's increased interest in Oceania and its mounting influence over Pacific Island countries. See the following reference list for further reading.

V. Competition with US fisheries

Chinese longline vessels are supplying the same US markets that are supplied by US longline fleets operating out of Hawaii and American Samoa. Chinese vessels are also competing for fish on the same fishing grounds, often fishing side by side with Hawaii longline vessels on the high seas adjacent to the US EEZ around Hawaii.

VI. Conclusion

China's rapid growth in Pacific tuna fisheries since 2000 has served to overcapitalize fisheries and has led to stock declines in bigeye and albacore fisheries. Significant government subsidies for Chinese vessels lessen the impact of reduced catch rates, which allow Chinese vessels to outcompete fleets of other nations including the United States. The expansion of China into Pacific tuna fishing is undermining US influence in the region, and exacerbating our seafood trade deficit through the influx of Chinese caught tuna supplied to US markets.

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Uneven Playing Field for U.S. Longline Fleet within the Western and Central Pacific Ocean (WCPO)

Issues	US Fleets	Competing Foreign Fleets
WCPO Bigeye Tuna Longline Catch Limits in metric tons (mt)¹	3,554 mt (lowest of nations with specified limits)	Japan: 17,765 mt; Korea: 13,942 mt; Chinese Taipei: 10,481 mt; China: 8,724 mt; Indonesia: 5,889 mt; Small Island Developing States: no limits
Longline Fleet Size and Capacity Limits in WCPFC (September 2020)²	Hawaii-based: 145 longliners active, capped at 164 American Samoa-9 active, capped at 60	Japan: 420; Korea: 118; Chinese Taipei: 618; China: 506; Indonesia: 0.
WCPO Average Longline Vessel Size (Tonnage, mt)²	82 mt	Japan: 182 mt; Korea: 410 mt; Chinese Taipei: 127 mt; China: 384 mt; Vanuatu: 454 mt; Average International Vessel: 221 mt
WCPO Average Longline Vessel Crew Size²	6 crew	Japan: 15; Korea: 25; Chinese Taipei: 15; China: 19; Vanuatu: 24; Average International Vessel: 16 crew
National Fishery Subsidies³ ('Beneficial' subsidies in parentheses). Values in USD³	\$3.4B (\$2.2B in "beneficial" subsidies); \$21M/yr Tuna Treaty,	China: \$7.3B (\$434M); EU: \$3.8B (\$1.5B); Korea: \$3.2B (\$1.5B); Japan: \$2.8B (\$534M); Chinese Taipei: \$787M (\$69M). Chinese subsidies deemed to be 91-95% 'harmful'
Reported 2019 Longline Fishery Observer Coverage⁵ (minimum requirement is 5% in international waters)	<u>By effort (hooks fished):</u> 18% <u>By trip:</u> 22.9% (deep-set), 100% (shallow-set)	<u>By effort (hooks fished):</u> China: 2.1%; Japan: 2.7%; Korea: 3%; Chinese Taipei: 7.4%; Indonesia: 0% <u>By days fished in international waters:</u> China: 5.3%; Japan: 6%; Korea: 11%; Chinese Taipei: 5.5%, Indonesia: N/A
Reported 2019 WCPO Longline Transshipment Events⁵	None	China: 299, Japan: 249, Korea: 129, Chinese Taipei: 1,015
Reported 2019 WCPO Longline Transshipment of Bigeye Tuna (mt)⁵	None	China: 6,339 mt, Japan: 187 mt, Korea: 8,357 mt, Chinese Taipei: 7,646 mt
Import/Export of Tuna Products to/from United States in 2019 (in mt and USD)⁶	<u>Export Tuna:</u> 2,805mt, valued \$13.3 M <u>Export Bigeye tuna:</u> 64 mt, \$491K	<u>Import Tuna:</u> 282,777 mt, valued \$1.875B China: 3,025 mt; Korea: 2,304 mt; Japan: 1,371 mt; Chinese Taipei: 1,555 mt; Indonesia: 30,674 mt; Thailand: 105,514 mt; Vietnam: 39,155 mt; Philippines: 13,017 mt <u>Import Bigeye tuna:</u> 4,974 mt, \$35.5M

¹WCPFC CMM-2018-01 Conservation and Management Measure for Tropical Tunas, Western and Central Pacific Fisheries Commission (WCPFC), www.wcpfc.int

²WCPFC Record of Fishing Vessel Registry, September 2020, www.wcpfc.int

³Sumaila, U.R., N. Ebrahim, A. Schuhbauer, D. Skerritt, Y. Li, H. S. Kim, T. G. Mallory, V.W.L. Lam, D. Pauly. (2019). *Updated estimates and analysis of global fisheries subsidies*. Marine Policy, Vol. 109

⁴16th Regular Session of the WCPFC Compliance Monitoring Report, December 2019, www.wcpfc.int

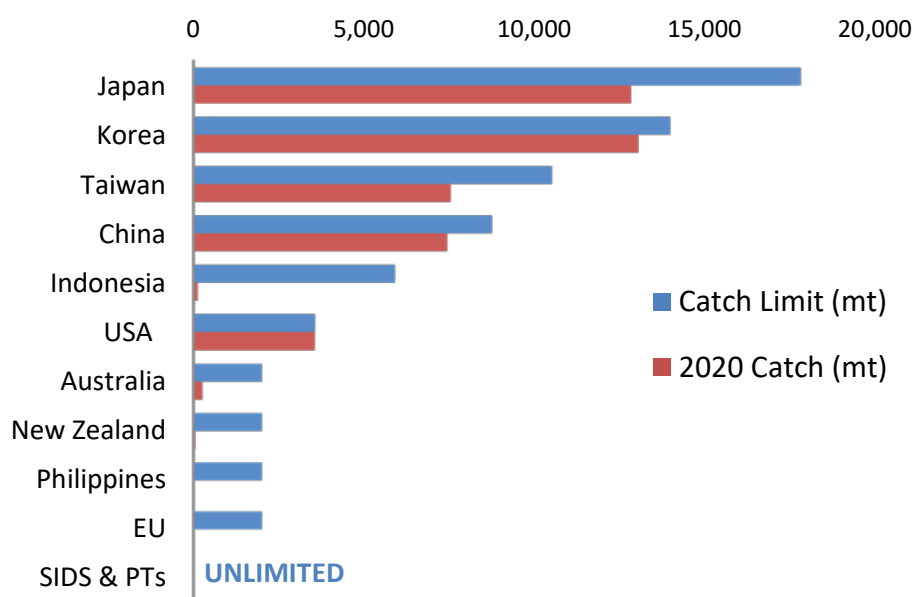
⁵16th Session of Technical and Compliance Committee of the WCPFC, September 2020, www.wcpfc.int

⁶NOAA Fisheries Foreign Fisheries Trade Data <https://www.fisheries.noaa.gov/national/sustainable-fisheries/foreign-fishery-trade-data>

Annual Western and Central Pacific Bigeye Tuna Longline Catch Limits Adopted by the Western and Central Pacific Fisheries Commission (WCPFC).

Catch Limit Allocations Adopted in 2018 (renewed in 2020, 2021) expiring at the end of 2023

Member States	2020 Catch (mt)	Catch limit (mt)
Japan	12,791	17,765
Korea	13,011	13,942
Chinese Taipei	7,519	10,481
China	7,416	8,724
Indonesia	122	5,889
USA	3,548	3,554
Australia	283	2000
New Zealand	50	2000
Philippines	0*	2000
European Union	30	2000
Small Island Developing States and Participating Territories	N/A	No Limit



WCPFC Members: Australia, China, Canada, Cook Islands, European Union, Federated States of Micronesia, Fiji, France, Indonesia, Japan, Kiribati, Republic of Korea, Republic of Marshall Islands, Nauru, New Zealand, Niue, Palau, Papua New Guinea, Philippines, Samoa, Solomon Islands, Chinese Taipei, Tonga, Tuvalu, United States of America, Vanuatu.

Participating Territories (PTs): American Samoa, Commonwealth of the Northern Mariana Islands, French Polynesia, Guam, New Caledonia, Tokelau, Wallis and Futuna

Cooperating Non-member(s): Ecuador, El Salvador, Liberia, Mexico, Panama, Thailand, Vietnam.

SIDS: WCPFC Members deemed “small island developing states”

US EEZ Regulated Fishing Areas, Western Pacific Region



Magnuson-Stevens Act

- Longline fishing prohibited (1991 - 92, 2011)
- Large Vessel Prohibited Area (2002)
- False Killer Whale Southern Exclusion Zone (2012)
- Guam No Anchor Zone (2004)
- Bottomfish/Groundfish fishing prohibited (1986)
- Bottomfish Vessels ≥ 50 ft prohibited (2006)
- US EEZ: trawling, drift gillnets, poisons and explosives prohibited (1986 - 2004)

Antiquities Act

- Marine National Monument (2006 - 2016)
- Closed to all commercial fishing

