

Appendix 4c

INTER-AMERICAN TROPICAL TUNA COMMISSION
PERMANENT WORKING GROUP ON FLEET CAPACITY
20TH MEETING
San Diego, California, USA
23 August 2018

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	CAP-20-01
4 Progress in the implementation of a Fleet Capacity Management Plan in the EPO	
a. Report by the consultant hired to develop a pragmatic proposal to address the management of capacity in the EPO: presentation and discussion of the proposal	
5 Review of pending capacity claims, disputes, adjustments, and requests on the list presented at the 89 th meeting of the IATTC and referred to in Document CAP-17 INF-A REV (14 May 2016)	
6 Recommendations to the Commission	
7 Other business	
8 Adjournment	

APPENDIX

1. List of attendees

The 20th meeting of the Permanent Working Group on Fleet Capacity was held in San Diego, California (USA) on 23 August 2018.

Opening of the meeting

The Chair of the Working Group, Mr. Alfonso Miranda from Peru, opened the meeting.

Adoption of the agenda

The provisional agenda was adopted without changes

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

Dr. Guillermo Compeán, Director of the IATTC, presented Document [CAP-20-01](#). As of 30 June 2018, the active purse-seine capacity on the Regional Register was 285,474 m³, the capacity of inactive or sunk

vessels, 5,532 m³ and the capacity available as a result of movements of vessels on the Regional Register, 11,355 m³, for a potential total of 302,361 m³. In June 2002, when [Resolution C-02-03](#) entered into force, the active capacity was 218,482 m³, while the total sum of the active and inactive capacity, plus the special allocations included in paragraph 10 of the resolution, was 273,467 m³; this represents an increase of 28,894 m³ in the potential total capacity.

Japan and the European Union expressed their concern over the increase in capacity over several years, with a level that is still far too high relative to tuna stocks. The European Union highlighted that the capacity level has never decreased, it has always increased due to various reasons; therefore, a more global approach is needed. In response to a question from Japan regarding the reason why the level of active capacity during the first closure period of the year (summer) does not seem to decrease, Dr. Compeán replied that there was a tendency toward choosing the second closure period, in winter, when a significant reduction is observed. Mexico expressed that this demonstrates that the two-closure period per year system has not had the expected benefit and asked Dr. Compeán about the future of this option within the framework of a plan to reduce capacity that would allow the decrease of competition between vessels and, therefore, the reduction of pressure on resources. Dr. Compeán pointed out that, at the plenary meeting, there would be a presentation on the state of resources and the evolution of catches, and management options would be presented for consideration by the Commission. Colombia stressed that, while the level of fleet capacity is very alarming, an additional concern is the high number of sets on FADs, which has worsened the situation. In this respect, Nicaragua asked the Secretariat to inform the Commission about the evolution of FAD technology since the 1990s that had led to a significant increase in their efficiency, contrary to the technology for sets on dolphins, which had remained more stable.

Progress in the implementation of a Fleet Capacity Management Plan in the EPO

a. Report by the consultant hired to develop a pragmatic proposal to address the management of capacity in the EPO: presentation and discussion of the proposal

Dr. Dale Squires gave a summarized presentation on the work conducted within the framework of the consultancy, on the understanding that a summary would soon be circulated prior to its publication in its entirety—just as expressly requested by Mexico—and in the two languages of the Commission, as specified by Nicaragua. After the presentation, there was a question and answer session in which the following matters were discussed, among others:

- In response to a question from the United States, Dr. Squires recognized that the reduction in the number of vessels with a well volume that has altogether remained relatively stable, probably represents an increase in their efficiency.
- Noticing that the presentation identified several areas in which more work is required, the United States asked on which ones this effort should be focused and where to go from this point. After Dr. Squires replied that he preferred to hand this to the members of the Working Group and the Commission, Dr. Compeán expressed that he believed the most feasible option and goal was to develop a fishing days scheme, which should be explored and that could be implemented once all legitimate capacity claim cases—as defined by the Working Group and the Commission—are resolved and taking into account the issue of the situation of the new Members. Dr. Squires pointed out that the study did include a reference to this type of scheme with ideas taken from a paper written by Dr. Compeán and with a proposal taken from the current scheme of the WCPFC.
- The European Union expressed its surprise at the fact that the presentation was described as a starting point because something more concrete in terms of proposals was expected. Without denying the great value of the study and the presentation, and the fact that it gathered matters and ideas that had already been discussed previously (e.g., at the Cartagena workshop or regarding the study conducted by Northern Economics), it was indeed preparatory work rather than a presentation of specific alternatives with a quantification of their effects, impacts and costs on the Members. For example, why keep talking

about buybacks when previous studies and discussions clearly show that they are not a viable option? In the future, within the framework of the current contract, this matter could be further explored with the aim of having something more concrete that could become a resolution for consideration and adoption by the Commission. Regarding this same topic, Nicaragua stressed that the study on effects, impacts and costs should not be limited to the countries with the largest fleets—particularly Ecuador and Mexico—but cover all CPCs, mentioning as an example the evolution of prices as a consequence of capacity management and their impact on canneries. In response to Nicaragua’s comments, Dr. Squires pointed out that the study had considered prices and the impact of measures related to capacity on demand. Similarly, the United States, highlighting the range of individual interests and situations in the group and the Commission, stressed the need to discuss the pros and cons of each option before identifying the next step to take. In this context, the economic benefits for the fishery as a whole should also be considered, not only for one of its components. The United States warned that, in terms of trends, that said search for options was headed toward legitimizing the current capacity level.

- Colombia mentioned two particular concerns: first, the effect of fulfilling the pending requests, which could limit the scope of the capacity solutions that would be adopted; second, the issue of the dissemination of certain data that could be sensitive for the industries.
- Taking into account the lack of sufficient decision-making capacity and time in this meeting, Ecuador, supported by Guatemala, suggested that an extraordinary meeting be held in October,—on the occasion of the AIDCP meetings—in order to further analyze this issue, and to which each Member could attend with a clear position on this matter, after having made the appropriate internal enquiries (as Ecuador must do with its private sector).

Review of pending capacity claims, disputes, adjustments, and requests on the list presented at the 89th meeting of the IATTC and referred to in Document [CAP-17 INF-A REV](#) (14 May 2016)

Before starting the presentation on claims and requests, Nicaragua stated that it could not support any of them and no increase with capacity adjustments unless its own request was taken into account. The United States recalled that, in the past, there had been an attempt to distinguish between legitimate and illegitimate requests and that it had proved impossible to do so. It would have preferred to avoid a long discussion and limit it to stating the pending cases and consider them later within the framework of the capacity management plan as a whole. The United States warned that, if it was decided to consider them case by case, it would reiterate its position expressed previously that all cases should be considered and resolved within the framework of an agreement on a capacity management plan together with tuna conservation measures. The European Union also expressed its willingness to listen to a presentation on claims and requests once again but warned that this discussion would not reach any solution since, as confirmed by Nicaragua’s statement, a particular case cannot be chosen to resolve it without resolving every case without giving preference to any of them.

Then, Peru presented its request again, particularly highlighting its different nature, namely that the claimed capacity would only be used in Peruvian jurisdictional waters, which would therefore have a lower impact on resources. Peru asked the Secretariat to conduct an analysis of the impact differences that would prove it. On this basis, Peru would submit a concrete proposal.

Without going into substantive considerations in this regard, Colombia and the United States emphasized the need to respect the rules of procedure in terms of deadlines for submitting proposals and stressed that, according with said rules, Peru’s proposal should be presented at the extraordinary meeting in October. Furthermore, both delegations reiterated that, in order to make progress on the consideration of these individual cases, more progress is necessary on the management and solution of the more general issue of overcapacity in the EPO and the adoption of conservation and management measures that take this capacity increase into account. Nicaragua agreed with the statement from Colombia and the United States and mentioned again that it could not support Peru’s request if all requests were not resolved as a package. Taking the floor again, Colombia also recalled that it had its own request and invited Peru to avoid presenting its

proposal individually.

Ecuador was then given the floor to present three specific cases. Ecuador highlighted the difference in nature between these requests and the others since they involve three vessels that fished or are still fishing in the EPO, but whose capacity is not recognized, partially or totally, through their registration in the IATTC Regional Vessel Register. Ecuador then proceeded to present the details of the cases of vessels *Monteneme*, *María del Mar* and *Ricky A* (associated with the case of the sunken vessel *Victoria A*). Ecuador stated that it was available to provide any further information needed to other delegations, which could also be requested to the Secretariat.

Colombia mentioned that it could not consider Ecuador's request due to the same rules of procedure referred to in Peru's case, since the documents were only submitted the previous day. The European Union expressed that, in fact, those same cases and others had already been reviewed on many occasions, including those it encouraged to be considered at the bilateral level or through the establishment of a panel that was rejected. The European Union made comments on the three cases, one by one. As for the *Monteneme* case, it had previously stated that the European Union cannot accept it and ratified that its position would not change. The *Ricky A* case is a matter of a sunk capacity. Besides doubting the validity of the request, it is unacceptable that the CPC unilaterally authorized this capacity and that, after doing so, asked the Commission to endorse this authorization. This unilateral action is a failure to comply with the applicable rules and that is why it was considered by the Review Committee. As for the third case, the one of the vessel *María del Mar*, the European Union recalled that it is a sunken vessel whose capacity was never included in the Regional Register because the flag State did not request it before 2005. Nicaragua agreed with the European Union regarding the *Monteneme* and the *Ricky A*, but added that it could support Ecuador's request concerning the vessel *María del Mar*, provided that all the other requests were taken into account. The United States referred to the fact that the group was unable to reach consensus on the unique nature of a case compared to all the other cases. Furthermore, the United States expressed, as it had done previously in similar situations, that an option would be to accept every request and claim—which would mean the inclusion of more capacity in the Register—as long as this was done in conjunction with the adoption of the necessary conservation and management measures. In conclusion, for these reasons, the United States declared that it could not consider Ecuador's requests.

Subsequently, Bolivia took the floor to recall its request for a capacity of 5,830 m³, from which, similarly to Venezuela, only a fraction would be activated together with the adoption of the appropriate conservation and management measures. Colombia, as in previous meetings, stressed that this was not an issue for the consideration by this Working Group and requested that its verbatim statement be attached to the report of the meeting (see Annex).

Recommendations to the Commission

The Chair of the Working Group suggested as a possible recommendation to hold an extraordinary meeting of the Commission in October, along with the AIDCP meetings, to consider, among others, capacity issues, both those related to the management plan and the report of the consultant, as well as claim and request cases. While the European Union initially expressed reservations due to the financial and human resources expenses such meeting would imply, it became clear by the number of delegations that were in favor (Ecuador, Guatemala, Colombia, Nicaragua, Peru, United States, Venezuela, Japan) that it would not be an issue to fulfill the requirements established in the Antigua Convention for convening the meeting, as recalled by the Director (proposed by two Members and supported by a majority). The United States stressed that the Working Group should meet before the extraordinary meeting and that the rules of procedure must be taken into account for the submission of proposals. It recalled that the Committee on Administration and Finance had not been adjourned yet and that this opportunity should be used to include the financial resources needed for the meeting in the budget.

The European Union expressed that all recommendations should be adopted by consensus and that it could not accept this as a recommendation of the Working Group and requested that the rules of procedure be followed: proposed by two Members and supported by a majority.

Other business

No other business was discussed.

Adjournment

The meeting was adjourned at 13:00 p.m. on 23 August 2018.

Appendix .**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 Meeting of the Parties to the IATTC, this is not the appropriate place to discuss the request from the Plurinational State of Bolivia.

For the Government of Colombia, as 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. Additionally, 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.