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Report of February 2, 2012 ATA Meeting

The participants in the meeting were: Renato Curto, Anthony Vuoso, Phillip Trutanich, Ricardo da Rosa, Jim Sousa, Italo Cileu, Max Chou, Mike McGowan, Larry DaRosa, Randy DeSilva, Joe Finete, Bill Sardinha, Stuart Chikami, Paul Krampe, Peter Flournoy, and Brian Hallman.

1. Treaty Talks

The meeting recognized the importance and good fortune of having another year of negotiations due to the decision by PNG to revoke its withdrawal from the Treaty. At the same time, it was understood that the window of opportunity for reaching agreement might be rather short, since the political situation in PNG is so volatile, and a different government could come to power through national elections, scheduled for June 2012. It was therefore agreed by the meeting that every effort should be made to complete the negotiations as soon as possible.

There was an extensive discussion regarding the status of the negotiations and the remaining issues, in particular the crucial matter of the number of fishing days available to the US fleet under an extended Treaty, and the cost of those fishing days.

The meeting noted that the boat owners' "bottom line" entering the last round of negotiations (January 10-14 in Nadi), was 8,000 fishing days for \$56 million, which would equate to \$7,000 per day to the Pacific Island Countries (PICs). With \$21 million in USG money, that would leave \$35 million as an industry payment. With 40 boats, this would cost each vessel \$4,375 per fishing day, and \$875,000 a year in license fees, for 200 days.

This proposal of \$7,000 per day for 8,000 days was not tabled in Nadi. The last offer by the US was \$58 million for 9,000 days. The last proposal of the PICs was 7,000 days (6,000 PNA days) for \$60 million, a slight improvement from their previous proposal.

The meeting did not explicitly address changing the previously agreed bottom line, but there was a consensus that the priority of the boat owners at this stage should be to have as many days as possible allocated to the US fleet under new Treaty arrangements. This was considered important because of the uncertainty of how many days the US fleet will need, especially with 40 vessels instead of the current 37, and because there are likely to be more overall fishing days available to the PNA in 2013/14, than are available now.

Therefore, at the next negotiating session, (scheduled for Honolulu February 28-March 3), the US should maintain its position that 9,000 days are necessary for the US fleet. It would be preferable to pay somewhat more per day than the amount that has been tabled to date, in accordance with the \$7,000 per day bottom line, than to reduce the number of available days. It was noted that \$7,000 per day for 9,000 days would total \$63 million.

The meeting discussed how to ensure that all Treaty vessel owners would support and fund a new agreement, if one is eventually reached. It was noted that the negotiating sessions and US delegation meetings are open to participation by any vessel owner and manager that wishes to be a part of the decision-making process, as are the ATA meetings formulating industry positions. That said, the meeting saw value in exploring how to legally require all vessel owners intending to fish in the region to pay into a new agreement.

The schedule for future negotiating sessions was noted. Following the Honolulu negotiations, another Tuna Working Group meeting is planned for March 17-19 in Guam.

2. Trade Study

Brian Hallman advised the meeting that he had been contacted by Jim Loi, the Deputy Assistant Secretary of State for East Asia and Pacific Affairs, who is the State Department's political point person involved in the Treaty negotiations, called him to discuss a possible study on trade. The work would be done by the East-West Center at the University of Hawaii, and would be a feasibility study to examine, inter-alia, the matter of granting trade preferences to Pacific Island Countries (PICs). The study would cover products in addition to tuna, but tuna would be an important part of the analysis, and could be the priority.

The main purpose of Loi's call was to ask if ATA would be willing to fund part of such a study, on the order of \$30,000-\$60,000.

Loi stated that the issue of a trade preference for tuna entering the US market, for PNG and other PICs, has not gone away. It has been sidelined somewhat due to USG efforts to arrange talks on trade between PICs and USTR, but could rear its head back into our negotiations before they are over. Also, the person now in charge of the

negotiations in PNG is the Trade Minister. He is the one who decided to revoke PNG's withdrawal from the Treaty, and he has a personal relationship with Jim Loi.

Loi's idea is that a study would take a year to complete, and thus would, in essence, buy us a year in terms of sidetracking the trade issue so it doesn't mess up the Treaty talks. It's not clear what might be included in the trade study -- Loi mentioned including an analysis of market conditions, and examining ways to stimulate investment and trade without granting preferences.

The ATA meeting was not enthusiastic about funding the study simply for the sake of understanding better the implications for the US fleet and US market of trade preferences for PICs, but did recognize the value of ensuring that trade did not become a disruptive issue in the Treaty negotiations. For that reason, and because it is important that ATA support Loi when it can, given that he is an important player in the negotiations, the meeting agreed that ATA could support the study with a donation up to \$45,000. There may also be some benefits under the umbrella of broader cooperation that could be obtained by supporting this study.

3. WCPFC Annual Meeting

Brian Hallman advised that he had received a copy of a draft EU proposal for a conservation resolution at this year's WCPFC meeting. He noted that there were a few elements of the proposal that were good from the ATA point of view, such as a total closure of 3 months with an option of choosing one of two defined periods; and the opening of the high seas pockets to fishing with a special management regime for those areas.

However, there were several other points in the EU proposal that would not be good for the US fleet: a limit on the number of vessels allowed to fish in the region, based on the vessels fishing there during 2010; a rule that the closure applicable to any vessel in the western Pacific would be for the same time period adopted for that vessel in the eastern Pacific under IATTC; and a requirement that each WCPFC member country adopt a FAD management plan applicable to its flag vessels.

The meeting agreed that these matters should be discussed again prior to the WCPFC meeting, scheduled for Guam, March 26-30.

4. Tuna History in San Diego Program

Brian Hallman updated the meeting on the latest status of the project of the San Diego History Center to celebrate the history of the tuna industry in San Diego, a project which ATA has supported from the beginning. Hallman reported that the History Center had recently secured space at the San Diego airport to celebrate this history for 9 months, with 200 linear feet of exhibition area that will be viewed by 4 million people during this time period. He also advised that the annual History Maker's dinner, this year celebrating San Diego's tuna history, was scheduled for June 9. Finally, he commented

that all of the funding for an expanded exhibit, as planned by the History Center, had not been secured, noting that the main problem being that Star Kist has not yet agreed to contribute towards an expanded exhibit.

5. Cooperation with SPC Sampling Project

This research project, designed to improve sampling estimates by placing two observers (one additional) to evaluate a new sampling technique on board vessels for 50 trips. These trips are to be divided among the international purse seine fleet, and the US fleet has been asked to allow the research to take place on board vessels for 6 trips.

The last ATA meeting agreed to support this research, and to choose the vessels by randomly picking vessel names out of a hat. Brian Hallman reported that he and Paul Krampe had selected the vessels as authorized, and that the following vessels had been chosen, for one trip each, for this research project: Raffaello, Sea Encounter, Sea Quest, Cape Breton, Cape Ferrat, and Pacific Breeze. Fleets with multiple vessels may substitute an alternate vessel from the name drawn. Hallman will report these names to the SPC researcher, who will arrange logistics directly with the managers of these vessels.

6. Other business

No other business was discussed.