

## **First Statement of the United States**

### **Sixth Treaty Renegotiation Session Honolulu, Hawaii**

**February 29 to March 3, 2012**

1. Good afternoon and once again a warm welcome to everyone. It is our pleasure to host the Sixth Treaty Renegotiation Session here in Honolulu, Hawaii. I would like again to take this opportunity to thank the U.S. purse-seine industry for their financial support of this session and the NOAA staff at the Pacific Island Regional Office for their hard work in organizing and coordinating all aspects of the meeting arrangements.
2. We are pleased with the considerable progress we made in our recent sessions in Nadi and want to build on that momentum in Hawaii this week. In our view, we are continuing to narrow the gaps between our respective positions on the key issues and are moving in a positive direction. Our discussions to date have identified many areas in which we believe we are in general agreement. They have also provided a basis for better understanding on both sides with respect to several of the core issues.
3. We very much appreciate the efforts of PNG National Fisheries Authority (NFA) and the Parties to the Nauru Agreement Office in hosting the Vessel Day Scheme (VDS) meeting held last week in Port Moresby. This meeting brought together representatives of the NMFS Pacific Islands Regional Office, officials from the PNG NFA, the Forum Fisheries Agency, the Parties to the Nauru Agreement Office and a technical consultant to NFA/PNA. A variety of technical issues related to the implementation of the PNA Vessel Day Scheme were discussed and the meeting was, in our view, quite positive and collaborative. As a result of this meeting, we now have a better understanding of how the PNAVDS could be applied to the U.S. fleet under the multilateral Treaty arrangement. In addition, it also appears that the kinds of customizations for multilateral application that we have proposed in these negotiations would not require significant modification of the VDS as it is currently implemented by both the NFA and the PNA.
4. In paragraph 7 of our Second Statement from the November Nadi session we made a specific proposal outlining the manner in which fishing days and non-fishing days would be monitored and counted. We believe that the recent VDS meeting in PNG provided a better understanding of our proposal. We now understand that the PNA may be considering new definitions for fishing days and non-fishing days. If these definitions were to be adopted, our initial analysis, although very preliminary, suggests that this could increase the number of days needed by the U.S. fleet in order to maintain the same level of fishing effort. To further progress these issues, we recommend that a small group be convened this week to discuss our proposal in detail in order to reach a common understanding on this matter.

5. On the issue of access and compensation, Pacific Island Parties will recall that our proposal is to provide \$58 million USD per year for 9,000 days to be fished throughout the Treaty Area (as defined in our earlier proposals to mean waters under the jurisdiction of the Pacific Island Parties). This proposal equates to \$6,400 per day. In our view, this includes fair compensation for the “multilateral premium” you have articulated throughout the negotiations. As we noted in Nadi, this offer is contingent on clarification of the key issue discussed above of how to define fishing days and non-fishing days.
6. The U.S. proposal of \$58 million USD for 9,000 days was in response to the last proposal of the Pacific Island Parties of \$60 million USD for 7,000 days (6,000 VDS days which can be utilized in PNA EEZs and 1,000 days that can be utilized in the EEZs of non-PNA PIPs). We recognize that your last offer did constitute an increase from your previous proposals of 500 PNA days and 500 non-PNA days and that the number of days and financial package would be subject to the two-year reviews we have discussed. We also acknowledge the PIP statements in Nadi that there is significant work still ahead in other fora, such as WCPFC.
7. The PIPs indicated at the close of our January session that you would explore your options intersessionally. We continue to seek common ground with you on this fundamental issue and look forward to a further proposal from your side this week.
8. We believe that we are at a point in these negotiations where we need to elaborate in detail the concepts we have discussed in the formal negotiations thus far. For instance, to make further progress on the issues of broader cooperation and national laws and operational terms and conditions, it is our view that informal working or contact groups should meet this week. We are interested in your thoughts on how best to structure such informal groups and how they could perhaps lay the foundation for intersessional work that could be exchanged in advance of our next formal negotiation session.
9. As you know, we are very pleased with the decision by Papua New Guinea to revoke its instrument of withdrawal and allow the Parties the time necessary to complete our negotiations on the highly complex and technical issues before us. We look forward to confirmation at this session that the revocation has been lodged with the Depositary. Such confirmation is crucial to our discussions.
10. In addition to progress on the substantive issues, we have two other goals to propose for this week. The first is to set a schedule of our meetings for the rest of this year and into early next year, if necessary. We propose that we schedule meetings for approximately every other month beginning in late May or early June and continuing with meetings in late July/early August, September, November and January, as required. It is important to set this schedule here to ensure that time will be available before our respective calendars fill up for the year. The second goal is to set a timeframe for the exchange of specific drafting proposals on key elements of the text. These drafting exercises are critical to any final agreement on a revised Treaty arrangement.

11. In closing, we believe we have made significant progress on the complex and inter-linked issues under discussion this year. Like you, we are very conscious of the amount of work required to reach agreement on a future Treaty arrangement and draft the necessary detailed provisions and documents. We are prepared to make every effort to close the gaps on the issues that remain and begin working to elaborate in writing the details of a future Treaty arrangement.
12. This concludes our First Statement. We look forward to your response.

## **Opening Statement by the Pacific Island Parties**

1. Thank you for your first statement.

### *Fishing Opportunities and Financial Package*

2. For us, this is the primary focus of this renegotiation session and must be resolved before we leave Honolulu. Having said that, as with the last two sessions, we believe that there is also opportunity to progress some other issues.
3. PIPs welcomed the progress on this issue at the last session, in that both sides were able to move closer together. Nevertheless we note that a significant gap still remains. While this is a simple reflection of the importance of the matter, we see an urgent need to close this gap. The pace of change in the fishery means that any delay comes at the risk of further hardening of positions that would make an agreement more difficult.
4. There are several key outstanding issues that are directly relevant to this matter and we seek your views on these to further guide decision making.

### Number of days sought by the US

5. The proposals you have tabled at formal sessions have consistently sought a pool of 9,000 fishing days, and you have noted that this was dependent on the ongoing technical work related to understanding and replicating the VDS.
6. We are equally pleased that the proposed US/PNA meeting to progress this issue has now taken place. The reports that we have received from participants are extremely encouraging, both in terms of the matching of the two data sets and the total count of days.
7. However, the conclusion reached by PIPs about the number of days required by the US fleet differs substantially from the understanding expressed in your paragraph 4. In particular, we understand that the recorded effort (which includes non fishing days) in PNA EEZs in 2011 was approximately 7,700 days. PNA have made good progress towards the identification of a single definition of non fishing days and a procedure for deducting such days and this will be confirmed at the annual PNA meeting in mid April 2012. By our informal calculations, removal of non fishing days would result in a 2011 effort level that is not too far removed from the PIP proposal of 6,000 PNA days and 1,000 non-PNA days. We see this as a clear demonstration that the number of days we have proposed will meet your needs while acknowledging our objectives.
8. In the past we have explained why 9,000 days is not possible for us. Under the VDS and the process of non-PNA members developing zone based limits, we must be able to cater for our bilateral commitments and more importantly for our growing domestic fleets. That is set against a backdrop of the need for effort restrictions and potential effort reductions to adequately manage the stock and ensure economic viability of the fishery.

9. The ability of individual Parties to contribute days is also driven to some extent by decisions that will be taken by WCPFC next month. We also reiterate that any allocation we make to the US fleet will be based on our consideration of a range of factors including the financial package and may not necessarily reflect your historic participation in the fishery. This is consistent with our bilateral decision making.
10. We are open to your suggestion of a small group discussion as soon as possible during this session to better understand your conclusion.

#### Nature of fishing opportunities

11. PIPs have been consistent in all our proposals that there will actually be 2 effort pools – one for PNA EEZs and one for non-PNA EEZs. In turn you have sought a single effort allocation that would apply throughout all EEZs.
12. PIPs have had detailed discussions over a long period of time amongst ourselves on these matters. PIPs cannot agree to a single pool that would effectively allow the transferability of PNA and non-PNA days and it is vital that the US recognise this reality.

#### Two yearly reviews

13. At the last session, PIPs agreed to explore your proposal for a system of biennial reviews of the financial arrangements and fishing opportunities over a more automated indexation scheme, which has been our strong preference in the past.
14. The nature of such a review is obviously critical in terms of setting the starting point for the financial package and effort available and we therefore see a need to exchange ideas on how these reviews would be undertaken.

#### PIP position

15. At RS5, PIPs tabled a proposal of 7,000 days (6,000 PNA and 1,000 non-PNA) for a financial package of \$60 million.
16. We appreciated the improved proposal from the US in response to that movement. However, it is clear that we reject your proposal and we ask the US to reflect further on your response to our proposal, especially in light of the outcomes from the recent Port Moresby technical meeting, the small group discussion that you have suggested and other issues raised above.
17. The magnitude of change from our initial position has required us to compromise on several principles that were fundamental to PIP interests and it is becoming increasingly difficult for us to identify areas for further flexibility.

18. We have previously noted the potential for US vessels to obtain additional days through bilateral arrangements that could be catered for in the future arrangement. Any such days would have to be negotiated on a case by case basis and US vessels would essentially be competing with other foreign vessels.

*Other Issues*

19. We share your view that there is opportunity to progress our work on national laws in informal discussions. We would like to propose a small working group to explore the 3 processes that you tabled at RS5. We would be happy to commence this small working group as early as possible.

20. At the last session we tabled some ideas on domestic development and we are looking to also progress those ahead of the next TWG meeting.

21. Thank you for your suggestions for a meeting schedule up to January 2013. The schedule of future meetings will obviously be dictated by the nature of outcomes from this meeting. PIPs will review the already full meeting calendar and we look forward to being able to discuss more specific dates later in this session. We also agree that we need to jointly agree on a timeframe for a drafting process. We have commenced consideration of this internally and will look to share our views with you during this session.

## **Second Statement of the United States**

### **Sixth Treaty Renegotiation Session Honolulu, Hawaii**

**February 29 to March 3, 2012**

1. Thank you for your First Statement. In this Statement we will respond to some key issues raised in your First Statement, with further discussion on these and other matters to be taken up later in this meeting.

#### Fishing opportunities and financial package

2. We share your view that every effort should be made to resolve this issue this week. The following is our response to the various points on this matter presented in your First Statement.

#### Number of fishing days for the U.S. fleet

3. We appreciated the opportunity to discuss this matter in the small group that met yesterday afternoon. We hope that meeting was useful in better understanding the nature of the U.S. proposal with respect to the number of fishing days that are required to maintain fishing opportunities at the current level. We summarize here our understanding of some of that discussion and propose for your consideration a possible way forward.
4. The U.S. proposal for 9,000 fishing days reflects the number of fishing days required in the waters under the jurisdiction of all Pacific Island Parties. Your statement focuses exclusively on the level of effort in PNA waters. The rest of this analysis will likewise focus only on the number of fishing days sought by the United States in PNA waters.
5. Attached to this statement (attachment 1) is a table presented by the United States for discussion in the small group meeting. The table reflects the total vessel days by U.S. vessels (including both fishing and non-fishing days) in PNA waters for 2010 and 2011. As noted, the total number of vessel days by the U.S. fleet for 2011 was 7,730 days, which coincides with the number in paragraph 7 of your First Statement of “approximately 7,700 [vessel] days.” The total U.S. vessel days in 2010 was 8,039, for a two-year average of 7,885. It is important to note that these totals are based on the current PNA definition of fishing and non-fishing days as well as the same delimitation software employed by PNG NFA and the PNAO in Majuro.
6. The numbers presented above for the level of vessel days by the U.S. fleet reflect a fleet of 37 vessels licensed in 2010 and 2011. In addition, during each of these two periods, two of these licensed U.S. vessels were in the shipyard for an extraordinary amount of time (almost the entire year) and thus did not fish during at least one of

the two years in question. (Other vessels spent lesser periods of time in the shipyard, although this is customary for the operation of a fleet of this size.) We acknowledge your statement in paragraph 9 of your First Statement. However, throughout these negotiations, we have been seeking and continue to seek a number of fishing days that is commensurate with the full complement of 40 vessels that can currently be licensed under the Treaty arrangement. Thus, when we adjust the actual number of vessel days to reflect the estimate for a 40-vessel fleet, as shown in the attached table, the annual number of vessel days required increases to 8,682 for 2010 and 8,348 for 2011 for a two-year average of 8,515.

7. We understand that the actual number of “fishing days” needed to maintain current fishing opportunities is less than the numbers of vessel days cited above, as “non-fishing days” will be subtracted. However, there is still a great deal of uncertainty regarding the number of days that might be subtracted as “non-fishing days.” In particular, paragraph 7 of your First Statement notes that according to your informal calculations, “removal of non-fishing days would result in a 2011 effort level that is not too far removed from the PIP proposal of 6,000 PNA days.” In order for this to occur, and using the number of 8,515 vessel days (the two-year average projected for a 40-vessel fleet, cited above), the number of non-fishing days required to get to 6,000 fishing days would be 2,515 non-fishing days. This represents 30 percent of the total vessel days. We expect the actual number of non-fishing days in any given year will be a significantly smaller fraction of this amount, with the exact amount contingent on the precise definitions of a “fishing day” and a “non-fishing day.” As a result, 6,000 fishing days is not sufficient to allow the U.S. fleet to operate at an economically viable level.
8. A related issue raised in your First Statement is the availability of fishing days for the U.S. fleet. We understand that, with respect to 2012, the fishing days already allocated under existing bilateral arrangements with other fishing partners limit the number of available fishing days. However, with the revocation of the withdrawal by PNG, and the extension of the Treaty arrangement through June 2013, as originally envisioned, we would expect the situation to be different in 2013. To the extent that bilaterals have not been concluded for 2013, it would appear that additional fishing days above the 6,000 fishing days in your latest proposal could be available.
9. Further, we note that paragraph 18 of your First Statement suggests that days not available under an extended Treaty arrangement could be available under possible bilateral arrangements. From the beginning, the United States proposals have been based on the total number of days required for the U.S. fleet being provided under the Treaty. As just noted above, we fully understand that in order for this to happen the accompanying financial package must be competitive in comparison with your bilateral arrangements and make it attractive for countries to make days available. We believe that the financial package currently on the table meets this criterion.
10. We hope that this explanation of our proposal provides sufficient information for the Pacific Island Parties to reconsider your response to our latest proposal. We fully



understand the difficulty in finding additional flexibility. We have the same issue on our side. However, if we are to reach agreement this week, both sides will have to find additional flexibility to move us forward.

11. We have acknowledged that we share the goal of reaching agreement this week, if possible. To do that, it is critical that, to the extent possible, we resolve the remaining uncertainty regarding the calculation of non-fishing days. We understand this may be complex given that the decisions by the PNA on how to make these calculations may change as a result of your upcoming PNA meeting in April. Nonetheless, as discussed in the small working group, we believe there are certain specific matters on which we can make progress.
12. Principal among these is how to manage the issue of “transit days.” This issue is of particular importance to the United States, as a significant portion of the fleet is based a considerable distance from the primary fishing grounds in the Western Pacific and transit days can comprise a significant portion of the total days at sea. Greater certainty in this area will make it easier for us to focus on the specific number of fishing days in PNA waters required by the U.S. fleet.
13. Our Second Statement at the November Nadi session contained a specific proposal on this point as part of a more comprehensive proposal on the application of the Vessel Day Scheme. We are currently working to update this proposal based on the discussions yesterday and other considerations. We hope to have this updated proposal to you later today and welcome a further discussion to resolve remaining issues.

#### Two-year reviews

14. We agree that we should exchange ideas at this session on how these reviews would be undertaken. In doing so, it will be necessary to identify those issues that would be subject to the two-year review process. We will also need to explore the kinds of structures that would be the most appropriate and allow for a flexible process. We are developing a working paper that elaborates these ideas and hope to be able to provide it to you soon. We welcome an opportunity to discuss this issue further with you.

#### Broader Cooperation and domestic development

15. We would welcome an opportunity this week to discuss the ideas the PIPs tabled in Nadi last month on domestic development and broader cooperation. In our view, an informal discussion would allow us to gain a better understanding of your ideas, and assist in progressing this issue further.
16. This concludes our Second Statement. We look forward to your response.

**Attachment 1**

2010 and 2011 PNA Actual Vessel Days At Sea (~37 vessel fleet)

<b>PNA</b>	<b>2010</b>	<b>2011<sup>1</sup></b>
Federated States of Micronesia (EEZ)	1,043	915
Kiribati (EEZ)	2,020	2,033
Marshall Islands (EEZ)	409	367
Papua New Guinea (EEZ)	2,035	1,545
Republic of Nauru (EEZ)	850	691
Republic of Palau (EEZ)	10	13
Solomon Islands (EEZ)	751	1,088
Tuvalu (EEZ)	920	1,077
<b>Grand Total</b>	<b>8,039</b>	<b>7,730</b>
<b>Estimate for a 40 vessel fleet</b>	<b>8,682</b>	<b>8,348</b>

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<sup>1</sup> Analyses conducted by a US technical consultant and a NFA/PNA technical consultant on February 21, 2012 in Port Moresby, Papua New Guinea showed agreement in estimates calculated for 2011.

## **Second Statement by the Pacific Island Parties**

1. Thank you for your second statement.

### *Fishing Opportunities and Financial Package*

2. Thank you for the additional information that you have provided.
3. You have not yet responded to our specific request in paragraph 12 of our first statement. As we have stated, there is no prospect for a future arrangement based on the concept of a single pool of days for access to all PIP EEZs. It is essential that we have a common understanding of this before we can productively proceed further in the negotiation process.
4. PIPs believe it is unhelpful to focus on historical levels of participation as that is not what we are prepared to offer and we have explained this before, such as in paragraph 9 of our first statement to this session. What we have consistently said is that we would provide you with the number of days that we are able to offer given our other commitments and taking account of current market conditions and the financial package on offer.
5. PNA PIPs continue to consider the formal adoption of the new proposal for treatment of non-fishing days to provide you with greater clarity. This includes reconsideration of your proposal for transit days. Noting that this is an issue far wider than the US fleet alone, it will take some time to assess the potential implications of any changes to our current systems and procedures. We will inform you of any changes to the VDS, but as we have noted, proposed changes are unlikely to be adopted until April. At the same time, we are working internally regarding extending effort monitoring to non-PNA EEZs.
6. However, we reiterate that we are seeking to provide you with clarity on this issue only so that you can assess the practicalities of our firm proposal of 7,000 days (6,000 PNA and 1,000 non-PNA, which are non transferable), and should not be construed as an attempt to increase our offer to align with your desire to accommodate 40 vessels. The existing limit of 40 vessels was appropriate in the past when the Palau Arrangement was solely based on vessel numbers. This is no longer relevant since the incorporation of the VDS under the Palau Arrangement. The number of vessels that the US chooses to allocate these days to is your prerogative.

*Conclusion*

7. We must take stock of the prospects of agreement before embarking on further negotiations. In particular:
  - a. We must have a common understanding that there will be separate PNA and Non-PNA pools to productively proceed further in the negotiation process; and
  - b. PIPs are committed to our proposal to provide 7,000 days (6,000 PNA and 1,000 Non-PNA) to the US in return for a financial package of \$60 million. We note that in paragraph 9 of your second statement you conclude that your proposed financial package meets the criteria of being sufficiently competitive with bilateral arrangements and making it attractive for countries to make days available; it does not.
8. The decisions taken by PIPs on the magnitude and nature of fishing opportunities have been made after careful deliberation and in exercise of our Sovereign Rights. We would greatly appreciate your response on these matters of principle before we can productively move forward.

Thank you.

**Third Statement of the United States**

**Sixth Treaty Renegotiation Session  
Honolulu, Hawaii**

**February 29 to March 3, 2012**

1. Thank you for your Second Statement.
2. With respect to paragraph 12 of your First Statement, we have no difficulty in principle with the concept of two separate pools for PNA and non-PNA fishing days. However, to our knowledge there is no Vessel Day Scheme in the non-PNA countries. This is why, given your clear position on this issue, our previous statement focused only on waters under PNA jurisdiction. Beyond the operational issues, the current absence of a VDS in the non-PNA countries also raises questions about how such days would be used and, most importantly, the market value for a non-PNA fishing day.
3. At this point, we have no further proposals or suggestions. We have received no counter offer to our offer of \$58 million for \$9,000 fishing days, other than that it is not acceptable. If there is no further flexibility on your side, progress toward an agreement is simply not possible. We would like to use the time left to us productively and welcome any suggestions you might have on how to move the negotiations forward.
4. Thank you.

### **Third Statement by the Pacific Island Parties**

1. Thank you for your third statement.
2. Thank you for your in principle recognition that there will be two pools of effort under a future Arrangement, and for identifying some issues related to the monitoring of a non-PNA pool.
3. In this regard, PIPs note that while the PNA VDS obviously does not cover non-PNA EEZs at this time, the VMS does cover the entire area. The business rules that have been in place in the past to count days at sea under the VDS have been applied to US vessels in non-PNA EEZs. In 2011, there were 1,040 days at sea in non-PNA EEZs. These days are adjusted according to vessel length in the same way they would be under the VDS. Non-fishing days have not been removed.
4. We have acknowledged on several occasions that there is additional internal work required to ensure that monitoring of the 2 pools would be seamless. We have commenced this work.
5. PIPs have undertaken serious consideration of our position in terms of the number of days that we can offer to you and the necessary financial package and remain committed to reaching agreement at this session. To achieve that end, PIPs propose the following for your consideration:
  - a. 7,500 days could be made available to US vessels. This would consist of 6,500 VDS days which can be utilised in PNA EEZs and 1,000 days that can be utilised in the EEZs of non-PNA PIPs.
  - b. The total payment for these days (industry plus Government) would be USD 65 million.
  - c. The fishing days and financial package would be subject to reaching satisfactory agreement on the biennial reviews and other matters we have identified.
6. As you will note, this proposal maintains the value of fishing days sought by PIPs. We hope that there is an appreciation on your side of the opportunities and therefore challenges that we face in determining how to allocate effort within our EEZs. Increasing the number of days that we could make available under a multi-year arrangement is far from simple and would involve sacrifice in terms of opportunity cost. Our ability to offer this position is also contingent on WCPFC 8 agreeing to the 2010 baseline for PNA EEZs.
7. We are only able to hold this offer open for the duration of this session. We are faced with a number of variable factors, including escalating market price and very competitive offers in excess of the current PNA benchmark price from bilateral partners, which means our expectations and requirements are changing.

## **Fourth Statement of the United States**

### **Sixth Treaty Renegotiation Session Honolulu, Hawaii**

**February 29 to March 3, 2012**

1. Thank you for your Third Statement.
2. We acknowledge the increase in your proposal of the number of fishing days from 7,000 to 7,500, to include 6,500 PNA fishing days and 1,000 non-PNA fishing days. We understand that this is a difficult negotiation for both sides. We do appreciate the nature of the formal and informal discussions that have taken place over the past two days.
3. We note that, under your proposal, the additional 500 PNA fishing days would be accompanied by an increase in the financial package of US\$5 million (from 60 to 65 million). We also note that the price per day for the 7,500 days under your current proposal is marginally higher than the price per day for the 7,000 days in your previous proposal and the additional 500 PNA days appear to be valued at \$10,000 per day.
4. Unfortunately, the number of days and the price per fishing day in your proposal remain well outside a range that would allow the U.S. fleet to operate on an economically viable basis.
5. We further note that your offer is contingent upon a future decision of the WCPFC, which adds a significant element of uncertainty. This uncertainty may be clarified once the WCPFC meeting takes up the matter of the overall level of purse seine fishing effort in the region at its meeting later this month.
6. With respect to non-PNA days, your statement cites 1,040 vessels days by the U.S. fleet in non-PNA waters for 2011. Our initial estimate for 2011 is 980 non-PNA vessel days, but 2011 data are preliminary and still being analyzed. However, the 2011 level is an anomaly, without precedent over the twenty-four year life of the Treaty. In fact, according to our figures, the average number of fishing days by the U.S. fleet in non-PNA waters over the life of the Treaty, *including* 2011, is approximately 200 fishing days.
7. Of course, non-PNA countries should be compensated for fishing in their waters at a rate that reflects fair value. However, it is difficult to pay in advance for 1,000 days when the 24-year average is one-fifth of that amount. Perhaps some mechanism could be developed to account for this situation.
8. The contingencies in your proposal and the remaining uncertainties regarding non-fishing days and other elements make it difficult for us to develop an appropriate

response at this point in the meeting. We hope that at the next session, we can get these and other ideas on the table as early as possible so that we can have the maximum time for these kinds of discussions and exchanges.

9. Another issue is the dates and venue for the next session, and possibly additional sessions. As we noted in our First Statement, we support setting the schedule for futures meetings to the maximum extent possible and welcome informal discussions with FFA staff to resolve this matter here.
10. As noted at the outset, both sides share the goal of resolving these core issues as soon as possible to leave enough time for the complex and time consuming drafting that will be required to put any agreements into formal language.
11. However, it appears we will not be able to progress this issue further at this meeting. Should this be our final statement of this session, let us leave you with the following thought. The United States Government and the U.S. tuna purse seine industry remain committed to this process. We remain committed to the Treaty and to the twenty-five-year relationship between us. We are hopeful that, with the mutual respect and goodwill that has always prevailed between us, we will be able to reach an eventual outcome that satisfies the essential needs of all Parties.
12. This concludes our Fourth Statement. Thank you.



#### **Fourth Statement by the Pacific Island Parties**

1. Thank you for your fourth statement.
2. PIPs wish to leave you with a few thoughts in response to elements of your fourth statement and to give greater context to our proposal.
3. As we have stated in our third statement, we could make 7,500 days available to the US for \$65 million. We reached this position through a difficult process in response to your specific requests for a revised proposal and we are not confident of maintaining this offer beyond this session.
4. At the next session, we anticipate a more certain environment as a result of decisions to be taken at WCPFC and at the annual PNA meeting. However, as we have noted, the changes in the fishery, fish prices and the market for access have resulted in growing opportunities and expectations on our part. As time goes by, we also get further and further into the process of allocating days for 2013, which will also have a bearing on our ability to offer fishing opportunities to the US. Similarly, ongoing uncertainty about the number of days to be made available to the US complicates our decision making in respect of other fleets.
5. You are correct that our proposal represents an increase in the value of a day. That increase is approximately \$95 per day. This is due to the increasing value of our days. Additionally, as we explained, offering a package of multi-year days comes at an opportunity cost, meaning that the return required to entice PIPs to contribute the required number of days increases as the number of days to be made available to the US fleet increases.
6. Our inclusion of 1,000 non-PNA days is in recognition of the fishing opportunities that exist in those EEZs and the value of those opportunities, which are being taken up by other fleets and the limitation of fishing opportunities in other areas. We would regard this as the new reality rather than as an anomaly and fishing opportunities in non-PNA EEZs will be an integral part of any future arrangement.
7. Just as your industry faces economic challenges, you will equally appreciate the challenges that we face and our need to obtain an equitable return from the sustainable management of our scarce resources. You have suggested that the additional days in our proposal equate to \$10,000 per day, which is misleading. Our proposal represents around \$8,666 per day for all 7,500 days. We remain uncertain as to the relative contributions from industry and government but we calculate that our proposal represents a US industry payment of approximately \$5,800 per day. This is not far above the PNA benchmark for a vessel day, is below the price paid by some other fleets, including vessels flagged to some PIPs and does not fully reflect the multilateral premium that an individual vessel should pay.
8. Thank you for the discussion with the FFA Secretariat on meeting dates and venues. Attached to this Statement is a tentative schedule reflecting that discussion. Obviously things may change throughout the year but we agree that it is useful to plan as far ahead as possible.

9. PIPs are equally committed to this renegotiation process and to ensure that the future arrangement provides optimum returns to us for the multi-year and multi-zone access that could be provided to US vessels.

10. We look forward to meeting with you in June 2012 in Auckland.

**Attachment: Schedule of meetings**

- RS7: week of 4 June\* – Auckland
- RS8: week of 23 July – Nauru
- RS9: week of 3 September – Vanuatu
- RS10: week of 5 November – Solomon Islands or Federated States of Micronesia

(Actual start dates may vary slightly according to flight schedules etc)

\* Specific dates still under discussion