

**INTER-AMERICAN TROPICAL TUNA COMMISSION**  
**PERMANENT WORKING GROUP ON FLEET CAPACITY**  
**22<sup>nd</sup> MEETING**  
*(by videoconference)*  
**18 August 2021**

**REPORT OF THE MEETING**

**AGENDA**

	Documents
1. Opening of the meeting*	
2. Adoption of the agenda	
3. Utilization of fishing capacity in the EPO	<a href="#">CAP-22-01</a>
4. Consultant's report on the proposal to address the management of fishing capacity in the EPO: presentation and discussion of the proposal	<a href="#">CAP-22 INF-A</a>
5. Recommendations to the Commission	
6. Other business	
7. Adjournment	

\* Including the adoption of *ad hoc* rules and arrangements for the 22<sup>nd</sup> meeting only

**APPENDICES**

1. List of attendees

**1. Opening of the meeting**

The meeting was opened by Mr. Luis Molledo, from the European Union, acting in his capacity as Chair of the working group. After the Secretariat reported on the delegations in attendance and after checking for the existence of a quorum, the rules of procedure to hold the meeting were approved.

**2. Adoption of the agenda**

The Chair requested to incorporate into the agenda the issue of capacity utilization in the EPO in order for a presentation by the Secretariat to be made. This was approved and the issue was added as item 3 on the agenda.

**3. Presentation on progress in the utilization of fishing capacity in the eastern Pacific Ocean (EPO)**

The Director *ad interim*, Jean-François Pulvenis, presented Document [CAP-22-01 Review of changes in the utilization of fleet capacity in the EPO](#). According to his report, the active purse-seine capacity in the Regional Register as of 30 June 2021 is 277,102 m<sup>3</sup>. The capacity of inactive or sunk vessels is 7,197 m<sup>3</sup>, and the available capacity derived from movements in the Regional Register is 18,343 m<sup>3</sup>, for a potential total of 302,642 m<sup>3</sup>. When Resolution C-02-03 entered into force in June 2002, the active capacity was 218,482 m<sup>3</sup>, while the total sum of the active and inactive capacity, plus that included in paragraph 10 of the resolution, was 273,467 m<sup>3</sup>. Although current operating capacity is below that level, this accounts for

an increase in total potential capacity of 28,894 m<sup>3</sup>. He reminded attendees that these figures do not fully take into account the capacity requests appearing in the footnote of the resolution, which two of the three countries mentioned, Peru and Colombia, partially took advantage of with the approval of the Commission, as well as the existence of chartering and capacity loans making the operation of the system even more complicated.

The Chair drew attention to the good structure of the working document that clearly shows the evolution of this issue.

Colombia reminded those present that the allocation of capacity already approved by the Commission for Colombia is still pending. Likewise, Costa Rica reminded those present about its capacity requests. Ecuador pointed out that there were pending issues in relation to its flag vessels *El Cabrillo*, *Connie Jean 2* and *Victoria A* and asked not to leave them aside. The Director recalled that the case regarding *Connie Jean 2* was already resolved and highlighted that it was carried out in a very neat, courteous manner between Panama and Ecuador. The other cases should be addressed in due course.

The Chair highlighted that capacity disputes or claims are not on the agenda for this meeting in view of time constraints, and invited attendees not to recall cases of individual vessels.

#### **4. Consultant's report on the proposal to address the management of fishing capacity in the EPO: presentation and discussion of the proposal**

The consultant for this project, Dr. Dale Squires, presented Document [CAP-22 INF-A Consultant's report](#). He highlighted the proposal to allocate fishing days with a transferable day credit program. This program would serve as a means to address and compensate for the problems resulting from excess capacity of the purse-seine fleet in the EPO. It must be understood as the first step of a broader fleet capacity management program.

The program would set the stage for capacity reduction, not only through means such as buybacks, but also by allowing individual companies to retire vessels and reassign days among the remaining vessels. This would consist of a three-year pilot program, consistent with the usual IATTC conservation and management measures cycle, which will allow to assess the way the scheme is implemented and its effects on the operation of the fisheries and on the resulting fishing effort. The first step in implementing the pilot program would be to calculate each vessel's Proportional Allowable Effort Share (PAES), which is the proportion or share of the total allowable effort (TAE) to be allocated to each individual vessel. The TAE is the total nominal days during one management year. Each flag State will allocate the proportional portion to individual vessels. In general terms, the PAES can be calculated as either a vessel's historical days or a hybrid of a vessel's historical days and days/m<sup>3</sup> of well capacity for purse seine vessels that are active on the Regional Vessel Register. There would basically be four options (formulas) to calculate PAES, which are fully described in Document [CAP-22 INF-A](#).

Mexico commented that its concerns as stated at the 2019 Bilbao meeting were not considered, for example, that the consultant would visit some countries to clarify doubts, which was not done perhaps for reasons related to the pandemic. The following aspects were highlighted as doubts regarding the proposal:

- If each company or country manages its own fishing days, this could result in increased effort despite reducing the number of vessels. Short-term benefits could result, but until an evaluation is available, no results could be seen, and this implies a longer time horizon.
- Fishing on dolphins is carried out by groups of vessels that communicate with each other, which results in efficiency; the proposal would eliminate this cooperation.
- Reducing the number of vessels would limit the possibility of sampling at sea.

- Vessel efficiency is highly variable. On some trips some vessels are very good, but not in others. So, efficiency is a debatable concept, and this also impacts the removal of supposedly inefficient vessels.
- If a three-year pilot program is carried out, no one in their right mind would remove vessels if it is carried out as a test. The proposal does not consider how vessels would be retired. No one will reduce capacity if someone else does not.
- Pending capacity requests are not addressed in the proposal.
- In the case of some countries, capacity belongs to the country; in the case of others, it belongs to the companies. Country objectives are not always the same as company objectives. In the case where countries manage capacity, this scheme would not work.

Dr. Squires commented that it was about regulating the total fishing effort, in an attempt to make it sustainable. The idea is to reduce the risk as much as possible on a per-company basis. He reminded attendees about current talks regarding the possibility for a 100-day closure, due to a growth in capacity, or the regulation of the number of sets if the fleet grows. In such a case, the program seeks to reduce the total allowable fishing effort, which will have an impact on coming close to a sustainable fishing effort.

Regarding possession of capacity either by countries or companies, or fishing regulations, it is an issue the flag States must resolve within the framework of the Commission.

The European Union stated that, among the options submitted, it would initially favor the one seeking equity and economic efficiency. It asked if the scheme would be implemented and differentiated on a per-area basis and, if so, how efficiency and equity by area would be considered. It also mentioned that fishing capacity management and reduction criteria could be identified in other Regional Fisheries Management Organizations (RFMOs), so it wondered to what extent would the program take other criteria into account. The European Union also asked about the procedure to allow the project to be evaluated and readjusted during the 3-year period and what the next steps to legally formalize it would be.

Dr. Squires said that, if the system works properly, an 8% to 10% improvement in the efficiency of the fishing activity could be seen together with substantial gains; also, he said incentives to reduce capacity should exist or be created. The approach based on fishing effort considers fishing by area; it was selected for the ease of monitoring landings and is already being implemented. Effort by fishing days is already being reported when departing from and returning to the port and it is easy. Even though the Vessel Monitoring System (VMS) can be used to monitor by area, at the beginning the program must be very simple.

Costa Rica mentioned a very important aspect that should be reflected in the proposal: what would happen to countries that do not have vessels currently registered for the purpose of assigning a Proportional Allowable Effort Share (PAES). Also, it reminded those present about the consultant's commitment to visit the countries so that their specific concerns would be considered in the proposal.

Dr. Squires said he is fully willing to visit if there is a decision to continue with the project. Regarding not having vessels on the Register, this situation must be examined by the States within the framework of the Commission.

Ecuador asked about the deadline to have a capacity management plan in the EPO. It is clear to Ecuador that the exercise shown is a proposal to improve capacity management considering mainly its economic effect; however, a comprehensive approach must be sought. In any case, this work lacks practical examples to see more clearly how it would operate. This work must be continued, with an eye to having a final document next year (2022).

Dr. Squires pointed out that a voluntary pilot program be implemented initially for one or more companies to implement on a voluntary basis to provide an alternative and that they can do so to benefit IATTC. Work could be done with some companies and the Secretariat, and this could be taken as a case study.

The Chairman of the working group pointed out it would be useful to work already on a legal document that would make it possible to make progress on how the result of the consultant's work would be applied and asked if one or two delegations could work on it.

## **5. Recommendations to the Commission**

As a result of the discussions held, the group recommended forwarding the following recommendations to the Commission:

1. Encourage the Commission to continue working to advance the sustainable management of the total capacity of the EPO, including current cases of capacity requests, claims, and disputes.
2. Instruct the Secretariat to identify, for consideration in the next meeting of the working group, potential solutions to clarify and improve some processes and administrative rules applicable to the operational management of capacity in the Regional Vessel Register.
3. Instruct the consultant to continue working on the aspects from the study in document CAF-22-INF that still need to be addressed or further developed in the analysis, including addressing cases involving requests and claims, field visits, the development of concrete case studies, incentives to reduce capacity or reconciliation of theoretical and practical aspects.

Ecuador mentioned that the Secretariat, the consultant and the countries could immediately take on the responsibility mentioned in paragraph 3.

Agreement was reached regarding the possibility that the members of the working group could make comments or suggestions in writing to these recommendations by 20 August 2021. No suggestions or comments were received by that date.

Finally, it was emphasized that there is full consensus in the working group to continue working on capacity issues along the current path.

## **6. Other business**

No other business was discussed.

## **7. Adjournment**

The meeting was adjourned at 10:50 am San Diego time.