



## FISHERIES MANAGEMENT

### Lack lustre progress at WCPFC13; Pacific Bluefin outlook remains dire

From 5-9 December, the Thirteenth Regular Session of the Western and Central Pacific Fisheries Commission (WCPFC) was held in Nadi, Fiji, attended by around 500 delegates from 40 countries. Priority issues tackled by WCPFC13 – with varied levels of success – included observer safety, harvest strategies and rebuilding Pacific Bluefin. Overall, the meeting was regarded as having some positive, but very few substantial outcomes.

In 2015, the Commission recognised the need to step up arrangements to ensure the safety and wellbeing of observers and the US volunteered to prepare a measure for WCPFC 13. Since then, FFA members, backed by a mandate from Pacific Island Fisheries Ministers, have continued to push hard for the adoption of a WCPFC measure to strengthen the protection of regional observers, as well as strengthening internal controls, practices and training. During WCPFC13, the proposal was discussed at length, with divergent views amongst members. In particular, Japan strongly resisted a legally binding requirement for fishing vessels to cease fishing and return to the nearest port, should an observer become seriously ill or injured, go missing or die at sea. Late into the final day of plenary, Japan continued to resist consensus, despite that members conceded to include an exemption for Japan to many of the requirements until it can amend its national legislation accordingly. FFA members insisted strongly that the issue be taken to vote, which was accepted by the Commission Chair. Eight minutes prior to the vote taking place, rather than facing the negative publicity of being the WCPFC member single-handedly responsible for driving the Commission to its first ever vote, Japan announced it would agree to the measure, leading to its adoption via consensus. The new measure establishes the roles and responsibilities of flag states, vessel operators, port states and observer providers relating to observer safety issues (CMM 2016-03).<sup>2</sup>

In line with WCPFC's harvest strategies workplan adopted in 2015, WCPFC13 was tasked with: recording management objectives for all stocks; determining acceptable levels of risk of breaching limit reference points for all stocks; agreeing to a timeframe for rebuilding bigeye and establishing a target reference point for albacore. Small working groups were established to progress these issues. The Commission accepted a list of candidate performance indicators for tropical purse seine fisheries, derived from a compromise on an extensive list provided by the Chair (established during WCPFC's Second Management Options Workshop held in 2013) and a proposal from the US for a much narrower list. Rather than specifying acceptable levels of risk, the Commission agreed to consider any risk greater than 20 per cent to be inconsistent with the United Nations Fish Stocks Agreement which requires the risk of breaching limit reference points to be 'very low'. Hence, the Commission would determine the acceptability of potential harvest control rules where the estimated risk of breaching the limit reference point is between 0-20%. The Commission agreed to an interim timeframe of up to ten years for rebuilding the bigeye tuna stock to the agreed Limit Reference point of 20% of unfished spawning biomass. This timeframe will be used to develop and evaluate strategies and conservation and management measures relevant to bigeye stock rebuilding. Agreement could not be reached on an interim target reference point for South Pacific albacore proposed by FFA members of 45% of unfished spawning biomass, with strong opposition from China to consider any TRP at this stage. WCPFC13 agreed to defer this decision until latest December 2017, with further discussions led by New Zealand to take place inter-sessionally as part of an ongoing consultative process for the development of a new bridging measure for South Pacific Albacore.<sup>3</sup>

## CONTENTS

### Fisheries Management

Lack lustre progress at WCPFC13; Pacific Bluefin outlook remains dire

US Treaty inked as US fleet seeks more high seas fishing

MSC heavily criticised by founding partner, WWF

### Fisheries Development

United Nations adopts 'World Tuna Day'

Increasing value of fisheries access fosters potential for corruption

### Tuna Industry

ISSF adopts new measures for FADs, traceability and capacity management

Thai Union commits to sourcing 100% sustainable tuna

Report reviews options for managing minimum wage increases in American Samoa

### Tuna Price Trends

*Eight minutes before proceeding to the Commission's first ever vote, Japan agreed to a new WCPFC measure on safety of observers*

FFA members and NGOs expressed strong disappointment at the lack of progress by the WCPFC's Northern Committee (NC) in strengthening the management of Pacific Bluefin. The 2016 stock assessment indicates Pacific Bluefin tuna stocks have reached a critically low level of 2.6% of unfished spawning biomass. Despite this, the NC has deferred the establishment of reference points and harvest control rules until 2017 under a new measure to establish a multi-annual rebuilding plan for Pacific Bluefin tuna (CMM 2016-04, replacing CMM 2015-04). While the collapse of bluefin stocks in the Eastern Atlantic and Mediterranean Sea prompted the International Commission on the Conservation of Atlantic Tunas (ICCAT) to adopt stringent management of the fishery until stocks recover, NC has failed to follow in ICCAT's footsteps, with no emergency rule established for additional catch reductions or temporary closure of the fishery; discussions on an emergency rule have also been pushed out for another year. Most FFA countries are observers, rather than members of the Northern Committee, as they don't have EEZs or fleets operating in waters north of 20N. The main fishing nations are Japan, Korea and the US, as well as Mexico in the eastern Pacific. FFA members have raised concerns that failure of NC to bring immediate recommendations for adoption to the Commission leaves the Commission (and its entire membership, including FFA members) open to international scorn for failing to manage the Bluefin fishery. Some FFA members have indicated willingness to bring Bluefin decisions to a vote, if there is continued lack of political will from WCPFC members participating in the fishery to strengthen management to rebuild the stock in line with the limits agreed for other stocks.<sup>4</sup>

The existing conservation and management measure for tropical tunas (CMM 2015-01) required longline and purse seine catch limits to be set for yellowfin for 2017. However, the Commission agreed that no limits would apply. Similarly, there was no change agreed to high seas purse seine effort limits in the high seas. WCPFC13 agreed that the longline bigeye catch limits set out in CMM 2015-01 for 2017 will be applied in 2017. CCMs who have achieved a verifiable reduction in bigeye catches to 55% of 2010-2012 levels are exempted from the 2017 high seas FAD closure. The EU expressed its intention to apply this exemption, given its purse seine fleet's bigeye catches have reduced by the required levels; it also applies to Ecuador, El Salvador, Marshall Islands, New Zealand, Solomon Islands, Tuvalu and Vanuatu. The Commission agreed on amendments to the text of the footnote relating to this exemption (Footnote 5 to Para. 18) which requires CCMs that have qualified for the high seas FAD ban exemption in 2017 to maintain bigeye catches at 55% of 2010-2012 levels (reflected in CMM 2016-01, replacing CMM 2015-01). The existing tropical tunas measure will expire at the end of 2017 and be replaced by a bridging measure while harvest strategies are established for key tuna stocks. WCPFC13 agreed that work on the Bridging CMM will commence electronically in early 2017, focussing on the structure of the measure and provisions that are not dependent on scientific advice. Following SC13 where the latest stock assessments and scientific advice will be provided, a dedicated meeting will be scheduled to progress the development of the Bridging Tropical Tuna CMM. In tandem with the bridging measure, purse seine capacity management and high seas longline transshipment controls will also be considered.<sup>5</sup>

WCPFC13 tasked SC13 and TCC13 to work towards the development of a comprehensive approach to shark and ray conservation and management with a view to adopting a new CMM at WCPFC15 in 2018. The new CMM will seek to unify the WCPFC's existing multiple shark CMMs, take into account relevant national and international policies and measures and provide a framework for adopting new components such as policies on prohibition of shark finning, non-retention, catch and size limits, gear mitigations and closures. Going forward, Manta and Mobula rays will be considered key shark species by WCPFC for assessment.<sup>6</sup>

*China strongly opposed any target reference point for South Pacific albacore*

*WCPFC13 failed to establish an emergency rule for Pacific Bluefin which is in a critical state at 2.6% of unfished levels*



WCPFC13 adopted an amended measure for management of the Eastern High Seas Pocket Special Management Area (E-HSP) which prohibits all transshipment activities in this area from 1 January 2019 (CMM 2016-02, replacing CMM 2010-02). This is a positive outcome for FFA members who have pushed for strengthened management in the E-HSP for a number of years. However, the CMM text specifies that the E-HSP transshipment ban will not constitute a precedent for other parts of the WCPFC Convention Area where transshipment at sea takes place.<sup>7</sup> WCPFC13 also adopted amended text for the charter notification scheme which clarifies that catches and effort of vessels notified to the Commission as being under charter will be attributed to the chartering Member or Participating Territory and covered under their annual reports to the Commission (CMM 2016-05, replacing CMM 2015-05).<sup>8</sup> This amendment will address the issue of inconsistent catch attribution of charters (and associated data issues).

### US Treaty inked as US fleet seeks more high seas fishing

On 3 December, 16 Pacific Island governments and the US initialled the amendments to the US Treaty, confirming the end of negotiations and commencement of new arrangements as of 1 January. The new agreement will carry the relationship through to 2022. The arrangement specifies the number of potential fishing days the US fleet can purchase, the EEZs in which they can be used and costs of those days (reportedly US\$12,500/day for the first two years). The US fleet will have flexibility in the number of days that they buy annually with an upward cap of 3,500 days for 2017.<sup>9</sup> The amendment also specifies pathways for broader cooperation to enable Pacific Island Parties to maximize development of their fisheries resources and the benefits related to the operation of the US fleet in the region. The US government will continue to provide US\$21 million annually as economic assistance to the Pacific Island region. The US Government reports that the Treaty, which reinforces US marine conservation interests in the Western and Central Pacific Ocean, will continue the operation of the US fishing industry that also plays an important role in American Samoa's tuna-processing based economy. The US reports that American Samoa played an active role in the US delegation in recent years.<sup>10</sup>

The American Tunaboat Association (ATA) lauded the agreement for the stability that it provides after years of short-term and increasingly complex negotiations. However, citing the high cost of in-zone fishing under the Treaty, ATA has actively sought to increase its members' access to high seas fishing including by supporting text in the US government's newly signed Ensuring Access to Pacific Fisheries Act. Title III of that Act details that the US objectives at the WCPFC will include minimizing disadvantage to United States fishermen in relation to other members of the Commission, maximizing the opportunities for fishing vessels of the US to harvest fish stocks on the high seas in the Convention Area and ensuring that conservation and management measures take into consideration traditional fishing patterns of US fishing vessels.<sup>11</sup> At the recent WCPFC meeting, ATA leader Brian Hallman began informal discussions to lay the groundwork for the next resolutions on high seas fishing, aiming in his words to "make sure that [US] high seas rights are fully protected".<sup>12</sup> As noted in the WCPFC summary above, for its part, PNA representatives are urging that the WCPFC impose tighter control on the high seas and are interested in exploring strengthened effort controls for purse seiners fishing in that area.<sup>13</sup>

*The Commission intends to adopt a new comprehensive CMM for sharks and rays in 2018*

*From 1 January 2019, high seas transshipment by longliners will be banned in the Eastern High Seas Pocket*

*The ATA and US government are seeking to secure and expand the US fleet's access to high seas fishing*



## MSC heavily criticised by founding partner, WWF

An internal WWF report which is heavily critical of the Marine Stewardship Council (MSC) has been leaked to *The Times*. The report states that the MSC certification scheme has “troubling systematic flaws”. MSC charges a licence fee of 0.5 percent of the wholesale value of seafood products bearing MSC’s eco-label, which accounted for around 73% of MSC’s total income in the last fiscal year. WWF deemed this, along with MSC having “aggressively pursued global scale growth”, to be circumstantial evidence the MSC has a vested financial interest in the certification of fisheries that generates a conflict of interest with MSC’s role as an independent and impartial standard-setting body. Following the contentious full assessment of Echebatar’s Indian Ocean tuna fishery, WWF has also criticised the MSC for questionable practices weakening rules meant to prevent overfishing (alluding to harvest control rules for tuna fisheries), which potentially make it easier for unsustainable fisheries to gain certification.<sup>14</sup>

MSC published a response to *The Times* report, indicating the leaked WWF report is at odds with WWF’s global position and engagement with the MSC. WWF helped found the MSC 20 years ago and remains one of the certification scheme’s key stakeholders, contributing to reviews of the MSC standards and to actual fisheries assessments. WWF widely encourages consumers to purchase MSC-certified seafood. It is also a partner in multiple fishery improvement projects (FIPs) with prominent players such as Thai Union, Princes and the Spanish tuna fishing association, OPAGAC, which are designed to bring fisheries in line with MSC certification requirements. MSC stresses that its standard reflects widely acceptable international best practice and that it is a mission-driven not-for-profit organisation that makes no profit from the certification of fisheries, since assessments are conducted by accredited third parties. The decision to make use of MSC’s eco-label rests with retailers and brand owners; it is a commercial decision outside of the control of MSC. Eco-label licence fees (and donor funds) are used by the MSC to maintain its fisheries and chain of custody standards, undertake public education and awareness-raising campaigns, engage with developing world and small-scale fisheries and support scientific research. MSC defends its objection procedure and cites WWF’s objection to the Echebatar certification as an example of the importance of stakeholder involvement in the process, which resulted in independent adjudication and a reversal of the MSC certifying body’s decision to certify the fishery. On tuna fisheries and harvest control rules (HCR), the MSC maintains that its standard provides an incentive for the adoption of HCRs, which tuna RFMOs have historically had difficulties reaching agreement on. MSC cites the effectiveness of this approach given IOTC and WCPFC’s adoption of HCRs for skipjack - the Maldives and PNA MSC fisheries certifications were conditional on HCRs being adopted for skipjack (and yellowfin) within the five-year certification period.<sup>15</sup>

Since *The Times* article, WWF has back-tracked indicating that the report was a “draft of an internal paper that has not been reviewed, fact-checked or balanced by diversities of opinion”. WWF also reinforced that WWF and MSC share a common vision pursued through different, but complementary efforts and that the MSC is the best seafood certification scheme available.<sup>16</sup> However, the leaked report has cast some doubts about the scheme and fuelled criticism from Greenpeace. In relation to Thai Union’s recent announcement to source 100% from MSC-certified or FIP fisheries (see separate story below), Greenpeace has raised concerns citing the leaked report and encouraged Thai Union and other tuna companies to “move beyond unreliable ecolabels to take decisive action to eliminate the worst practices and problems from their supply chains”.<sup>17</sup>

**A leaked WWF report criticises MSC’s certification scheme for having “troubling systematic flaws”**

**MSC says its scheme has incentivised tuna fisheries to adopt harvest control rules**



## FISHERIES DEVELOPMENT

### United Nations adopts 'World Tuna Day'

Since 2012, the Parties to the Nauru Agreement (PNA) have celebrated 2 May as 'World Tuna Day' in recognition of the close relationship between the Pacific Islands' people and their tuna fisheries.

On 7 December, Palau, on behalf of the Pacific Small Island States, presented a draft resolution to the United Nations General Assembly requesting that 2 May be designated internationally as World Tuna Day. The resolution was adopted without a vote by the General Assembly consisting of 193 members, with World Tuna Day cited as "an important step in recognizing the critical role of tuna to sustainable development, food security, economic opportunity, and livelihoods of so many around our world".<sup>18</sup>

The UN General Assembly also adopted a second resolution to implement the 2030 Agenda for Sustainable Development and its 17 Sustainable Development Goals, including Goal 14 on the conservation and sustainable use of the oceans, seas and maritime resources. The Assembly also called on UN member states to apply a "precautionary approach" to the conservation, management and exploitation of fish stocks and to consider the risks and impacts of climate change.<sup>19</sup>

### Increasing value of fisheries access fosters potential for corruption

The recent Cook Islands Court of Appeal decision rejecting an appeal against the conviction of a former Minister of Marine Resources and Opposition Leader on corruption charges linked to fisheries has brought the subject of corruption in fisheries to the fore.

Increased pressure on fish stocks in the WCPO and the resultant limitations on catch and effort at national, sub-regional and regional levels have greatly increased the value of fisheries access, as demonstrated by significant gains in revenue by Pacific Island countries in recent years. In Cook Islands for example, an initial 1981 agreement with the Taiwan tuna longline association resulted in a lump sum payment of US \$90,000 for access by up to 90 longliners. By 2007 foreign access revenue from all sources had reached just US \$300,000, according to the Ministry of Marine Resources, but by 2016 the Ministry reported US \$8.4 million in fisheries access revenue.<sup>20</sup>

In the high stakes and competitive environment of WCPO tuna fisheries that have developed in recent years, the potential financial gains from acts of corruption (one definition of which is "the misuse of entrusted power for private gain")<sup>21</sup> raises important public policy considerations to ensure that fishing access rights are objectively and transparently allocated in accordance with clear policy objectives and priorities.

Corruption in fisheries in the Pacific Islands has been heralded by various commentators and critics from time to time but generally without clear proof or basis. With regard to corruption in fisheries, as for corruption generally, access to information for and in specific Pacific Island countries is not always available. Publication of global rankings by several international organizations helps to shed light on the relative severity of the problem, but does not always include the smaller Pacific Island countries. Transparency International for example publishes a "Corruption Perceptions Index" listing 167 countries, but only Papua New Guinea (137<sup>th</sup>) is listed.<sup>22</sup> The World

*PNA's World Tuna Day has been adopted internationally by the UN*

*Growing fisheries access value has increased potential financial gains from corruption in some Pacific Islands countries*

Bank's Worldwide Governance Indicators include "control of corruption" as one of six governance indicators and ranks each of 14 Pacific Island countries against over 200 countries and territories. For 2015, those ranking in the highest percentiles of countries in the world controlling corruption were Federated States of Micronesia (76) and Samoa (66), while those in the lowest percentiles were PNG (14) and Tonga (40).<sup>23</sup>

It has been eight years since a published report by authors at the University of Wollongong highlighted the fact that in some Pacific Island countries the legislative and/or administrative framework for licensing is described as a "one man" system.<sup>24</sup> In these systems, the licensing processes lack adequate opportunities for review and are particularly vulnerable to corruption. With moves in some PICs to require fishery access license holders to participate in shore-based activities or government-sponsored opaque "joint venture" vessels, there may be a need to re-evaluate and expand the scope of anti-corruption activities and measures.

Firm action by Pacific Island governments to establish effective public policy objectives, transparent processes and uniform practices for fishing access and investment decisions will not only guard against possible corruption but also better ensure more efficient and effective use of fishing access revenues and investment returns for the broad public benefit of those Pacific Island communities. Preventive action now will serve to curtail opportunities for corruption and abuse of funds and privilege that may otherwise arise.

## TUNA INDUSTRY

### ISSF adopts new measures for FADs, traceability and capacity management<sup>25</sup>

The International Seafood Sustainability Foundation (ISSF), a global partnership between scientists, the tuna industry and NGOs, has recently adopted new and amended conservation measures relating to use of non-entangling fish aggregating devices (FADs), product traceability and fishing capacity management. These measures apply to ISSF's participating companies (i.e. processors, traders, importers, transporters and marketers), now totalling almost 30 and accounting for as much as 75% of global tuna processing capacity, according to ISSF.

Non-entangling FADs are designed to mitigate the entanglement of vulnerable species, particularly sharks. To support a global transition from traditional to non-entangling FADs, ISSF participating companies can only conduct transactions with purse seine vessels that have a public policy in place regarding the use of only non-entangling FADs. The public policy must be in place six months after 18 October 2016 when the measure came into effect, with only non-entangling FADs deployed within twelve months.

To strengthen tuna product traceability, effective 1 January 2018, ISSF participating members who are tuna brand owners will be required to specify the species of tuna used and the ocean of capture on all product labelling or via a publicly available web-based traceability system.

ISSF has refined and expanded its existing capacity management conservation measures which ban transactions with large-scale purse seine vessels not actively fishing by 31 December 2012 (6.1) or not registered on ISSF's record of large-scale purse seine vessels (6.2 (a)). Effective 1 January 2018, ISSF participating companies

*Expanded anti-corruption activities and measures relating to Pacific Islands' tuna fisheries can improve outcomes related to licensing fees*

*By October 2017, all FADs deployed must be non-entangling by purse seiners selling fish to ISSF members*

(or individuals holding controlling interests) that are direct or indirect investors in any new vessel that is not in compliance with ISSF's original capacity measures (6.1 and 6.2 (a)) must buy out and scrap existing large-scale purse seine capacity that corresponds to the full capacity of the new vessel. ISSF participating members are also not permitted to purchase fish from purse seine vessels in fleets where other vessels owned by the same company do not comply with the capacity requirements (for example, where a fishing company has 4 vessels in compliance and 1 vessel not in compliance, an ISSF participating company is not permitted to purchase fish from any of the five vessels). Vessels not complying with ISSF's capacity requirements will not be listed on ISSF's ProActive Vessel Register (PVR). In addition, all other vessels owned by the same company will not be eligible to be listed or removed from the PVR until the whole fleet complies. ISSF participating members are not permitted to purchase fish from large-scale purse seine vessels not listed on ISSF's PVR.

These new measures, which are stronger than those adopted by some tuna RFMOs and market states (in the case of labelling requirements), demonstrate ISSF's commitment to industry playing a leading role in the conservation and management of global tuna resources.

### Thai Union commits to sourcing 100% sustainable tuna

Under a new tuna strategy, Thai Union – the world's largest tuna company – has made a public commitment to source 100% of tuna from sustainable sources for its branded products; with 75% of this goal to be reached by 2020. Thai Union owns a number of prominent tuna brands globally – Chicken of the Sea (North America); Genova (North America); John West (Northern Europe & Middle East); Mareblu (Italy); Petit Navire (France) and SEALECT (Thailand). Each of these brands will report publically on progress against the 2020 commitment. Thai Union intends to source 'sustainable tuna' from MSC-certified fisheries or those involved in a fisheries improvement project (FIP) and working towards MSC certification. As part of its tuna strategy, Thai Union is investing \$90 million in initiatives to grow the supply of sustainable tuna and enhance traceability, including the establishment of 11 new FIPs globally. The FIPs will cover multiple gear types (purse seine, pole and line, longline, handline), species (skipjack, yellowfin, albacore, tonggol) and locations (Pacific, Indian, Atlantic Oceans). Thai Union is also investing in digital traceability systems to enhance supply chain transparency for addressing IUU fishing and monitoring labour standards. As a founding member of ISSF, Thai Union also commits to only sourcing tuna from large-scale purse seiners registered on ISSF's ProActive Vessel Register.<sup>26</sup>

Thai Union is also working collaboratively with other key tuna and seafood supply chain actors on sustainability and labour practices initiatives. Thai Union is one of eight 'keystone actors' in the seafood industry who have formed the "Seafood Business for Ocean Stewardship" initiative. In joining this initiative, Thai Union, together with other prominent seafood companies including Dongwon, Maruha Nichio and Nissui, have committed inter alia to improved transparency and traceability, reduced IUU fishing and IUU/endangered species products in seafood supply chains, science-based efforts to improve fisheries, elimination of modern slavery and the investment in emerging approaches and technologies for sustainable fisheries.<sup>27</sup>

Thai Union has also recently signed a Memorandum of Understanding (MOU) with the World Tuna Purse Seine Organisation (WTPO) on best practice labour standards in tuna fishing operations. WTPO represents the majority of the world's large-scale tuna purse seine operators. Thai Union and WTPO have agreed to work together to

*All purse seine vessels under the same ownership must be in compliance with all ISSF measures to conduct transactions with ISSF members*

*Thai Union's branded products will contain 100% MSC-certified or FIP sourced tuna*

develop policies on ethical crew employment and fair labour practices.<sup>28</sup>

Thai Union has been highly criticised by Greenpeace and several other NGOs concerning unsustainable sourcing strategies and labour rights abuses. These new initiatives and strategic collaborative partnerships indicate a Thai Union's commitment to address these criticisms and make improvements.

### Report reviews options for managing minimum wage increases in American Samoa

In 2007, US Congress passed legislation that requires incremental increases in minimum wages in American Samoa to match the US federal level. Subsequent legislation postponed or reduced these increases, slowing the convergence of wages between the mainland and the Territory, in part, out of concern of the effects of minimum wage increases on the canned tuna sector, which employs 14 percent of the territory's population. In 2015, Congress authorized an increase in the minimum wages. The law included a provision for a report on alternative ways of increasing minimum wages in American Samoa to meet the goals of keeping pace with the territory's cost of living and eventually equal the federal minimum wage.

The study,<sup>29</sup> which was conducted by the Government Accountability Office (GAO), outlines the distinct economic conditions in the mainland US and in American Samoa, citing that American Samoa's median household income is well below, and its poverty rate well above, those of the mainland. The analysis finds that since 2007, minimum wages in American Samoa have generally kept pace with changes in the cost of living, and that the minimum wage for cannery workers has increased. Future minimum wage increases on the current schedule would affect the wages of 98 percent of current canning industry hourly workers by the time it reaches the federal minimum wage (US\$7.25) in 2033. The canneries reported plans to reduce operations on account of the combination of rising labour costs, decreased fish supply and the threat of erosion of preferential benefits of duty free access to the US market. In the time since the analysis was completed, StarKist introduced planned work stoppages to cope with fish shortages and Tri Marine has permanently suspended canning operations.

The study offers two approaches for increasing American Samoa's minimum wages to keep pace with the cost of living in the territory and eventually equal the federal minimum wage. The first relies on indexing minimum wages to the cost of living. A primary consideration here would be selecting an economic index such as an appropriate Consumer Price Index that reflects changes in American Samoa's costs of living. This approach would ensure that wages keep pace with measured costs of living, but would not clarify when American Samoa would reach the current federal minimum wage. The GAO also recommending accounting for volatility and lack of predictability in American Samoa cost of living, which could inhibit employers' ability to make investment and business decisions, workers' ability to make employment and personal finance decisions and government's ability to anticipate accurate tax revenues and develop budget and economic plans.

The second approach relies on continued use of a schedule of future adjustments, though the schedule-based approach could be modified to consider frequency and amount of future increases. While this approach guarantees that American Samoa's minimum wage will match federal minimum wage in a given period of time, it does not guarantee that wages will keep pace with the territory's cost of living. Aspects of each could be combined with respect to the amount and timing of future increases

*Future minimum wage increases contributed to the canneries' plans to reduce operations*

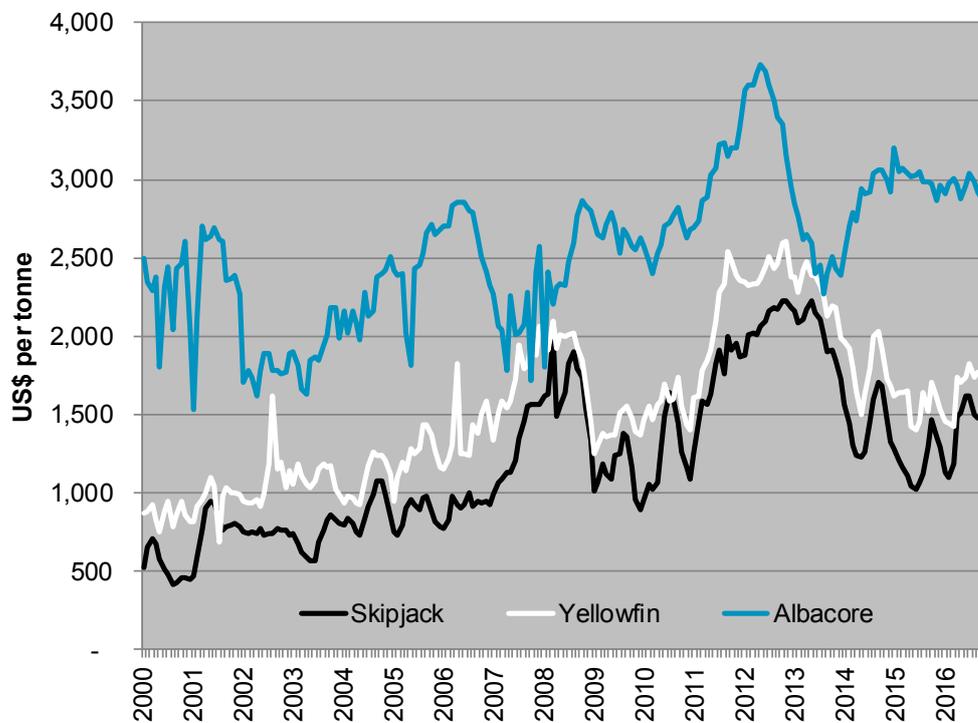
*Safeguards based on economic indicators in critical sectors could be incorporated into minimum wage increase planning*

to the territory's minimum wage. Safeguards, such as reductions or suspensions of increases based on economic indicators that reflect the general health of the American Samoa economy or critical sectors such as fish processing, could be incorporated to protect against potential negative effects of minimum wage increases.

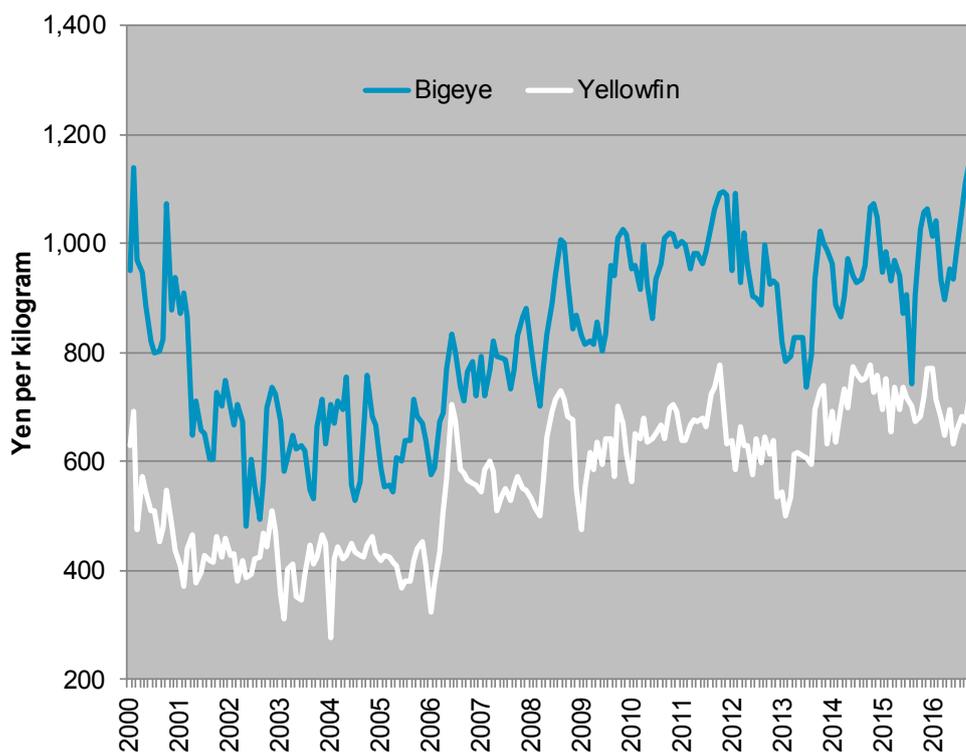
Commenting on the report, the US Department of the Interior (DOI), which houses the Office of Insular Affairs, noted that it is critical to consider the territory's particular circumstances, including local economic and labour market realities. DOI suggested further study on the options. For its part, the American Samoan government noted that the territory's economic base is narrow and fragile and that minimum wage increases based on significantly different mainland economic conditions are misguided and will conflict with sustainable economic development in the territory. It expressed appreciation for Congress's commitment to ensuring that the territory's workers receive a salary that will allow them to address the cost of living, but warned that setting minimum wages without considering the territory's prevailing economic conditions would likely have a 'countervailing' impact. The American Samoa government recommended creating a committee to set minimum wages in the territory, which was the approach used prior to 2007.

## TUNA PRICE TRENDS<sup>30</sup>

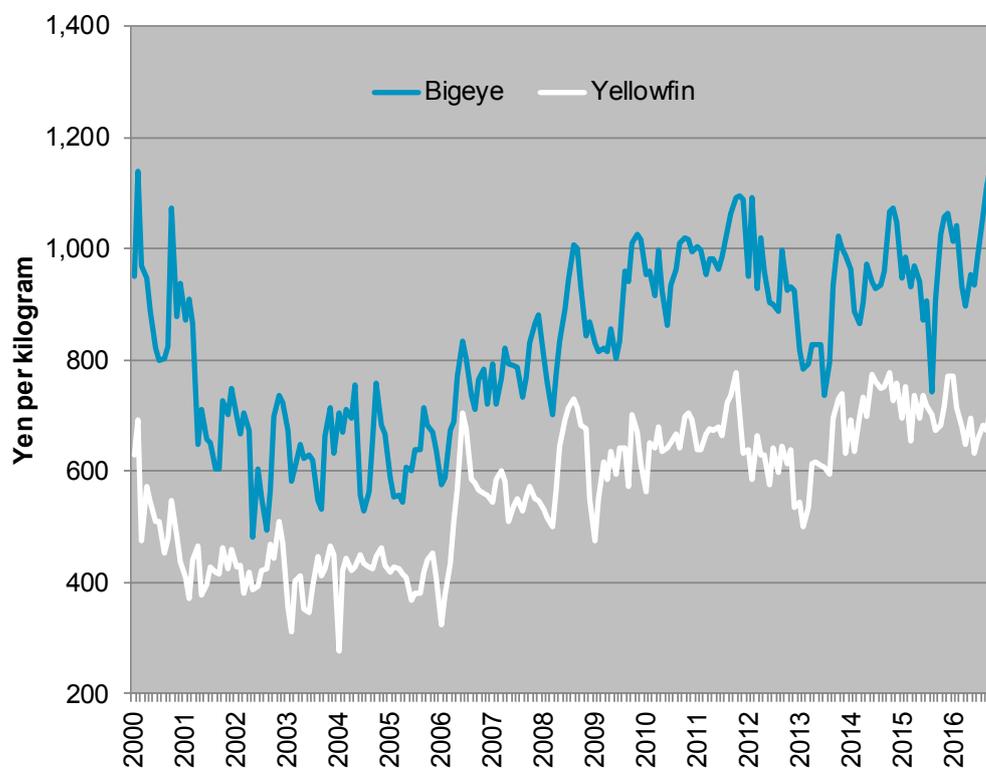
Bangkok canning-grade prices to August 2016<sup>31</sup>



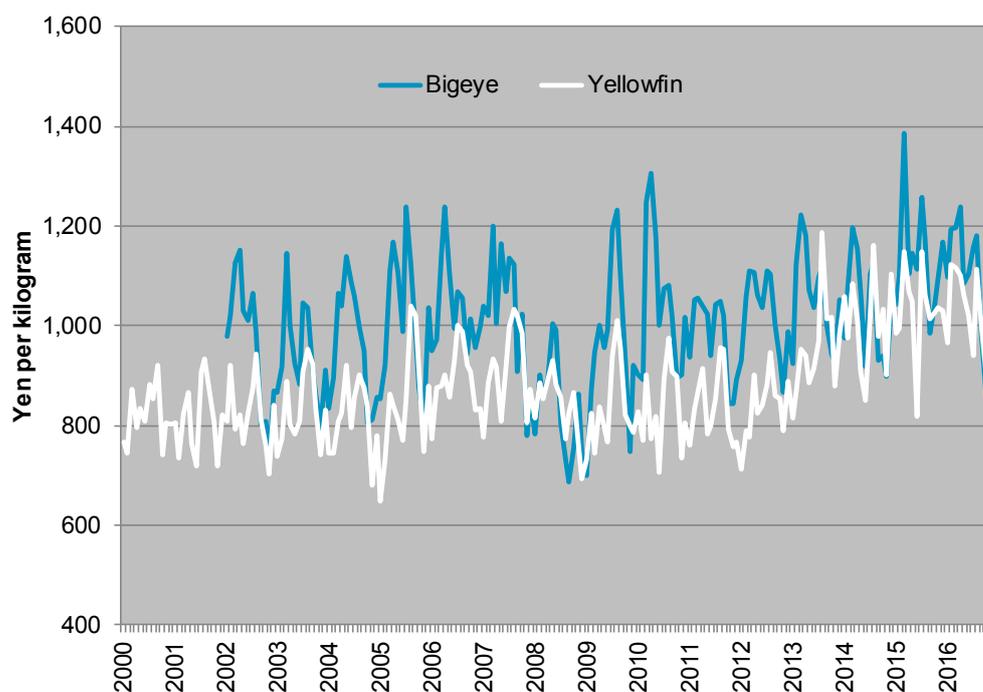
Japan frozen sashimi prices (ex-vessel, Japanese ports) to August 2016<sup>32</sup>



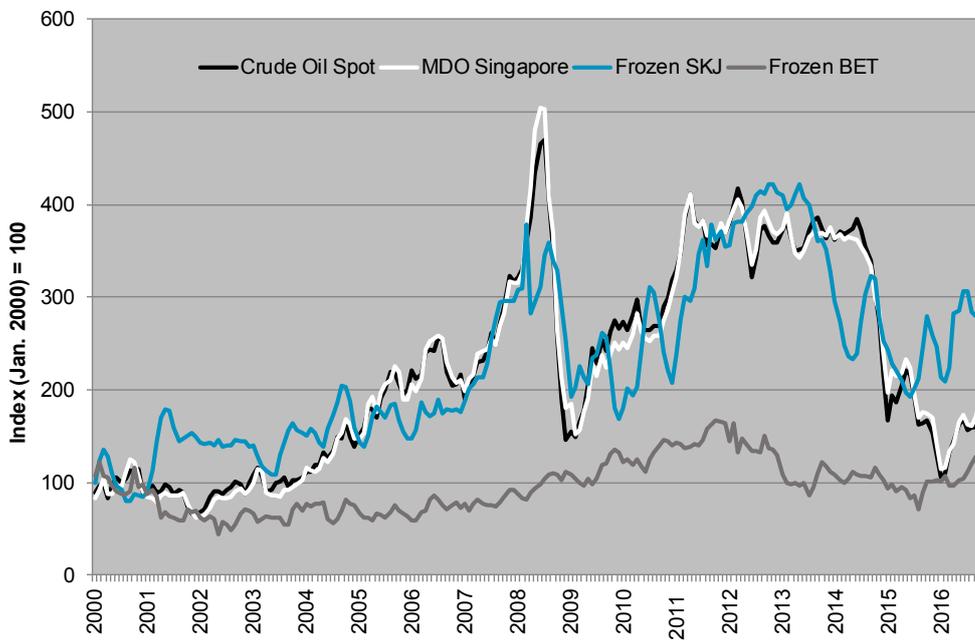
### Japan fresh sashimi prices (origin Oceania) to August 2016<sup>33</sup>



### US imported fresh sashimi prices to August 2016<sup>34</sup>



### Crude oil, canning-grade frozen skipjack (SKJ) and frozen bigeye (BET) price index to August 2016<sup>35</sup>



<sup>1</sup> Prepared for the FFA Fisheries Development Division by Dr Liam Campling, School of Business and Management, Queen Mary University of London, Dr Elizabeth Havice, University of North Carolina at Chapel Hill and Mike McCoy, independent consultant, all Consultant Fisheries Trade and Market Intelligence Analysts, Fisheries Development Division, FFA. Desktop publishing by Antony Price and Melanie Moon. The authors would like to thank Mike Batty for his input on an earlier draft of this briefing. The contents of this briefing (including all analysis and opinions) are the responsibility of the authors and do not necessarily reflect the positions or thinking of the FFA Secretariat or its Members.

<sup>2</sup> FFA, 'WCPFC13: Pacific solidarity for observer safety puts fishing nations on notice, says FFA', 9 December 2016. Available at: <http://www.ffa.int>

<sup>3</sup> WCPFC, Provisional Outcomes Document, 13<sup>th</sup> Regular Session of the Western and Central Pacific Fisheries Commission, WCPFC13-2016-Outcomes, 20 December 2016. Available at: <http://www.wcpfc.int>

<sup>4</sup> 'WCPFC13: FFA bloc cites 'management failure' of WCPFC behind Bluefin's critical state', Forum Fisheries Agency, 7 December 2016. Available at: <http://www.ffa.int>

<sup>5</sup> WCPFC, 20 December 2016.

<sup>6</sup> *ibid.*

<sup>7</sup> WCPFC, Conservation and Management Measure for the Eastern High-Seas Pocket Special Management Area (CMM 2016-02). Available at: <http://www.wcpfc.int>

<sup>8</sup> WCPFC, Conservation and Management Measure for Charter Notification Scheme (CMM 2016-05). Available at: <http://www.wcpfc.int>

<sup>9</sup> 'US fleets sign up to South Pacific Tuna Treaty', Radio New Zealand, 8 December 2016. Available at: <http://www.radionz.co.nz>

<sup>10</sup> 'Conclusion of the South Pacific Tuna Treaty Amendment Negotiations', US Department of State Press Release, 3 December 2016. Available at: <http://www.state.gov>

<sup>11</sup> H.R. 6452 – Ensuring Access to Pacific Fisheries Act, 114<sup>th</sup> Congress. Available at: <http://www.congress.gov>

<sup>12</sup> Jason Smith, 'Group: Pricey PNA tuna access drives US fleet to high seas', Undercurrent News, 6 December 2016. Available at: <http://www.undercurrentnews.com>

<sup>13</sup> *ibid.*

<sup>14</sup> Cliff White, 'Leaked WWF report levels harsh criticism of MSC', Undercurrent News, 6 December 2016. Available at: <http://www.undercurrentnews.com>

<sup>15</sup> 'MSC, World-class, independent certification helps safeguard our oceans', Marine Stewardship Council, 28 November 2016. Available at: <http://www.msc.org>

<sup>16</sup> 'WWF Leaked Report Sparks Greenpeace Charge at MSC', Atuna, 8 December 2016. Available at: <http://www.atuna.com>

<sup>17</sup> 'Thai Union Commits to 100% Sustainable, But Can it Get There?', Sustainable Brands, 13 December 2016. Available at: <http://www.sustainablebrands.com>

<sup>18</sup> 'Statement by the President of the U.N. General Assembly on Agenda Item 73: Oceans and the Law of the Sea', United Nations, 7 Dec 2016. Available at: <http://www.un.org>

<sup>19</sup> 'Adopting Drafts on Managing World's Oceans, General Assembly Declares 2 May World Tuna Day, Urges Accounting for Climate Risks to Sustainable Fisheries', United Nations, 7 Dec 2016. Available at: <http://www.un.org>

<sup>20</sup> 'Boost for fishing revenue', Cook Islands News, October 16, 2016. Available at: <http://www.cookislandsnews.com>

<sup>21</sup> AusAID, Tackling corruption for growth and development: a policy for Australian development assistance on anti-corruption, Australian Agency for International Development 2007.

<sup>22</sup> Corruption Perceptions Index 2015 – Table of Results, Transparency International. Available at: <http://www.transparency.org/cpi2015?gclid=CLvFl6afJ9ECFUVIfgod1YAJ3w#results-table>

<sup>23</sup> Worldwide Governance Indicators - Interactive Table, World Bank. Available at: <http://info.worldbank.org/governance/wgi/>

<sup>24</sup> Martin Tsamenyi and Quentin Hanich. 'Managing fisheries and corruption in the Pacific Islands region', Marine Policy, 33(2): 386-392. March 2009.

<sup>25</sup> 'ISSF Announces New & Amended Conservation Measures on FADs, Product Traceability, Fishing Capacity Management', International Seafood Sustainability Foundation. 2 December 2016. Available at: <http://www.iss-foundation.org>

<sup>26</sup> 'Thai Union Commits to 100% Sustainable Tuna', Thai Union, 13 December 2016. Available at: <http://www.thaiunion.com>

<sup>27</sup> Neil Ramsden, 'World's "keystone" seafood firms commit to traceability, sustainability', Undercurrent News, 14 December 2016. Available at: <http://www.undercurrentnews.com>

<sup>28</sup> 'Thai Union, purse seiner group ink MOU on fair labour practices', Undercurrent News, 9 December 2016. Available at: <http://www.undercurrentnews.com>

<sup>29</sup> 'American Samoa: Alternatives for raising minimum wages to keep pace with the cost of living and reach the federal level', United State Government Accountability Office, Report to Congressional Committees. December 2016. Available at: <http://www.gao.gov>

<sup>30</sup> All databases are provided by the Fisheries Development Division at FFA.

<sup>31</sup> Customs Department, Thailand. <http://www.customs.go.th/Statistic/StatisticIndex.jsp>

<sup>32</sup> FFA database

<sup>33</sup> Japan Customs. [http://www.customs.go.jp/toukei/info/index\\_e.htm](http://www.customs.go.jp/toukei/info/index_e.htm)

<sup>34</sup> US National Marine Fisheries Service. <http://www.st.nmfs.gov/st1/trade/index.html>

<sup>35</sup> US Energy Information Administration. [http://tonto.eia.doe.gov/dnav/pet/pet\\_pri\\_spt\\_s1\\_m.htm](http://tonto.eia.doe.gov/dnav/pet/pet_pri_spt_s1_m.htm)