

**Statement of
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**Before the
U.S. Senate Committee on Foreign Relations**

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Mr. Chairman and members of the Committee, I am Ambassador David Balton, Deputy Assistant Secretary of State for Oceans and Fisheries. I am pleased to testify before you today in support of the four international agreements being considered by the Committee:

The Convention on the Conservation and Management of High Seas Fisheries Resources of the North Pacific Ocean (hereinafter “NPFC Convention”);

The Convention on the Conservation and Management of High Seas Fishery Resources of the South Pacific Ocean (hereinafter “SPRFMO Convention”);

Amendments to the Convention on Future Multilateral Cooperation in the Northwest Atlantic Fisheries (hereinafter “NAFO Amendments”); and

The FAO Agreement on Port State Measures to Prevent, Deter and Eliminate Illegal, Unreported and Unregulated Fishing (hereinafter the “Port State Measures Agreement” or “PSMA”).

Individually and collectively, these four agreements represent significant progress in protecting U.S. interests, advancing our international policies and priorities to conserve and manage shared living marine resources, to protect the broader marine environment from the effects of destructive fishing practices, and to prevent illegal fishing activities from undermining our global and regional efforts toward these ends. Each of these agreements has strong support from a broad range of stakeholders, including representatives of the U.S. fishing industry and the environmental and scientific communities, many of whom participated actively in the negotiations. For these reasons, we seek timely action by the Senate to provide its advice and consent to ratification.

The United States has a strong record of international leadership to conserve and manage shared fishery resources in a sustainable way. In fact, doing so is vitally important to our efforts to manage resources in waters under United States jurisdiction. The United States is already a party to more than a dozen such regional agreements governing such diverse resources as tunas in the Pacific and Atlantic Oceans, groundfish in the North Atlantic Ocean and the Bering Sea, salmon in the North Pacific and North Atlantic Oceans, among others. We are also a party to the two most significant fisheries agreements adopted at the global level – the 1993 FAO High Seas Fisheries Compliance Agreement and the 1995 UN Fish Stocks Agreement. Because activities that take place on the high seas and in waters under the jurisdiction of other countries can have a direct impact on important U.S. fisheries, being a member of these regimes – and especially having a seat at the table in these organizations – is imperative.

My colleague Russell Smith, Deputy Assistant Secretary for International Fisheries at NOAA, will discuss the substance of these agreements from a conservation and management perspective and how their provisions support and enhance U.S. domestic fisheries management, while protecting the marine ecosystem. The remainder of my testimony will focus on how each of these agreements advances our international goals and objectives, including broad foreign policy objectives, and promotes responsible and sustainable use of our oceans resources.

NPFC Convention

The NPFC Convention was adopted on February 24, 2012, signed by the United States on May 2, 2012, and transmitted to the Senate on April 22, 2013. Once in force, the Convention will establish the North Pacific Fisheries Commission (NPFC) through which the Parties will cooperate to ensure the long-term and sustainable use of fisheries in the Convention Area. U.S. accession to the Convention will protect and advance important and significant U.S. interests. In particular, the Convention Area includes areas of the high seas immediately adjacent to the U.S. Exclusive Economic Zone (EEZ) off Alaska, the Pacific west coast, Hawaii, and other U.S. territories and possessions in the North Pacific. Thus, U.S. accession is vital to ensuring that the United States has a strong voice in managing fishing activities outside the U.S. EEZ that could have a direct impact on resources within waters under U.S. jurisdiction. U.S. accession will also ensure that U.S. fisherman will have a legitimate right to participate in fisheries within the Convention Area on an equitable basis.

As with the SPRFMO Convention, discussed below, negotiations toward the NPFC Convention were initiated in response to the growing concern of the international community toward the impacts of certain deep sea fishing practices, taking place outside areas of national jurisdiction, on a range of unique and endemic deep-sea marine ecosystems including sea mounts, hydrothermal vents, deep sea and cold water coral communities, sponge fields, etc., collectively referred to as “vulnerable marine ecosystems.”

This growing international concern was reflected most clearly in United Nations General Assembly (UNGA) Resolution 59/25, adopted on November 17, 2004, in which the UNGA:

“[Called] upon States urgently to cooperate in the establishment of new regional fisheries management organizations or arrangements, where necessary and appropriate, with the competence to regulate bottom fisheries and the impacts of fishing on vulnerable marine ecosystems in areas where no such relevant organization or arrangement exists.”

In response to this call, delegations from Japan, Korea, Russia and the United States met in Tokyo, Japan in August 2006, to begin negotiations that led to the 2012 adoption of the NPFC Convention. Initially, the negotiations had a much narrower focus than the Convention that is before you for consideration today. Between 2006 and 2008, the negotiations focused exclusively on bottom fisheries in the Northwest Pacific Ocean. In particular, the discussions focused on bottom fisheries conducted by Japan, Korea and Russia on the Emperor Seamounts, a chain of seamounts that extends from the North Hawaiian Ridge in the south, almost to the Aleutian Islands in the north.

As the discussions continued, the United States pressed, against some resistance, to expand the scope of the negotiations in two ways. First, our delegation pressed to expand the geographic scope of the Convention to ensure that the waters adjacent to the U.S. exclusive economic zone of Alaska and the Pacific west coast (Washington, Oregon, and California) were included within the Convention Area. Second, we pressed to ensure that the Convention established management authority not only for bottom fisheries, but for all high seas fishery resources not covered by an existing international management regime. Other than the bottom fisheries on the Emperor Seamounts, the primary pelagic fisheries included under this expanded scope include the fisheries for Pacific saury and squid. This expansion of the scope of the negotiations brought Canada, China and Taiwan

(which participated as the fishing entity of Chinese Taipei) into the negotiations, in addition to the original four States listed above.

The Convention will enter into force one hundred eighty (180) days after receipt by the Depositary (the Government of Korea) of the fourth instrument of ratification, acceptance, approval or accession. Japan was the first State to ratify the Convention. Canada, China, Korea and Russia are all actively working to conclude their domestic procedures for ratification. As a result, there is a strong chance the Convention could enter into force in 2014 or early 2015.

Finally, Mr. Chairman, the United States has played an active and significant role in the development of the Convention and the preparations for its entry into force. At the request of the participating delegations, I was honored to chair the last several sessions of the negotiations that led to the adoption of the Convention in 2012. Since that time, one of my colleagues at the State Department has chaired the Preparatory Conference which has conducted the vital work to prepare for the entry into force of the Convention and the establishment of the new Commission. In order to continue to play such a leadership role, the United States must be at the table as a Member of the Commission at its first meeting.

SPRFMO Convention

The SPRFMO Convention was adopted on November 14, 2009, signed by the United States on January 31, 2011, and transmitted to the Senate on April 22, 2013. The Convention establishes the South Pacific Regional Fisheries Management Organization (SPRFMO) through which the Parties will cooperate to ensure the long-term and sustainable use of fisheries in the Convention Area. Although the United States currently has no fishing activity for fish stocks covered by the Convention, accession to the Convention will yield significant benefits to U.S. interests. The Convention Area includes areas of the high seas closest to the U.S. territory of American Samoa, and immediately adjacent to the U.S. exclusive economic zone off a number of U.S. Pacific possessions including Jarvis, Howland and Baker Islands, Kingman Reef and Palmyra Atoll. Here again, U.S. accession is vital to ensuring that the United States has a strong voice in managing fishing activities outside the U.S. EEZ that could have a direct impact on resources within waters under U.S. jurisdiction.

Moreover, to the extent that the NPFC and SPRFMO have comparable mandates for the North Pacific and South Pacific, respectively, the policies, practices and agreements established under SPRFMO may well find resonance in the NPFC. As

a result, active U.S. participation in SPRFMO will ensure that the work of SPRFMO results in such policies, practices and agreements that would be acceptable to the United States in a broader context, including in the NPFC. Finally, as in the NPFC, U.S. accession to the SPRFMO Convention will ensure participatory rights for U.S. fishermen in fisheries within the Convention Area.

As with the NPFC Convention discussed above, negotiations for the SPRFMO Convention were initiated in response to the call by the UNGA for States to cooperate to establish new agreements related to bottom fishing and the impacts of fishing on vulnerable marine ecosystems in area where no such relevant organization or arrangement existed at the time.

Initial discussions on the establishment of such an organization took place between the Governments of Australia, Chile and New Zealand in 2005. The discussions were quickly joined by a number of other countries and entities, including the United States, Belize, China, Denmark (in respect of the Faroe Islands), Ecuador, the European Union, Korea, Russia, Peru, several Pacific Island States, and Taiwan (again as the fishing entity of Chinese Taipei). As in the North Pacific negotiations, the scope of the negotiations expanded to include not only bottom fisheries but pelagic fish stocks not otherwise subject to management, the most significant of which is the fishery for jack mackerel off the coast of Chile, Peru and Ecuador.

The SPRFMO Convention entered into force on August 24, 2012, and currently has 12 Contracting Parties. The Commission has met twice, in January 2013 and January 2014, and has adopted measures for the management of jack mackerel and bottom fishing. The United States has participated in the first two meetings of the Commission as an observer. As a result, our ability to influence any decisions taken is significantly less than would be the case if the United States were a full member of the Commission. Ratification of the Convention will allow the United States to take its seat at the table with the other members of the Commission and have an equal voice in matters before the Commission.

NAFO Amendments

The NAFO Amendments were adopted by the Northwest Atlantic Fisheries Organization (NAFO) September 28, 2007 and transmitted to the Senate on April 22, 2013. NAFO is charged with coordinating scientific study and cooperative management of the fisheries resources of the Northwest Atlantic Ocean, excluding salmon, tunas, and sedentary species of the Continental Shelf. The NAFO

Convention Area includes the waters of the U.S. EEZ from Cape Hatteras to Maine, although NAFO management measures apply primarily in the high seas portion of the Convention Area.

The United States joined NAFO in 1995, and has participated actively since, assuming leadership positions and working to advance key principles of sustainable fisheries management. Although many NAFO stocks remain at levels too low to support fishing, others are finally showing signs of rebuilding under NAFO management. After working for many years to secure viable allocations, last year the United States was able to begin fisheries for some of these NAFO-managed high seas stocks.

Following international calls for regional fisheries management organizations to strengthen their effectiveness, NAFO launched a comprehensive reform process in 2005 intended to improve the way conservation and management measures are adopted, strengthen compliance and enforcement provisions, and revise its establishing Convention. The United States participated actively in this effort. Through it, we pushed to bring NAFO more in line with the principles of modern fisheries management and to address our particular concerns about catch allocations and fair participation.

The resulting comprehensive amendments met all of our priorities. They add additional rigor and transparency to the decision-making process, establish a dispute settlement procedure, improve the guiding language for allocating catches, formally incorporate key concepts including transparency and broader ecosystem considerations, and make the basis for calculating Contracting Parties' budget contributions more equitable.

The last point was a major U.S. priority. Under the Convention, part of the NAFO budget is divided equally among all Contracting Parties and the rest is split according to Parties' catches of certain species in the Convention Area, including within coastal States' EEZs. As a result, coastal States such as the United States pay a disproportionately high share of NAFO's budget. The United States pushed to rebalance the dues to better match the benefits Parties receive. The amendments do not change the basic formula, but they amend the list of stocks used to calculate Parties' respective catches to include only species under NAFO management or for which NAFO provides scientific advice, and remove those fished exclusively in waters under a coastal State's jurisdiction. This change is expected to reduce U.S. dues by almost one-third.

The NAFO Amendments will take effect 120 days after Canada, as Depositary, receives notification of approval from nine Contracting Parties. To date five – Canada, Cuba, the European Union, Norway, and the Russian Federation – have deposited instruments of approval. We understand one other is imminent, and two others are expected by this fall. Speedy ratification may enable the United States to provide the last approval needed for the NAFO Amendments to take effect.

Port State Measures Agreement

The last Agreement I will discuss, Mr. Chairman, is different from the others. It is a global agreement, and is in fact the first binding global agreement specifically intended to combat illegal, unreported, and unregulated – or IUU – fishing. The United States signed the Port State Measures Agreement on November 22, 2009, and it was transmitted to the Senate November 14, 2011.

IUU fishing undermines efforts to conserve and manage shared fish stocks and threatens the sustainability of all fisheries. Estimates of global losses due to IUU fishing range from \$10 to \$23 billion each year. The large number of developing States that depend on fisheries for food security and export income are particularly vulnerable. A secondary benefit to ratification of the Port State Measures Agreement and the other treaties under consideration is that it will give the United States additional tools to address illegal activities that are often intertwined with IUU fishing, including drug trafficking, labor exploitation, environmental degradation, and organized crime.

Since IUU fishers can operate anywhere, detecting activities at sea is difficult and expensive. But, in order to sell or trade their illegal catch, they ultimately need to ensure that it is brought to a port for landing or transshipment. The Port State Measures Agreement establishes standards and requirements for port States to ensure IUU-caught fish will not be landed, transshipped, packaged, or processed in their ports.

Here again, the United States took a leadership role in the development of this agreement, hosting and Chairing the initial informal meetings that led to the agreement to engage in formal negotiations toward a legally binding instrument. Timely ratification would again underscore the commitment of the United States to strengthening efforts at the global and national levels to detect, deter and eliminate IUU fishing.

Conclusion

In closing, I would simply reiterate the importance of each of these agreements to advancing U.S. economic interests and management objectives at the international level. Each of the agreements is crafted to address a specific set of issues that, if not addressed, threaten the sustainability of the fisheries resources in question. Each of them has strong support from a broad and diverse range of U.S. stakeholders from both the fishing industry and conservation community.

Thank you very much. I am happy to answer any questions you may have.