

**European Parliament Remarks
(22 min)**

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Thank you, [individual introducing you].

Distinguished members and Commissioner Damanaki: Thank you for the invitation to speak with you today. It is an honor and a privilege.

The reason I am here today can be summed up in three interrelated ideas: food security, profitability, and sustainability – healthy seafood for healthy people, profitability for fishermen and sustainability of fisheries and healthy oceans. The key to these three things lies in a heretofore elusive goal: ending overfishing and managing our fisheries to ensure recovery and rebuilding of stocks. Simple in concept, yet complex to carry out.

As two of the world's largest harvesters of seafood and two of the largest markets for seafood, the European Union and the United States have vested interests in the future of marine fisheries.

That investment can pay off in good jobs. Fishing jobs are the lifeblood of many coastal communities. And each fishing job creates other jobs – boat captains and their crews, workers in seafood processing plants, truckers transporting seafood from the dock to processors and elsewhere, retailers selling key ingredients for seafood dinners, chefs and wait staff in restaurants, and the tourism industry that hosts the visitors who clamor for locally caught seafood. These jobs create critical conditions for coastal communities and economies to thrive.

More than 350,000 people are employed in fishing and fish processing jobs in the European Union.ⁱ Much is at stake as we work to revise management of marine fisheries. So I am pleased to hear about your discussions of the landmark reform of the Common Fisheries Policy.

I see many parallels between U.S. fisheries policies and your Common Fisheries Policy reform. We can each learn from one another. In my brief time today, I will summarize the lessons we learned in crafting and implementing our policies as they are relevant to your proposed reforms. And I will touch upon some of our joint efforts about which I am enthusiastic.

Our key lessons revolve around the following essential features for sustainable fisheries: science-based decision-making, use of precaution when scientific uncertainty exists, strong monitoring and enforcement and firm deadlines, regionalization, and giving fishermen a stake in the future. Let me take these in turn.

SCIENCE-BASED, PRECAUTIONARY MANAGEMENT WITH TEETH, REGIONAL APPROACHES, AND INCENTIVES

Two keys to sustainable fisheries management are access to the best available scientific advice and a precautionary approach where there is scientific uncertainty. Within the draft Common Fisheries

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Policy, the EU Commission proposes to set the target catch at or below the level that can produce the maximum sustainable yield. Below the level would be precautionary, putting priority on the long-term sustainability of the fishery and therefore the fishermen.

I understand that there is general agreement among the EU Member States on managing fish stocks according to the maximum sustainable yield.

In the United States, fisheries management is guided by a legal framework known as the Magnuson-Stevens Act, which was first established by the U.S. Congress 35 years ago and most recently reauthorized in 2006. This legislation, especially its 2006 amendments, has transformed fisheries management in the U.S. It provided the key ingredients that have enabled us to turn the corner in ending overfishing and to rebuild stocks to a healthy state.

Under the 2006 Magnuson-Stevens Act, we are required to end and prevent overfishing through the use of annual catch limits and accountability measures. We were required to set limits on annual catches based only on scientific information. The initial focus was on those stocks that were subject to overfishing; we had four years to have catch limits in place for them. By 2011, we had to accomplish the same for all of the others - 528 federally managed stocks and stock complexes in total. That was a huge effort, but we now have all of these annual catch limits in place save one.

The Fishery Management Councils' Scientific and Statistical Committees (SSCs) provide the scientific guidance needed to set these limits. Overfished U.S. stocks are managed under plans designed to rebuild these stocks to levels that can produce the maximum sustainable yield – the same approach proposed in the Common Fisheries Policy.

Moreover, we are required to also adjust annual catch limits to make up for catches in the previous year that inadvertently went over the limit. These measures have not been easy to implement, and they have been fraught with controversy. However, these measures are very clearly working. Thanks to this strong legislation and the sacrifices of fishermen, we are ending overfishing. “I can finally see light at the end of the tunnel,” one fisherman said to me recently. Some overfished stocks are recovering more quickly than others, as expected, and we are preventing more stocks from becoming overfished or undergoing overfishing.

As of the end of 2011, 79 percent of U.S. stocks with known population levels (174 out of 258) are not overfished, which means they are at or above a level able to provide maximum sustainable fishing. 86 percent (222 stocks) are not subject to overfishing. i.e., the rate at which fishing occurs can be sustained or enable the stock to rebuild. Two weeks ago, we announced that 6 more stocks had been rebuilt in 2011, bringing the total number of stocks rebuilt since 1990 to 27. 51 others have rebuilding plans in place.

An additional key component to success is effective enforcement of these management measures. Enforcement is meant to stop cheating that leads to unfair competition and diminished overall effectiveness of the management strategy.

Thus far, I've mentioned science-based decisions, use of precaution, strong monitoring and enforcement. An additional key element to success is regionalization of fishery management. The same goals and laws apply to all regions, but fishery management councils in each region propose

the specific management plans that regulate their fisheries. Plans must adhere to the law and be approved by the federal government, but they come from the region.

Each Regional Fishery Management Council knows its individual fisheries best. They develop a tailored approach for each fishery. Council debates are an important part of the process. These debates encourage open, public participation, a process that engages all stakeholders early in the process and opens doors to creative solutions. Engaged stakeholders are more likely to comply with management decisions, making management easier and more effective. These councils are similar to the regionalized approach envisioned under the Common Fisheries Policy reform.

Another major challenge in fisheries is aligning short-term economic incentives with long-term economic incentives. Far too many fisheries flounder because short-term interests dominate. Rights-based, market-based incentives can be powerful tools in providing incentives to align short term with the long term. One such tool is called 'Catch shares' in the U.S. and 'Transferable Fishing Concessions' in the EU.

This is an innovative, market-based management strategy. Catch shares allocate a specific portion of the total allowable catch to individuals, communities or other entities. Catch shares help fishermen operate effectively within annual catch limits. Catch shares also allow fishermen greater flexibility in running their businesses and in making fishing decisions, which can improve safety, profitability, and quality of life for fishermen. In U.S. fisheries where they have been implemented, catch shares have ended the race to fish. In fisheries with catch share programs, fishermen no longer need to race out in the middle of a storm, or have their bottom line threatened by flooding the market with product, because when they catch their allocation is up to them.

We faced many concerns in implementing our catch share system in the United States that mirror many of your discussions: questions of consolidation, impacts on small-scale fisheries, and capacity reduction.

We have learned that none of these is an inevitable outcome; each can be avoided if the program is designed in a smart fashion. Consolidation and ownership limits can be set. Set-asides of quotas for particular fleets or ports can be established. Assistance in the form of permit banks and loan programs can be provided to assist small entities and new entrants consistent with management objectives. Around a third of our federally managed stocks are now managed with catch share programs. They have resulted in greater profitability, safer fishing conditions, and lower by-catch – a triple win.

Let me provide two examples of the flexibility that exists in the construction of catch share programs.

Alaska has one of the most highly productive marine systems in the world. In 1992, we created the Western Alaska Community Development Quota (CDQ) program. The program allows coastal Alaska Natives access to these fisheries. These are small-scale fishermen who historically could not afford to participate in many of the Bering Sea and Aleutian Island (BSAI) fisheries. The goal of the program is to promote fisheries-related economic development in western Alaska. The program is a federal fisheries program that involves 65 eligible coastal communities who have formed six regional organizations, referred to as Community Development Quota groups. The Community Development Quota Program allocates a percentage of all Bering Sea and Aleutian Islands quotas for groundfish,

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halibut, and crab to eligible communities. As a result of the program, these Community Development Quota groups now have multi-millions of dollars to invest in their communities and fisheries infrastructure.

Example two: Several catch share programs have provisions that limit the transferability of quota in an effort to ensure continued participation of communities and small operators in the fishery. For example, the halibut and sablefish programs limit who can transfer quota to whom by vessel size and they limit the amount of quota that can be transferred. These provisions have worked well to generally maintain the historic characteristics of the fishery.

As you can see from these examples, catch shares can be a good solution for certain fisheries. But they are not a panacea for all fisheries and all species. Again, catch share programs should be considered on a case-by-case basis and molded to the specificities and needs of the individual fishery.

To sum up this part of my remarks: science, monitoring and enforcement, regional councils, and market-based incentive programs are working in concert toward sustainability, profitability, safety, and food security.

IUU FISHING

Thus far, I have described some of the keys to our ability to end overfishing and transition to sustainable and profitable fishing. We still have a long way to go, but progress is tangible. Long-term sustainability for fisheries however depends on *everyone* playing by the rules. Rogue fishermen undermine food security, profitability and sustainability.

Illegal, unreported, and unregulated fishing – also known as IUU, or pirate fishing – looms large: a global economic loss of \$8-18 billion Euros a year. Pirate fishing is the second largest producer of fishery products in the world and it threatens the economic well-being of honest fishermen, the fishing industry and fishing communities that support them. IUU fishing results in seafood entering the market that is lower cost because it has been harvested illegally. It undermines fishermen who operate legally, threatens the health and future profitability of fisheries by destroying habitats that fisheries need to flourish.

Unfortunately, there are some in the U.S. fleet that intentionally violate the law to an unfair advantage. We work very hard to detect and prosecute them. We also actively seek out and punish those who use non-U.S. flagged vessels to fish illegally in U.S. waters. There are a plethora of vessels outside the jurisdiction of the United States or the European Union who engage in IUU activities.

Addressing these challenges requires international cooperation. In September of last year, Commissioner Damanaki and I signed a joint statement outlining our plans to combat pirate fishing. A EU-U.S. working group is making good progress toward coordinating and strengthening the requisite monitoring and enforcement.

The EU has been a global leader in curbing IUU fishing. Joint EU-U.S. efforts to combat IUU fishing are a down payment on the larger shared commitment to sustainable fisheries. Both the E.U. and the U.S., individually and collectively, have promoted the adoption of measures in regional fisheries

bodies and other international fora to make it difficult for IUU fishers to operate at sea, land their illegal product in our ports and sell it in our markets. We will continue to be vigilant in these efforts.

GLOBAL LEADERSHIP AND INTERNATIONAL COOPERATION

The United States is pleased to be standing shoulder-to-shoulder with the EU on efforts to combat IUU fishing. We are also pleased to be working closely with the EU to advance sustainable fisheries management practices globally.

Over the past two years, the United States and EU successfully collaborated on a number of proposals to promote science-based, precautionary management in the regional fisheries management organizations. Notable successes include strict control measures for Atlantic bluefin tuna, progress toward science-based quotas and protection for vulnerable habitats in Northwest Atlantic fisheries, and prohibitions on landing several vulnerable shark species in the Atlantic and Pacific.

I wish to highlight sharks as species especially susceptible to overexploitation. Many sharks grow slowly, are slow to reproduce, and highly migratory. These characteristics have resulted in far too many sharks being seriously threatened. Shark conservation and management is a global issue that looks to multilateral engagement for creative solutions.

The EU's recent efforts to advance conservation and sustainable management of sharks are commendable. I was pleased to hear of Parliament's 2010 Resolution promoting fins naturally attached and the Commission's subsequent proposal for fins naturally attached as EU policy, one that we fully support. For the United States, requiring fins naturally attached greatly enhances enforcement efforts and our ability to collect species-specific data.

CLOSING

In summary, the EU and US have worked together often and we have worked together well on a wide variety of fisheries issues. I look forward to our shared future progress.

For far too long, we have heard that we must choose between the environment and the economy. But as you know well, this is a false dichotomy. Chronic overfishing results in a downward spiral of fewer and fewer fish and therefore fewer and fewer fishing jobs and profits. A healthy economy of the future depends upon a healthy environment. We can and must achieve both.

The decision to manage for sustainable fisheries can be a decision favoring long-term profitability for fishermen and the fishing industry. The decision to support sustainable fisheries looks to build long-term food security, jobs, and economic stability for coastal communities - top priorities for nations all over the world, especially in these challenging times. The decision to combat pirate fishing supports sustainability and profitability.

The proposed reforms to the Common Fisheries Policy are visionary acts of courage. They will not be easy. If adopted, these reforms will require some sacrifice, but I believe, as has been the case in the United States, these sacrifices will be repaid by much greater rewards. Seeing the rewards will take time. So patience and a commitment for the long-term are essential.

The U.S will continue to stand by our EU partners as we both take necessary actions to ensure the long-term sustainability of fisheries that our nations deserve, the future profitability of fishing for fishermen and the fishing industry, and a continuous supply of healthy seafood for generations to come.

Food security, profitability, and sustainability are three intertwined things we care about. One depends on the others. We can link them successfully. We still have a long, long way to go on sustainable management of fisheries on a global scale. The EU Common Fisheries policy reforms have the potential to be a giant leap forward toward that goal.

ⁱ http://europa.eu/pol/fish/index_en.htm