

South Pacific Tuna Treaty

In 1987, the United States entered into a Multi-lateral Treaty on Fisheries (“the Treaty”) to maximize the benefits flowing from the responsible development of fisheries resources within the exclusive economic zones of the 16 Pacific Island Parties (PIPs): Federated States of Micronesia, the Cook Islands, Kiribati, Nauru, Niue, Palau, Papua New Guinea, the Solomon Islands, Tonga, Tuvalu, Vanuatu and the Marshall Islands, as well as Australia and New Zealand.

This Treaty forms the foundation of a strong and mutually beneficial strategic and economic relationship between the United States and the PIPs. The Treaty ensures access to some of the most valuable tuna resources in the world with annual rights for up to 40 fishing licenses for the U.S. tuna purse seine fleet. In 2008, the estimated value of U.S.-caught tuna landed in the region was in excess of \$200 million, with a total contribution to the U.S. economy of \$400-\$600 million. This tuna currently supplies one American Samoa cannery, and a second processing plant and cannery is undergoing a retrofit with full operations expected to recommence in early 2012. Together with associated services, these operations provide a substantial portion of the private sector employment in that U.S. territory.

In return, the Pacific Island Parties receive \$18 million annually in U.S. Economic Support Funds (ESF) as well as industry payments that amounted to \$5.7 million in 2010. Through this arrangement, the United States promotes economic and social development for the PIPs, many of which have few other natural resources or reliable sources of income beyond those received from fisheries. The financial return to the Pacific Island Parties under the Treaty, as a percentage of the value of the fish caught, is higher than the return for any similar bilateral or regional arrangement adopted between the PIPs and other distant water fishing fleets operating in the region.

These payments are the largest single source of U.S. economic support to the region outside of the assistance provided to the Freely Associated States. Although the major beneficiaries vary from year to year, on average the Governments of Papua New Guinea, FSM, the Solomon Islands, Tuvalu and Kiribati receive the greatest share of the funds distributed. For Tuvalu and Kiribati, revenues derived from tuna access agreements can make up 30-40 percent of the total monies available to those Governments.

The Treaty also supports U.S. economic assistance priorities by enhancing cooperation to combat illegal and corrupt exploitation of natural resources, while supporting their sustainable management. Fisheries resources are vital to the economies, cultures and future of the small island developing States of the Pacific.

With respect to governance, the Treaty provides a recognized and unique model of transparency among fisheries access arrangements. Unlike other bilateral agreements between PIPs and other fishing nations, the Treaty's terms and conditions, payments, areas of access, monitoring, control and surveillance (MCS) requirements, and other provisions are all publicly available, and reviewed annually. This multilateral agreement is the only one of its kind with a binding limit on the number of vessels, which, in fact, has been reduced from 50 to 40 over the life of the Treaty. In addition, the United States agreed to strict requirements for its fleet which set the standard for sustainable fishing in the region. U.S. vessels are held to the highest level of accountability that exists in the Western and Central Pacific Ocean.

This treaty has been widely praised by the international community and non-governmental conservation organizations for many reasons: the long-term commitment of the United States under the Treaty; the responsibility and accountability of the U.S. tuna purse seine industry; the leadership of the United States in strengthening efforts by the PIPs to monitor and control vessels operating in the region; and the significantly higher economic return to the Pacific Island States under the Treaty than under other such arrangements.

This Treaty remains in force until June 14th, 2013. Renegotiations are currently underway, with the next round of consultations in the Marshall Islands in March 2011.