EASTERN PACIFIC BUSINESS CASE SCENARIOS

NAAFE 2017

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# Kay Landing States in the EPO

<table>
<thead>
<tr>
<th>Flag state</th>
<th>Purse Seine</th>
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<tbody>
<tr>
<td>Ecuador</td>
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<tr>
<td>Mexico</td>
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<td>Panama</td>
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<td>Venezuela</td>
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<td>Colombia</td>
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<table>
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<th>Members with longline fleets</th>
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<tr>
<td>Korea</td>
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<td>Japan</td>
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<td>China</td>
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<td>Taiwan</td>
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Purse Seine sector
Industrial Longliners
Volumen de bodegas (metros cúbicos) de las principales flotas de buques cerqueros que pescaron en el OPO en 2002-2015–Well volume (cubic meters) of the principal fleets of purse-seine vessels that fished in the EPO in 2002-2015
Problems

- Bigeye and Yellowfin tunas - overfished
- 2016 Operative purse seine capacity – 264,859 (158,000 optimum)
- 25 days of additional days PS closure
Potential Solutions

1. Tradable PS hold capacity/industry funded buybacks.

2. Quota program for BET & YFT/initially implemented in one or two key countries.

3. Vessel day program with limits on FAD sets.

4. TAC)/catch quota program for the three major tuna species.
Business case 1

- Scenario 1 – Uniform threshold limit for BET/YFT (US proposal)

- Scenario 2 – Quota for BET/YFT in PS FAD fishery

- Additional measures to reach target mortality.
87 days of closure

Vessel/country limits

Quotas for BET YFT

Transfers

Quota system YFT BET SKJ

Monitoring Costs

Economic benefits
OUTCOMES

- 87 days of closure
- Vessel/country limits
- Quotas for BET YFT
- Transfer
- Quotas YFT BET SKJ

- Reduce/eliminate overcapacity
- Reduce bycatch mortality/overfishing
- Increase wealth
Analytical Approach

- Cost benefit analyses
  - Limits for BET/YFT
    - Quotas for BET/YFT
Cost Data Collection/Assessment

- Industry operating cost information – average/range of vessel performance by size class and mode of operation.
- Cost of improved on-board monitoring for each scenario.
- Estimation of administrative costs of monitoring and reconciliation of quotas at both the country and vessel level.
Benefits

- Cost and benefits from different allocation schemes/design elements.
- Benefits of avoiding an additional month of purse seine closure.
- Long-term increased benefits from reduction in the mortality of small BET & YFT.
Financial analysis

- Initial financial analyses of new quota program under a few scenarios for a combination of industry and third party financing.

- An option of a related industry funded buyback program.
Highlights of capacity reduction

- Voluntary fleet reduction and removal of capacity from the vessel register
- Creation of a fund from different sources
- Remaining vessel owners repay loan(s) and contribute to fund through a tax on landings.