

To: Members and CNCPs

Dear colleagues,

**Re:** Response from Peru regarding COMM5-Prop01

Please find attached a letter from Peru received today for your consideration at the 2017 Commission meeting. In it Peru explains its position with regard to COMM5-Prop01 on an “*Interim Allocation of Jack Mackerel Quotas*” submitted by Vanuatu.

Sincerely yours,



Johanne Fischer  
Executive Secretary



Lima, January, 10 2017

**OFICIO N° 013 -2017-PRODUCE/DGP**

Dr.  
**JOHANNE FISCHER**  
EXECUTIVE SECRETARY  
South Pacific Regional Fisheries Management Organization  
PO BOX 3797, Wellington 6140, New Zealand


SUBJECT: Proposal to review the jack mackerel quota allocation process by the Commission by Peru

Dear Mrs. Fischer

It is a pleasure to cordially greet you and inform the Secretariat about our "Proposal to Review the Jack Mackerel Quota Allocation Process" we would like to submit for consideration at the upcoming 5th meeting of the SPRFMO Commission taking place in Adelaide, Australia, from 18 to 22 January 2017.

Yours Sincerely,



  
**IVAN TELMO GONZÁLEZ FERNÁNDEZ**  
General Direction of Policy and Fisheries Development

/SAA

**5<sup>th</sup> Meeting of the Commission**  
Adelaide, Australia 18 to 22 January 2017

**Proposal to Review the Jack Mackerel Quota  
Allocation Process by the Commission**

by  
**Peru**

**BACKGROUND**

The allocation of the annual quota of jack mackerel to be caught in the SPRFMO Convention area is one of the most controversial issues that the Commission has to face every year, and possible alternatives for settling the quota allocation issue equitably, objectively and transparently, and in full accordance with the specific provisions in the Convention on the Conservation and Management of High Seas Fishery Resources in the South Pacific Ocean are by all means worth considering. Some concerns regarding inequities in earlier allocations have been aired by Peru and others in previous sessions of the Commission and while providing some general comments, this document invites a more thorough review of the quota allocation process with the aim of promoting a more settled arrangement for the future. While doing so, some comments are offered regarding one other proposal submitted this year by Vanuatu as COMM 05-Prop 01, to then propose a wider discussion of the jack mackerel quota allocation issue.

**COMMENTS ON DOCUMENT COMM 05-Prop 01**

While there might be some merit in the general aim of increasing the utilization of jack mackerel catch quotas while reducing possible frictions between members and CNCP's when negotiating the allocation of such quotas, the specific proposal in Prop 01 of establishing "*a minimum annual utilization standard of quota that, if not reached, would lead to that Member not being entitled to share in any increase in the TAC in the following year*" is, at present and under the current circumstances, objectionable or at best inconvenient.

Firstly, this proposal seems to be based on an over-optimistic interpretation of the findings and conclusions of the Scientific Committee regarding the recovery of the jack mackerel stock(s) and relies on an incomplete interpretation of the Committee's recommended catch limit. Secondly, it proposes a scheme that retroactively would penalize a minority group of participants for acts (not fishing their allocated share of the total quota) that don't constitute infringement and don't merit being penalized, let alone retroactively. Particularly considering that, independently of their real causes, these absences or decreases in catches contribute voluntarily or involuntarily to lowering the total catch and resulting F's. Thus, favor a faster recovery of the jack mackerel that, while recovering, is still overfished or below its MSY expected levels.

This proposal also seems to assume that this year's allocation is already settled and that only the annual increase in the recommended total TAC needs to be negotiated. This is contrary to what

has been agreed in earlier sessions of the Commission, as reflected by paragraph 3 of the Conservation and Management Measures for *Trachurus murphyi* (CMM 4.01 and earlier) in which it is clearly stated that past allocations are not to be considered a precedent for future allocation decisions.

Furthermore, this proposal tends to exacerbate the perceived unbalance in the consideration of the criteria that has been used in the allocation process, whereby most if not all the weight has been given to the first allocation criterion (historic catch and past and present fishing patterns and practices in the Convention Area) in Article 21, paragraph 1 of the Convention. While little or no explicit consideration has been given to the other nine criteria in the same Article and paragraph of the Convention, which shall also be taken into account when taking decisions regarding participation in fishing for any fishery resource in the Convention Area.

#### **ASSESSMENT AND CATCH LIMIT RECOMMENDED BY THE SCIENTIFIC COMMITTEE**

The Scientific Committee SC-04 Report concludes (section 5.4) that the jack mackerel stock in its entire distribution range in the southeast Pacific shows a continued recovery and that fishing mortality is well below candidate  $F_{MSY}$  levels, but also reports that all current and short-term projected spawning stock biomass (B) estimates are still below the estimated  $B_{MSY}$ . This is clearly shown in the summary results in Table 1 and in the Kobe plot in Figure 1 in the body of the report and in the table and Figure 1 of its Annex 3 (Stock status summary). That is, while there is no overfishing, jack mackerel is still to be considered as overfished, although it is on its path to recovery.

Also, as shown in the various projections in Table 1 of the SC-04 Report, all further reductions in F are expected to contribute to improve the likelihood of spawning biomass increases. That's why the SC recommendations clearly states that *"the Commission should aim to maintain 2017 and 2018 catches for the entire jack mackerel range in the southeast Pacific at or below 493 kt."* Where it is worth noting that the SC recommendation clearly says *"...at or below 493 kt"*, thus recommending that there should be a limit for the maximum (493 kt) while indicating that any value below that maximum would be acceptable. Therefore, no minimum is recommended by the Committee, although an accurate reading of the SC-04 findings suggest that the lower the F's and total catch values the faster the recovery of the stock(s).

#### **POSSIBLE SETTING OF MINIMUM ANNUAL UTILIZATION STANDARDS**

Therefore, an approach that would encourage fuller utilization of jack mackerel quota allocations in the Convention area along the lines proposed by Vanuatu should only be acceptable once the spawning stock biomass (B) is found to be at or well above  $B_{MSY}$ , meaning that the stock recovery objectives have been achieved. Which, as explained above, is not occurring yet.

Another requirement to consider in a proposal like this is that any rule or formula agreed upon should be applied using only data (on allocations, catches and/or transfers) corresponding to time periods following the date the standard was adopted, so that this doesn't result in a retroactive application of the adopted rule or guideline. Therefore, if the average utilization of quotas during the preceding 3 years is to be incorporated in an allocation formula, the formula using this value shall only be applied 3 years after it has been adopted.

Nevertheless, this still represents a further refinement of the application of only one of the ten criteria that, according to Article 21, paragraph 1 of the Convention, shall all be taken into account to the extent relevant when taking decisions regarding participation in fishing for any fishery resource in the Convention area. Therefore, if taken in isolation, this proposal (to set minimum quota utilization standards) would exacerbate the already excessive weight being given so far to the first criterion (historic catch and past and present fishing patterns and practices in the Convention area) in Article 21 of the Convention, while little or no explicit consideration continues to be given to the other nine criteria in the same Article and paragraph of the Convention, and which shall also be taken into account when taking decisions regarding participation in fishing for any fishery resource in the Convention Area. This unbalance in the consideration and eventual weighting of the ten criteria in the current quota allocation process needs to be corrected.

#### **NEED FOR AN OPEN DISCUSSION ON THE ALLOCATION CRITERIA**

So far it is the historic catch what has been used by the Commission as the main and in most cases as the only criteria to allocate the annual interim catch quotas of jack mackerel in the Convention area, and there have been some criticisms for that already. However, although criticized, this limited approach was to some extent understandable since the historic catches was the only readily available piece of information at the disposal of Commission against which a criterion could be weighted, by assigning a relative value to past catches and use this values to guide calculations for allocating future quotas. However, the Commission has now entered into its fifth year of formal existence and it might be the proper time to start moving beyond the current interim arrangements by giving fuller consideration to all ten criteria in Article 21 of the Convention, and ensure that these are incorporated more explicitly in their formula and procedures for future catch quota allocations.

It is therefore recommended that the Commission endeavors in a more thorough analysis of possible ways, methods and eventual formulae that would more explicitly incorporate all ten criteria in Article 21 in their jack mackerel quota allocations.