



May 10, 2013

Via Electronic Filing

Mr. Douglas Bell, Chair  
Trade Policy Staff Committee  
Office of the United States Trade Representative  
600 17th Street, NW  
Washington, DC 20508

**Re: Request for Comments Concerning Proposed Transatlantic Trade and Investment Agreement, 78 FR 19566 (April 1, 2013): 2013-07430**

Dear Mr. Bell:

Oceana is the largest international organization working solely to protect the world's oceans. Oceana's teams of professionals work in nearly every region of the world on a limited number of strategic, directed campaigns to achieve measurable outcomes that will help return our oceans to former levels of abundance. Oceana is headquartered in Washington, D.C., and has international offices in Central America, South America, and Europe, including offices in Brussels, Belgium; Madrid, Spain; Copenhagen, Denmark; and the United Kingdom. Because Oceana works on both sides of the Atlantic to protect and restore the world's oceans, it is particularly interested in the impacts of the proposed Transatlantic Trade and Investment Partnership Agreement ("TTIP").

One of Oceana's top priorities in promoting sustainable fishing is addressing the considerable subsidies many countries provide to their fishing sectors. Oceana has been a leader in advancing global reform of fishing subsidies at the World Trade Organization ("WTO") and in the Trans-Pacific Partnership ("TPP") negotiations and plans to continue such advocacy during the TTIP negotiations. In 2011, Oceana released a study entitled "The European Union & Fishing Subsidies." We have attached a copy of it to this comment letter.

It is very important for the United States, as it begins TTIP negotiations with the European Union ("EU"), to maintain the high standard of ambition for marine conservation that it has upheld in the WTO and TPP contexts. The United States and the EU have an opportunity not only to show leadership in addressing some of the severe problems of exploitation of the oceans, but also to set high standards for future regional and multilateral agreements. The TTIP presents a significant opportunity to implement the objectives of the President's Trade Policy Agenda, use trade policy to address the mounting global environmental challenges facing the oceans, and have a positive impact on trade between the United States and the EU.

Mr. Bell  
Chair, Trade Policy Staff Committee  
May 10, 2013  
Page 2

## Comments

Trade liberalization may unintentionally promote environmental degradation resulting from increased exploitation of natural resources. Such degradation is not always controlled by regulation or management and to mitigate such impacts there have been widespread calls to address such adverse environmental impacts in trade agreements. In recognition of this danger of degradation and other challenges facing the world's oceans, Oceana submits these comments concerning environmental issues to be addressed in the TTIP negotiations.

The President's 2013 Trade Policy Agenda calls for fisheries subsidies to be addressed in other trade fora in support of reaching an eventual agreement at the WTO. This policy statement builds upon the President's 2009 Trade Policy Agenda that recognized the need to make trade a part of the tool kit of solutions for addressing international environmental challenges such as fisheries depletion.

Accordingly, in these comments Oceana encourages the United States to support the ambitious stance it has already taken on marine conservation issues at the WTO and in the TPP negotiations by taking a similarly ambitious position in TTIP negotiations with the EU. TTIP can be a model for future trade agreements involving both parties and a standard for other countries around the world in how to address limiting fisheries subsidies, combating illegal, unreported, and unregulated fishing, conserving shark stocks and reducing climate change emissions from shipping.

## Background

More than a billion people worldwide depend on fish as a key source of protein. As the global population continues to grow, the demand for food and affordable animal protein also continues to grow. Agriculture and livestock are limited in their ability to meet this increasing demand, as arable land is decreasing on a per capita basis and fresh water is becoming increasingly scarce.

Wild-caught ocean fish currently provide about as much animal protein to humans as eggs, but seafood has several advantages compared to other sources of animal protein: fishing uses no land; bringing fish to market uses negligible amounts of freshwater (for processing only); marine fish are the lowest cost per pound of animal protein to obtain; seafood production causes the lowest amount of carbon dioxide emissions per pound; and seafood provides health benefits.

In addition to providing nutritional benefits, fishing and fishery-related activities support hundreds of millions of people around the world for all or part of their income. These people rely on the oceans, but fish populations and other ocean wildlife have been depleted to a fraction of their historical levels. The disappearance of this once abundant wildlife can trigger cascading adverse effects throughout the ocean.

The 2012 State of the World Fisheries and Aquaculture report issued by the United Nations Food and Agriculture Organization ("FAO") concludes that more than 85 percent of global fish

stocks are fully exploited, overexploited, depleted, or recovering from depletion.<sup>1</sup> Meanwhile, the looming threat of rising sea temperatures from global climate change and related ocean acidification threatens to disrupt ocean ecosystems around the globe.

The EU and the United States are leading players in the international trade of fish and fish products. Together they account for slightly more than 16 percent of the global catch by weight and are regularly ranked in the top five importers and exporters worldwide.<sup>2</sup> In 2009, imports of fish to the EU totaled 6.8 million tonnes, valued at \$28.3 billion, and U.S. imports totaled 1.4 million tonnes, valued at \$6.9 billion.<sup>3</sup> That same year exports of fish from the EU totaled 4.9 million tonnes, valued at \$17.3 billion, and U.S. exports were approximately 1 million tonnes, valued at \$2.9 billion dollars.<sup>4</sup> Uniting these two markets in a trade and investment agreement would have a huge impact on global fisheries both economically and environmentally.

The current state of the world's fisheries means that increased demand for wild capture fish cannot be met by increasing fishing effort without restoring fish populations and ensuring their sustainability. The FAO states that 30 percent of fish stocks, including those in the top ten species, and many fully or overexploited stocks, are in need of rigorous management and rebuilding plans to restore their productivity and prevent further decline.<sup>5</sup> Without such plans in place, their potential for long term and increasing productivity is low. The global economic losses due to economic overfishing are estimated at \$50 billion a year.<sup>6</sup>

In Europe, 63 percent of assessed fish stocks in the Atlantic are overfished and it is projected that if the status quo is maintained and fishing continues at current rates, only nine percent of European fish stocks will be managed at sustainable levels by 2022.<sup>7</sup> This failure to manage fish stocks at sustainable levels comes despite the commitment of the EU to the Rio Declaration of 1992 to manage all fisheries sustainably and the Johannesburg Plan of Implementation ("JPOI") which established the deadline of 2015 to meet that objective.<sup>8</sup> This commitment was reconfirmed just last year when the United Nations General Assembly

---

<sup>1</sup> FAO. (2012). *The State of the World's Fisheries*. 11 pp. Retrieved from:  
<http://www.fao.org/docrep/016/i2727e/i2727e01.pdf>

<sup>2</sup> FAO Data 2000-2006 Average.  
Sumaila, U.R. and D. Pauly (Editors). *Catching More Bait: A Bottom-up Re-estimation of Global Fisheries Subsidies*. Fisheries Centre Research Reports. (2006). Vol. 14(6) 114 pp. Retrieved from:  
[www.fisheries.ubc.ca/publications/reports/fcrr.php](http://www.fisheries.ubc.ca/publications/reports/fcrr.php)

<sup>3</sup> FISHSTAT Plus: Universal Software for fishery statistical time series. Version 2.30 *Capture production: quantities 1970-2009*. FAO, Rome. *Commodities production and trade 1976-2008*. FAO Rome. These figures include imports and exports within the 27 EU countries but do not include trade in commodities other than fish such as mollusks or crustaceans.

<sup>4</sup> Ibid.

<sup>5</sup> FAO. (2012). *The State of the World's Fisheries*. Retrieved from:  
<http://www.fao.org/docrep/016/i2727e/i2727e01.pdf>

<sup>6</sup> World Bank and FAO. (2009). *The sunken billions: the economic justification for fisheries reform*. Advance edition. Washington, DC, Agriculture and Rural Development, World Bank.

<sup>7</sup> Schroeer, Anne. et al. (2011). *The European Union and Fishing Subsidies*. Oceana.

<sup>8</sup> World Summit on Sustainable Development. *Johannesburg Plan of Implementation: JPOI Response Strategy*. 2003. Retrieved from: [http://www.cooperazioneallosviluppo.esteri.it/pdgcs/documentazione/AttiConvegna/2003-01-01\\_JohannesburgPlanImplementation.pdf](http://www.cooperazioneallosviluppo.esteri.it/pdgcs/documentazione/AttiConvegna/2003-01-01_JohannesburgPlanImplementation.pdf)

endorsed “The future we want.” This document that resulted from the Rio +20 meetings stated a commitment “to intensify our efforts to meet the 2015 target as agreed to in JPOI to maintain or restore [fish] stocks to levels that can produce maximum sustainable yield.”<sup>9</sup> Oceana is hopeful that the EU will reform their Common Fisheries Policy to put the EU on a path towards sustainability, but if trends of overfishing and unsustainable management are allowed to continue, the EU will not be able to meet that goal.

The world’s fisheries can begin to recover if there are coordinated efforts from the EU and the United States on both sides of the Atlantic to lead the way. Oceana urges the United States and the EU in the TTIP to limit subsidies that cause over fishing; support the sustainable use of marine resources by improving compliance with the obligations of domestic and international management programs; increase their capacity to combat illegal fishing; and improve fisheries management.

### Reducing Harmful Fishing Subsidies

The international community recognizes the importance of eliminating harmful fishing subsidies, as it made clear in the recent the Rio+20 statement, “The future we want” that reaffirmed the JPOI “commitment to eliminate subsidies that contribute to illegal, unreported, and unregulated fishing and overcapacity” and called on States “to refrain from introducing new such subsidies or from extending or enhancing existing such subsidies.”<sup>10</sup>

Oceana has been very active on the issue of fisheries subsidies both in the WTO and TPP negotiations and has supported the efforts of USTR in advocating for limiting fisheries subsidies. The scope and magnitude of fisheries subsidies and their impacts on overcapacity and overfishing are so significant that global subsidy reform is one of the most beneficial actions that can be taken to protect the oceans.

\$16 billion in capacity-enhancing subsidies goes to the global fishing sector each year, representing approximately 20 percent of the value of total catch.<sup>11</sup> Subsidies enable overexploitation of fish populations, by undermining fishing control programs, preventing depleted fish populations from recovering, and creating incentives to fish more, even when catches are declining.<sup>12</sup> Some subsidies, such as those that enable high seas bottom trawling, also support the destruction of valuable marine habitats.<sup>13</sup>

---

<sup>9</sup> United Nations General Assembly. *The future we want*. 11 September 2012. Retrieved from: <http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N11/476/10/PDF/N1147610.pdf?OpenElement>

<sup>10</sup> Ibid.

<sup>11</sup> Sumaila, U. Rashid, et al. (2010). *A bottom-up re-estimation of global fisheries subsidies*. Journal of Bioeconomics.

<sup>12</sup> Sumaila, U.R. and D. Pauly (Editors). *Catching More Bait: A Bottom-up Re-estimation of Global Fisheries Subsidies*. Fisheries Centre Research Reports. (2006). Vol. 14(6) 114 pp. Retrieved from: [www.fisheries.ubc.ca/publications/reports/fcrr.php](http://www.fisheries.ubc.ca/publications/reports/fcrr.php)

<sup>13</sup> Taylor, Charles R. *Fishing with a Bulldozer: Options for Unilateral Action by the United States under Domestic and International Law to Halt Destructive Bottom Trawling Practices on the High Seas*. Environs: Environmental Law and Policy Journal, Volume 34, Number 1, Fall 2010, 121.

Fisheries subsidies not only injure the environment, but they also preserve uneconomic and inefficient practices. The operations of large-scale, distant water fleets are often highly subsidized, allowing EU-member states to send their fleets as far away as Australia, an endeavor that would not be profitable without these high levels of government subsidies.<sup>14</sup> In fact, 700 EU vessels catch more than one million tons of fish outside of EU waters. This distant water fleet mainly fishes in the exclusive economic zones of developing countries in Africa, the Caribbean and the Pacific. It supplies an estimated minimum of 160,000 tonnes of seafood, valued at \$43.5 million per year, to the EU market.<sup>15</sup> Having this external fleet subject to limits on fisheries subsidies would greatly increase the productivity of marine resources worldwide, promote sustainable fisheries management in least developed countries, and equalize the marketplace for American fishers trying to compete globally without such subsidies.

It is important to note that continued subsidies under a TTIP agreement will support fishing activity that may otherwise become uncompetitive under tariff reduction. Oceana's report on the EU and fishing subsidies, released in 2011, found that subsidies to the EU's fishing sector totaled approximately \$3 billion or nearly 42 percent of landed value.<sup>16</sup> In 13 Member States, the value of the subsidies administered was higher than the total value of fish landings.<sup>17</sup> A trade agreement is likely to lead to an overall expansion of capacity and fishing in response to market opening. As a result, tariff reduction for fisheries products – without efforts to curtail fishing subsidies – would be a net loss for the ocean environment.

The EU is already making progress on reducing harmful subsidies through its proposed European Maritime and Fisheries Fund for EU fisheries policies for 2014-2020. In TTIP negotiations, the United States should continue its leadership on the issue of fisheries subsidies, and the EU should continue its recent progress on subsidies control, by addressing ways to limit harmful subsidies, particularly those that are provided to fisheries suffering from overcapacity or overfishing.

### Combating Illegal, Unreported and Unregulated Fishing

The TTIP should strengthen the ability of the United States and the EU to combat illegal, unreported, and unregulated (“IUU”) fishing activities. The global illegal catch of fish is estimated to be between 11 and 26 million tonnes per year, compared to FAO's reported legal world wild-caught marine catch, estimated at 78.9 million tonnes.<sup>18</sup> <sup>19</sup> The value of IUU marine catch worldwide is estimated to be between \$10 and \$23 billion.<sup>20</sup>

---

<sup>14</sup> Sumaila, U. R., et al. (2008). *Fuel price increase, subsidies, overcapacity, and resource sustainability*. ICES Journal of Marine Science, 65: 832–840.

<sup>15</sup> Schroerer, Anne. et al. (2011). *The European Union and Fishing Subsidies*. Oceana.

<sup>16</sup> Ibid.

<sup>17</sup> Ibid.

<sup>18</sup> Agnew, D.J., et al. (2009). *Estimating the Worldwide Extent of Illegal Fishing*. PLoS ONE 4(2): e4570. doi:10.1371/journal.pone.0004570

<sup>19</sup> FAO. (2012). *The State of the World's Fisheries*. Retrieved from: <http://www.fao.org/docrep/016/i2727e/i2727e01.pdf>

<sup>20</sup> Agnew, D.J., et al. (2009). *Estimating the Worldwide Extent of Illegal Fishing*. PLoS ONE 4(2): e4570. doi:10.1371/journal.pone.0004570

The main drivers of IUU fishing include overcapacity, high demand and prices, limited monitoring, ineffective sanctions, poor fisheries management, and weak economic and social conditions. Even where management exists, illegal fishing can put unsustainable pressure on fish stocks, marine wildlife and habitats, distorting markets and subverting national, regional and international efforts toward sustainable management.

Both the EU and the United States have already taken steps to address illegal fishing. The EU adopted Commission Regulation (EC) No 101/2009 of October 22, 2009, establishing a system to prevent, deter, and eliminate illegal, unreported, and unregistered fishing. The United States responded to the threat of illegal fishing through provisions of the Magnuson Stevens Act. These provisions include import prohibitions and other measures to enforce compliance with internationally established catch limits and to prevent the trade of fish caught by vessels identified as engaging in IUU fishing.<sup>21</sup> TTIP should live up to these already established domestic regulations and build upon them to set the highest international standards in combatting IUU fishing as a benchmark for the rest of the world and to keep illegal, unregulated and unreported fish out of the stream of commerce.

### Shark Conservation

Sharks are found in nearly every ocean around the world and play a vital role in maintaining the health of marine ecosystems. It is important to include shark conservation in the TTIP because of the special vulnerability of global shark populations due to the still extensive trade in shark fins. Shark populations are particularly vulnerable to fishing because of sharks' slow growth and low reproductive potential. More than half of the highly migratory oceanic shark populations are considered overexploited or depleted. Globally, three-fourths of the oceanic pelagic sharks and rays have an increased risk of extinction as a result of overfishing.<sup>22</sup>

Because the international trade of shark fins is a major driver of the worldwide depletion of shark populations, it is appropriate to address this issue in the TTIP. Each year, tens of millions of sharks are killed solely for their fins. The EU and United States are to be applauded for sharing a productive approach to this issue, including requiring that sharks be landed with fins attached. The EU and the United States can use the TTIP as means to work with their mutual trading partners to implement and enforce prohibitions on shark finning, to work within shared regional fisheries management organizations to achieve better policies on shark management, and to educate their consumers about the consequences of fueling demand for this product.

### Shipping and Climate Change

A TTIP agreement may promote growth in the marine shipping industry if the volume of goods traded increases. Accordingly, it is important to make sure that that growth is sustainable and is consistent with addressing the pressing need to reduce emissions that contribute to global climate change. Climate change emissions from marine shipping are not yet regulated, but the way forward is understood. Emissions standards based either on operating procedures, such

---

<sup>21</sup> 16 U.S.C. § 1826j.

<sup>22</sup> Dulvy, N. et al. (May 22, 2008). *You can swim but you can't hide: the global status and conservation of oceanic pelagic sharks and rays*. Aquatic Conservation: Marine and Freshwater Ecosystems. Vol 18, Issue 5, pp. 459-482.

Mr. Bell  
Chair, Trade Policy Staff Committee  
May 10, 2013  
Page 7

as slower speeds to use fuel more efficiently, or based on technology, are reasonable and feasible and could also reduce costs for the shipping industry. Performance standards based on indexing carbon dioxide emissions are also feasible.

The United States should show leadership by seeking opportunities in TTIP to reduce climate change emissions from shipping.

### Conclusions

The challenges facing the oceans are enormous, but Oceana is optimistic that the United States and the EU can make progress in overcoming them. It would be a tremendous accomplishment if the Transatlantic Trade and Investment Partnership would help to resolve environmental problems rather than contributing to them. The United States has been a leader in addressing the environmental impacts of marine fisheries trade. Oceana encourages the United States to continue the ambitious stance it has already taken on marine conservation issues at the WTO and in the TPP negotiations by taking a similarly ambitious position in TTIP negotiations with the European Union. Key elements this agreement should include:

1. Joint efforts to limit subsidies that contribute to overcapacity or overfishing.
2. Strengthened capacity to combat illegal, unreported, and unregulated fishing and to conserve protected living marine resources.
3. Promotion of sustainable trade and management of shark stocks.
4. Joint efforts to reduce climate change emissions from shipping.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "M. Hirshfield", with a long horizontal flourish extending to the right.

Michael F. Hirshfield, Ph.D.  
Senior Vice President, North America and Chief Scientist  
Oceana

Attachment (1)  
The European Union & Fishing Subsidies