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Presidential Task Force

Public meeting on
Combating Illegal, Unreported, and Unregulated
Fishing and Seafood Fraud

1:05 p.m. to 2:22 p.m.
Thursday, August 28, 2014

Washington Court Hotel on Capitol Hill
Springwood Room
525 New Jersey Avenue
Washington, D.C.

1	NOAA STAFF:	
2	Luis Leandro	
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9	Jonathan Andrew	
10	Catherine Novelli	
11	Dr. Kathryn Sullivan	
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1 P R O C E E D I N G S

2 1:05 p.m.

3 MR. LEANDRO: Good afternoon ladies and
4 gentlemen. We'd like to get started here soon,
5 so if you'd please grab a seat? Appreciate it.

6 Hello, everyone. Welcome to the fourth
7 and final public comment meeting with the
8 Presidential Task Force on Combating Illegal,
9 Unreported, and Unregulated Fishing and Seafood
10 Fraud.

11 My name is Luis Leandro. I'm with the
12 National Marine Fishery Service. I'll be
13 moderating today's meeting. And with the team we
14 also have Samantha Guidon and Emma Htun in the
15 back room, which will be helping run the meeting
16 today.

17 In the room, sitting in front of you, we
18 have several Task Force members who will be
19 listening to your comments and suggestions today.
20 Before we begin I would like to go over the
21 format of the meeting and a couple of logistics.
22 First of all, the restrooms are on the other side

1 of the elevators on this floor. If you pay
2 attention to the piano and just keep walking past
3 the elevators you will see them. We have water
4 in the back, on the outside of the room. Please
5 help yourselves.

6 The meeting is scheduled to adjourn at
7 3:00 p.m. I will do my best to get everyone in
8 who wants to make comments. This meeting is
9 being recorded. Our recorder is sitting in the
10 back of the room and it will be part of the
11 public comments record.

12 As you speak I ask that you please
13 articulate and speak slowly into the microphone
14 so our can recorder -- sorry, our recorder can
15 keep track and capture, accurately, your
16 comments. If you'd like to make a comment and
17 haven't already done so, please do fill one of
18 the index cards. Just write down your name and
19 your affiliation and I will be shuffling those
20 cards, I will count them, and I will divide the
21 time that we have for the public comment amongst
22 the amount of comments that we have today.

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1 I now would like to introduce our two
2 Task Force co-chairs who would like to deliver a
3 few opening remarks. Sitting in front of me, Dr.
4 Kathryn Sullivan Undersecretary of Commerce for
5 Oceans and Atmosphere and NOAA Administrator, and
6 Catherine Novelli Undersecretary for Economic
7 Growth, Energy, the Environment at Department of
8 State.

9 Dr. Sullivan.

10 MS. SULLIVAN: Thank you, Luis.

11 Well, thank you, Luis, and thanks to all
12 of you for coming out today. I think I'm just
13 going to take this out, actually. Thanks to all
14 of you for coming out today and taking time for
15 your schedules to join us and speak on this
16 really important topic.

17 As I know folks in this room appreciate
18 illegal and unregulated and unreported fishing by
19 non U.S. managed fleets is an activity that
20 threatens the effectiveness of the United States
21 marine stewardship and the long-term
22 sustainability of our global ocean's resources.

1 It also undermines the economic playing field
2 that legitimate fishing entities operate on,
3 whose sustainable products can be put at odds and
4 disadvantaged by cheaper, illegal, unsustainably
5 caught products entering the market. And that,
6 of course, is the primary impetus of the Task
7 Force that we've been charged with leading.

8 In addition seafood fraud, which includes
9 intentionally mislabeling product, that can also
10 result in both economic and physical harm and is
11 a challenge that has to be addressed. So this
12 Task Force that President Obama stood up in the
13 wake of Secretary Kerry's Oceans Conference,
14 gives us in the Federal family an opportunity to
15 collaborate across agency lines and as
16 importantly, if not more importantly, across
17 industry and other organizational lines, the
18 public sector, the private sector,
19 nongovernmental organizations, to find common
20 ground, identify key priorities and innovative
21 solutions that can improve the way these issues
22 are handled and how effectively we can respond to

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1 them.

2 We look very much forward to learning
3 from you, hearing your perspectives and views, we
4 appreciate your taking the time to join us today.
5 I am joined here today by Russell Smith and
6 shortly here by Eileen Sobek, the Director of
7 National Marine Fisheries for NOAA. They too
8 will be listening throughout the meeting.

9 Let me give you in advance my apologies
10 that my schedule prevents me from staying for the
11 full block of time, and I will have to step out
12 in about an hour. But I very much appreciate
13 your work and look forward to hearing and then
14 reading the comments in question that you've
15 brought to us today.

16 Cathy?

17 MS. NOVELLI: Thanks, Kathy. I just
18 again, I want to echo Kathy's thanks that you've
19 taken the time to be here, especially in the end
20 of August and we are very much looking forward to
21 getting your input because we are on a relatively
22 tight timetable. We were given the task of

1 coming up with recommendations in 180 days from
2 the time when the president issued his
3 memorandum. And that means that we want to get
4 as much input as possible so that what we end up
5 with reflects the best practices of conservation
6 as well as doing it in a way that's going to
7 least impinge on all the good work that's already
8 being done on a voluntary basis.

9 So we are very much looking forward to
10 you addressing all the questions that we had
11 already put out in the public, and then to
12 incorporating those into our final
13 recommendations.

14 I'd like to introduce Sally Yozell, my
15 advisor, who is going to be here also throughout
16 the entire time. My schedule will require me to
17 depart before the end of the session, but I'm
18 here because it is, to me, and I know to Kathy
19 and to all of us here, very, very important that
20 we hear from you. So thank you for being here.

21 MR. LEANDRO: Thank you. Okay. Well,
22 let's begin. We would like to give a quick

1 overview presentation of the Task Force process,
2 and for that I would like to introduce Sally
3 Yozell, Senior Advisor of the Office of the
4 Undersecretary on Economic Growth, Energy, and
5 the Environment at the Department of State.
6 Sally.

7 MS. YOZELL: Great. This is on? Yep.
8 Before we do that could we make sure we
9 introduce our other fellow task members here
10 today? We have Barbara Best from USAID.

11 MS. BEST: Hi. I'm Barbara Best with the
12 U.S. Agency for International Development.

13 MS. WAINWRIGHT: Lisa Wainwright
14 (phonetic) Department of Homeland Security.

15 MS. WARNER-CRAMER: And I'm Deirdre
16 Warner-Cramer from the Department of State and
17 the Office of Marine Conservation.

18 MS. YOZELL: Great. Thank you. Okay.
19 So what we're going to do is we're going to just
20 very quickly walk through. So, please, please.

21 This was the background and Dr. Sullivan
22 just went over most of it. We are a task force

1 co-chaired by the State Department and Department
2 of Commerce, and a whole broad range of federal
3 agencies. And as the President tasked us with
4 180 days to come up with recommendations, which
5 are due in December. So that is why it is really
6 fast.

7 And then as you can see here, these are
8 the agencies. We have been working very closely
9 together. I feel like Russell and I are almost
10 attached at the hip on this one. But it has been
11 great and we have had a lot of great input from
12 folks throughout the community and the country.

13 Public engagement, as I said, we have
14 been -- had a series of meetings. This is --

15 (Phone ringing)

16 MS. YOZELL: If people could shut of
17 phones today, that would be great; helpful.

18 Public engagement today, this is the
19 second of our in-person public meetings. We had
20 one last week in Seattle that was very well
21 attended, and we heard great recommendations from
22 industry and NGOs who have a great stake in this.

1 And we also have had two webinars, and they have
2 also been greatly attended. The first one there
3 was something like 80 plus people, and the second
4 one was almost 70 people. So thank you all for
5 incorporating so much time.

6 And then lastly NOAA did a fabulous job
7 of putting together a web page with all of the
8 information on the Task Force. And so you can
9 find that at NOAA's site. And in particular I
10 want to note that all comments for us are due by
11 September 2nd. So that would be next week, I
12 believe. And again, it's all so that we can work
13 so quickly on getting comments out.

14 And then the guiding questions were sent
15 to all of you. I am not going to walk through
16 them because they were all sent to you and they
17 should also be on the back of your agenda. So
18 what's most importantly is really hearing from
19 all of you. So I think we should just end there
20 and listen to what you all have to say and learn
21 from you, and then Russell will close at the end
22 of the meeting. Right? Okay.

1 MR. LEANDRO: Thank you, Sally. So I
2 have collected -- we have collected a total of 14
3 cards. So the good news is, everyone has time to
4 give five minutes. I will be keeping track of
5 the time and I will give you a 30 second warning
6 when your five minutes are close to being done,
7 at which point in time I ask that you wrap up so
8 that we can move on to the next speaker.

9 So one thing that I would also like to
10 point is both Sam and Emma will have microphones
11 and they'll be walking around and passing the
12 microphones. So when I call your name please
13 just stand up and identify yourself so we can
14 pass you a microphone.

15 Lastly, if we run out of time please be
16 sure to use the online comment process on
17 Regulations.gov. You can find this information
18 online under NOAA Fisheries International Affairs
19 website that Sally mentioned, and we would like
20 to encourage everyone to, regardless, to provide
21 comments through the Federal Register.

22 If you have comments printed out with you

1 as well, and hand out, it would be helpful to
2 pass that on to the reporter as well so we can
3 incorporate that into the final product.

4 With that I would like to start and the
5 first speaker will be Lance Farr from the Alaska
6 Bering Sea Crabbers.

7 MR. FARR: Good afternoon, everybody. My
8 name is Lance Farr and I'm a crab fisherman
9 speaking on behalf of Alaska Crab Bering Sea
10 Crabbers. Alaska Bering Sea Crabbers is a trade
11 organization that represents 70 percent of the
12 Bering Sea crab fleet. Our fishermen run small,
13 family owned businesses, spending months away
14 from their families in the remote Bering Sea to
15 provide the world with sustainably harvested
16 Alaska crab.

17 I started fishing Alaska in the summers
18 when I was 14, and started fishing crab in the
19 Bering Sea in 1975. I bought into my boat in
20 1979 and fished every year until a year ago when
21 I let the next generation take over.

22 While others today are focusing on how

1 illegal harvesting Russian Crab enters the global
2 supply chain and impacts to American fishermen.
3 I will speak about solutions to help prevent
4 illegally harvested crab from entering the market
5 place.

6 Although there is no silver bullet to
7 prevent illegal crab from entering the U.S. we
8 believe there are a number of steps that the
9 Administration can take to reduce imports of
10 illegal product and protect the American
11 fishermen.

12 First, we believe one way to curb these
13 illegal imports is to put in place a greater
14 traceability requirement for seafood imports.
15 This would include increased documentation with
16 greater emphasis on electronic data. Also there
17 needs more Pacific product description
18 requirement for crab in the harmonized commodity
19 description in the coding system in order to
20 better track the origins and species of crab
21 being imported.

22 This effort will increase the

1 effectiveness of risk-based targeting at U.S.
2 ports of entry and help to curb the practice of
3 fraudulent paperwork and comingling of product.

4 Second, we urge that the Administration
5 support efforts, to include whole cooked crab and
6 cooked crab sections under the list of products
7 subject to country of origin labeling COOL
8 requirements. Currently only fresh seafood is
9 subject to COOL.

10 However, because of the remoteness of
11 both the Russian and Alaska crab fisheries nearly
12 all crab is cooked before it enters the
13 marketplace. By excluding whole cooked crab and
14 cooked crab sections from COOL it is nearly
15 impossible for the U.S. consumer to tell the
16 difference between the Russian and U.S. products,
17 not to mention between legal and illegal Russian
18 product.

19 In a short-term solution we ask the
20 Administration to immediately initiate an import
21 ban on Russian seafood products to the United
22 States. This ban is in retaliation for the most

1 recently announced ban on seafood products into
2 Russia from the U.S. and the E.U. This action is
3 not only supported by the Alaska Bering Sea
4 Crabbers, but also by the Pacific Seafood
5 Processors Association and Alaska Congressional
6 Delegation.

7 It is appalling that the U.S. fishermen
8 are denied a market in Russia for their product
9 while Russian fishermen and pirates are allowed
10 to flood our market with illegal harvested
11 product. This action would put the Russians on
12 notice that the Administration supports domestic
13 fishermen and will take further efforts to
14 protect them from both hostile trade actions and
15 impacts of IUU fishing.

16 Finally, we need to recognize unilateral
17 actions by the U.S. not to solve problems in IUU
18 Russian crab. Recently Japan successfully
19 implemented measures to curb the imports of
20 illegally harvested Russian crab. As a result
21 their imports of Russian King Crab are down 61
22 percent this year. However, these pirates simply

1 move these products to other markets resulting in
2 a 50 and a half percent increase in that period.
3 Therefore we also urge the Task Force to work
4 with other countries to strengthen their measure
5 against IUU products.

6 I appreciate your work in finding a
7 solution to this problem. Thank you for your
8 time.

9 MR. LEANDRO: Thank you, Lance. Our next
10 speaker will be Michelle Kurik from the World
11 Wildlife Fund.

12 MR. SMITH: If I could ask the speakers
13 to stand it will be easier to hear you. Thank
14 you.

15 MR. KURIK: Hello. My name is Michelle
16 Kurik and I am the acting Senior Vice President
17 for Marine Conservation of the World Wildlife
18 Fund. Thank you for this opportunity to share
19 information in WWF's expertise in this process.

20 IUU fishing has been identified as a
21 serious problem globally, and the U.S. has often
22 been a leader in identifying workable solutions

1 internally, as well as in this country.
2 Domestically we are looked to as a world model in
3 fisheries management and have done much to
4 achieve sustainable fisheries here. But we
5 import a high percentage of the seafood we
6 consume, and because we are such a large and
7 lucrative market we have the ability and
8 responsibility to require that those who want
9 access to our markets must bring us fish which
10 were caught legally and are fully traceable.

11 WWF believes these dual requirements,
12 legally caught and fully traceable, should form
13 the basis of this Task Force's recommendations to
14 the President. It should be a comprehensive
15 system applying to all fish, imported into this
16 country or sold here. Illegal fish stopped at
17 the border -- should be stopped at the border and
18 be denied market access, without creating a
19 solution that only drives the illegal activity
20 elsewhere.

21 We commend the government for the work it
22 has already done and urge the Task Force to

1 recommend more to advance these critical efforts
2 to improve governance, hasten action, collaborate
3 more widely on information exchange, build
4 additional MCS capacity at home as we heard at
5 yesterday's session, and elsewhere where it isn't
6 adequate.

7 Recognizing that there is likely never to
8 be enough funding to meet all needs, we must
9 especially focus on the efficiencies that can be
10 achieved through expanded use of technology and
11 innovation. While many tools and policies like
12 the Port State Measures Agreement and satellite
13 based VMS are valuable and merit U.S. support,
14 some are not yet fully functional or not able to
15 bring an end to IUU.

16 WWF believes that the current U.S. system
17 does not fulfill the aim of keeping illegal
18 products out of our markets. To achieve a legal
19 and fully traceable system, we support new
20 comprehensive regulations which should be
21 promulgated using existing statutory authority.
22 Given the hundreds of fishery products which we

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1 import and consume, a species by species approach
2 cannot suffice.

3 At the heart of such a new system should
4 be an inclusive requirement that all seafood
5 imports provide ready access to basic and
6 consistent information. The who, what, where,
7 when, and how of fishing, to establish that fish
8 was legally caught and meets U.S. standards for
9 transparency. The kind of information that U.S.
10 fishers are already required to provide.

11 These requirements should also be
12 practical, require electronics emissions, be
13 risk-based and integrated with existing
14 requirements. But voluntary solutions alone are
15 not viable as the bad actors will not join. But
16 working with responsible businesses and other
17 stakeholders to achieve an effective workable
18 solution is essential.

19 While the global fishery supply chain is
20 complex, our message to you is that developing
21 such a system is very doable. We urge this Task
22 Force to explore the lessons to be learned from

1 those who are already pioneering systems of
2 traceability like Sweden, and in the private
3 sector like the German retailer, Metro.

4 In considering practicalities and
5 efficiencies we suggest that you consult those
6 who have implemented a risk-based system of
7 enforcement or importation like Australia or the
8 U.K., or New Zealand for its audit-based
9 enforcement of fisheries quotas.

10 Much closer to home are relevant pieces
11 of the solution, like the integrated trade data
12 system which will streamline the process for all
13 U.S. imports and exports, and is scheduled to be
14 completed and in use by December 2016.

15 As a global organization WWF stands ready
16 to assist in sharing our connections and
17 knowledge of system and processes already in
18 existence which might be helpful to this Task
19 Force as it moves forward. And to achieve
20 additional efficiencies we request that this Task
21 Force satisfy the President's direction to
22 coordinate with the Presidential Task Force on

1 wildlife trafficking by recommending the creation
2 of a joint working group on IUU. As those who
3 are involved in trafficking and IUU are often the
4 same actors, or use similar methods to commit
5 their illegal exploits.

6 MR. LEANDRO: Thirty seconds.

7 MR. KURIK: In closing, we commend the
8 Administration for recognizing the significance
9 of IUU and seafood fraud, and for opening the
10 door to changes through this Task Force. But we
11 recognize the many issues which should be fully
12 considered for the best outcome. So we hope that
13 the Task Force will create another opportunity
14 for public comment. Thank you so much.

15 MR. LEANDRO: Thank you, Michelle. Our
16 next speaker is Rick Marks from U.S. Commercial
17 Fishing Industry.

18 MR. MARKS: Thank you for your interest
19 in these issues. I work with fishermen, fish
20 houses, processors, seafood docks, markets, and
21 fishing associations all around the country.
22 Many of these folks are the largest employers in

1 their small coastal areas, and they're also key
2 elements of the economic engine of their
3 respective states.

4 I'd like to offer the following comments.
5 Separate the IUU issues from fraud. The IUU
6 efforts should focus on keeping illegal product
7 out of the country, before it enters our market.
8 Use the IUU definition at 50CFR300201. There's
9 no tolerance in my client base for IUU
10 activities, which means we have some common
11 ground to address this issue, possibly in the
12 context of the Port State Measures Agreement,
13 which is currently being drafted. For those of
14 you that have an interest in this, like anything
15 else in this town, excessive overreach can erode
16 common ground. So hopefully if we can right size
17 that act, you're going to see a lot of support
18 from the industry in that regard. But the more
19 invasive and the most costly it becomes on the
20 domestic industry, we're going to lose support.
21 So please be mindful of that.

22 Regarding fraud, Ms. Yozell commented on

1 the first webinar that 180 days was, in her
2 words, "Super fast." And she's entirely correct.
3 It's too fast, and possibly ill advised to deal
4 with such complex issues. So we need to be
5 mindful of that. Because we have a compressed
6 timeframe we need to be careful about how we
7 proceed with this issue.

8 The first thing is, I think we need to
9 resist falling prey to the media hype and
10 pressure to implement sweeping regulations. I
11 think we need to recognize that at least one
12 national nongovernmental entity intends to use
13 information generated in a potential new process
14 to focus media campaigns that could trash parts
15 of our domestic sea food economy. So it's
16 shameful, but it's true, and you'll know it when
17 you see it. So we need to be very careful about
18 that.

19 We also seek to understand what
20 fraudulent activity we need to address, and where
21 it occurs frequently in the chain of custody, so
22 we can take the necessary steps to address real

1 problems and protect the public. Let me give you
2 a couple of examples. I was in a local
3 restaurant not 15 miles from where were last
4 month, and the waiter tried to sell me local
5 grouper. Most folks in this room know that that
6 product is not what they have in their kitchen.
7 Most people in the general public would not know
8 that.

9 When I pressed the kitchen the chef came
10 clean and told me it was grouper from the Gulf of
11 Mexico, which was totally believable. But what
12 that tells you is the paperwork, probably that
13 got to the back door, was correct for that
14 product, but just up to the point of sale to me
15 it was likely changed.

16 Now, in the box score that would be
17 labeled as fraud, but quite frankly I'm not sure
18 it was malicious.

19 The Boston Globe story in 2011 that broke
20 a lot of this, that did show that there was some
21 seafood substitutions, what you didn't read was
22 the paperwork in most cases that got to the back

1 of the house actually was correct. So the
2 industry had done its job up to a certain point
3 in the process.

4 So you need to be mindful of where this
5 seafood fraud is occurring, and that means you
6 have to drill down to the raw data to find out
7 whether it's malicious, where it's occurring, so
8 we can address what the appropriate regulations.
9 Remember, we have the safest seafood system in
10 the world. We know that some fraud does occur,
11 despite the fact that it is a complex system.
12 Unfortunately there are bad actors in every
13 single profession. Thankfully they're in the
14 minority.

15 In an effort to help you with this issue,
16 and consistent with the language in the executive
17 order, I have a list with me of the names of 8
18 individuals from the seafood industry that would
19 volunteer their time to work with you. And these
20 folks, from the West Coast, Gulf, and East Coast
21 have 150 years of experience collectively,
22 working on all of these types of issues. What I

1 hope you will do is avail yourself of their
2 experience and their knowledge, whether through
3 an ad hoc AP, or at least a process to go through
4 and sit with these folks. I think they can help
5 you focus your efforts over the remaining 107
6 days.

7 Thank you so much for your time.

8 MR. LEANDRO: Thank you, Rick. Next we
9 have Gregory DiDomenico from the Garden State
10 Seafood Association.

11 MR. DIDOMENICO: Thank you very much. My
12 comments will be brief. Again, my name is Greg
13 DiDomenico. I serve as the Executive Director of
14 the Garden State Seafood Association. We
15 represent all types of fishermen, processors,
16 owner/operators from long liners, to baymen, to
17 gill netters, to draggers, you name it.

18 What I want to get across, I think as
19 positively as I can, is that this task force,
20 while it has to address certain problems, it also
21 has the ability to promote and highlight what the
22 domestic industry is doing right in this country.

1 Instead of concentrating on perhaps only the bad
2 apples. And let me just explain that with each
3 announcement from this task force, a consumer
4 somewhere reads just very little of it, and he
5 cannot tell the difference between seafood fraud
6 and another acronym, IUU, or something else. You
7 have a responsibility to comprehend that the
8 market in the domestic seafood industry is very
9 fickle. And the consumer absolutely is impacted
10 by every press release and everything a task
11 force like this says. It's important.

12 You can harm us in your efforts to
13 address a problem that may exist 10,000 miles
14 from here. That has to be made clear to the
15 public, that what the domestic industry is doing,
16 under a litany of programs from the FDA, from the
17 USDC, from numerous state entities, that what is
18 going on is most, if not all of the processing
19 going on here, and the harvesting here going on
20 in the domestic world, in the domestic industry,
21 is being done correctly. And people are
22 complying. That's the other message that you are

1 absolutely responsible to get across to the
2 American consumer. Thank you very much.

3 MR. LEANDRO: Thank you, Gregory. Next
4 we have Robert DeHaan from the National Fisheries
5 Institute.

6 MR. DEHAAN: Good afternoon. I'm Bob
7 DeHaan. I'm with the National Fisheries Institute
8 here in D.C., and we appreciate the opportunity
9 to present our views to all of you and we commend
10 you on the hard work that you're putting in under
11 the timeline that the President has established.

12 Time is brief so let me jump right into
13 it. We, at NFI, do want to offer our perspective
14 on this issue. We start from the proposition
15 that IUU fishing is harmful to legitimate
16 businesses as Dr. Sullivan noted, and that it
17 undermines the work that Fish Watch does and
18 other fishery management systems do as well. And
19 so we commend your efforts to address this
20 problem all along the line.

21 Let me offer a couple things, picking up
22 on undersecretary Novelli's point about voluntary

1 efforts that the industry has made, and summarize
2 what it is that we in our member companies at NFI
3 have been doing.

4 First and most importantly we've
5 supported the Port State Measures Agreement all
6 through that process. We support Port State
7 Measures as it was ratified by the senate and we
8 support senate legislation and house legislation
9 to implement it fully, as quickly as possible.

10 Similar to that we have moved out with
11 our own members to make sure that they understand
12 that IUU fishing is harmful to our businesses and
13 our industry in a reputational sense. And so
14 it's on the top list of priorities that we have
15 as a private trade association.

16 In terms of seafood fraud we have at NFI
17 established in 2007, the Better Seafood Board,
18 which requires as a condition of membership in
19 our association that our members sign up for a
20 number of pledges in terms of their commercial
21 practices and economic integrity. So for
22 instance, if one of our members is found to be

1 engaging in something like short waiting, they
2 are removed from membership at NFI. We believe
3 that's the right approach. We believe it works
4 effectively as a voluntary approach in our
5 industry, and we think that that does at least
6 what our membership in our component of the
7 supply chain can do, to address economic fraud.

8 We've got an MOU with the National
9 Restaurant Association most recently this year
10 that will commit both associations to coordinate
11 and collaborate among their members to make sure
12 that if either portion of that supply chain is
13 complicit in engaging in the type of activity
14 that Rick Marks mentioned in his comments, that
15 swift action is taken to make sure that it
16 doesn't happen again.

17 So those are the kinds of things that our
18 members and member companies, pardon me, are
19 committed to.

20 Let me back up a little bit because time
21 is brief, again, and address the specific
22 question of IUU fishing as opposed to seafood

1 fraud. It's important as you do your work, and
2 as we have conveyed to you previously in your
3 work, that we recognize what the problem is and
4 the magnitude of the problem as it pertains to
5 the U.S. market.

6 Because so much of what we import is
7 aquacultured fish, that of course is not subject
8 to any IUU abuse. And that's about half of the
9 roughly 85 percent of imports that come into the
10 United States. So that has to be put aside.
11 Secondly, and again going back to undersecretary
12 Novelli's comments, it's important to recognize
13 that there are industries within the broader
14 seafood industry that have taken aggressive
15 action to make sure that their product does not
16 come from IUU vessels.

17 Tuna, that enters the United States, at
18 least with respect to our companies, comes in
19 under the ISSF, which we're very proud to have
20 the WWF as a leading member of the ISSF. That
21 tuna comes in pursuant to what is called the
22 Proactive Vessel Register. That registry

1 identifies through the IMO, a number for every
2 vessel that puts that fish into our market. And
3 that information can then be cross-referenced
4 against IUU vessel lists.

5 So if I were in your shoes and I were
6 looking at what actions the government would
7 take, I would put that aside as well. If you
8 remove aquaculture products, domestic U.S.
9 fisheries, which as the President have noted, are
10 the best managed in the world, and you remove
11 aquaculture products that are imported into the
12 United States --

13 MR. LEANDRO: Thirty seconds.

14 MR. DEHAAN: -- you end up with about 11
15 percent of U.S. consumption being subject to some
16 level of abuse. It depends on the category in
17 question, but it is a small portion of what
18 Americans consume.

19 Last point, and I only have 20 seconds,
20 in terms of traceability. A one-size-fits-all
21 approach applied to every fish coming into the
22 United States, domestic and foreign, will have

1 two harmful effects. One, it won't work and it
2 will grind our industry to a halt. And if I had
3 more time I'd give you the salmon example from
4 Alaska.

5 And two, when you think about
6 traceability requirements you have to remember
7 what is imposed on the imports that enter the
8 United States will be imposed on U.S. fishermen
9 exporting abroad. And that is a critically
10 important fact when you consider that so much of
11 what we fish in the United States now goes to
12 markets in the E.U., China, and elsewhere.

13 Appreciate the opportunity.

14 MR. LEANDRO: Thank you, Bob.

15 Next speaker will be Lindsey Jennings
16 from the Marine Conservation Institute.

17 MS. JENNINGS: On behalf of the Marine
18 Conservation Institute I sincerely, first and
19 foremost, want to thank you for allow me to give
20 comments today.

21 The term pirate fishing has been
22 highlighted recently in international news, as it

1 should be, given that it accounts for between \$10
2 and \$23 billion in traded seafood every year.
3 To compound the problem illegal fishing has also
4 been linked to food scarcities in developing
5 countries, environmental degradation of our
6 oceans, political instability, slave labor, and
7 the movement of illicit cargo like drugs and
8 weapons.

9 We know this is a global issue. But at
10 the same time the U.S. is the second largest
11 importer of seafood.

12 In a report our organization plans to
13 release later next month, we found illegal
14 fishing costs the United States over \$1.8 billion
15 every year. If that product would have been
16 caught locally by domestic fishermen from our
17 rebuilt stocks, it would represent upwards of
18 31,000 jobs. How do we solve this problem?

19 There is no one single solution, but it
20 is definitely clear to us, we have to begin with
21 a foundation of strong, clear, enforceable laws
22 that make illegal products much easier to detect

1 and much harder to bring into the United States.
2 While we support several other proposals for
3 increased traceability and labeling as well as
4 the need for unique vessel identification
5 numbers, we strongly believe that there are
6 simple and straightforward measures to take that
7 could be implemented right now.

8 Congress, before them, has two pieces of
9 legislation; the House Bill HR69, and Senate Bill
10 S269, both looking to fight illegal fishing.
11 Both bills would streamline enforcement
12 provisions under a single section of the
13 Magnuson-Stevens Act making monitoring and
14 enforcement easier on the water and at our ports.
15 It's no secret that illegal fishing is hard to
16 detect and prosecute, especially in the high seas
17 where enforcement is thin.

18 Foreign fishermen have become adept at
19 skirting the rules and regulations and evading
20 the law. And laws that are difficult to enforce
21 are often enforced poorly.

22 These bills would also authorize

1 additional enforcement measures like searching
2 and/or inspecting facilities and shipment
3 records, detaining ships, searching and seizing
4 illegal products, as well as requiring that
5 illegal vessels be placed on well-known
6 blacklists.

7 Another bill, the Pirate Fishing
8 Elimination Act, S267, would implement the Port
9 State Measures Agreement, which the senate has
10 already ratified earlier this spring. The hard
11 part is done. Making the Port State Measures Act
12 operational, it would now become illegal to
13 import/export, transport, sell, or receive any
14 fish or fish product caught in violation of
15 international treaties that the U.S. is a party
16 of.

17 Illegal fishers and their illegal cargo
18 are still reaping significant profits. We have
19 to deny their seafood from entering the American
20 market and to stop illegal fishing from
21 essentially paying off. American fishermen who
22 have sacrificed their businesses and livelihoods

1 to abide by the rules and limits set forth by our
2 government in the Magnuson-Stevens Act should not
3 be punished by having illegal catches compete
4 with domestically caught fish. Let's level the
5 playing field; let's reward them for following
6 the rules.

7 While we understand that these pieces of
8 legislation will not be a panacea to curb IUU
9 fishing completely, they do offer quick,
10 bipartisan, and cost effective ways to begin to
11 address the issue in our own country, in our own
12 ports. When we allow -- when we stop allowing
13 illegal fishing vessels to enter our own ports,
14 American fishermen, coastal communities, and the
15 entire seafood sector wins. Thank you.

16 MR. LEANDRO: Thank you, Lindsay.

17 Next we have Brian Sterling from Global
18 Food Traceability Center.

19 MR. STERLING: Thank you very much. Good
20 afternoon. My name is Brian Sterling and I'm the
21 Managing Director of the Global Food Traceability
22 Center, or GFTC, which is a science-based, not

1 for profit, private partnership within the
2 Institute of Food Technologists, or IFT.

3 It's in the context of our extensive
4 experience in food traceability that we make our
5 comments today. I'll start by giving a quick
6 review of IFT in the Center, and then provide
7 four key points and elaborate on those four
8 points for the Task Force.

9 This year marks the 75th anniversary of
10 the Institute of Food Technologists. Since its
11 founding in 1939 IFT has been committed to
12 advancing the science of food. We're not profit,
13 scientific society, with over 18,000 members from
14 over 100 countries around the world, bringing
15 together food scientists, technologists, and
16 related professionals from industry, government,
17 and academia.

18 IFT has been leading food traceability
19 for almost a decade, starting with FDA projects
20 on traceability technologies, and we were tasked
21 by the FDA to conduct the food traceability
22 pilots that Congress mandated as part of the Food

1 Safety Modernization Act.

2 I'm now going to provide a brief
3 clarification of four key points. Point number
4 one, the key to addressing illegal, unreported,
5 unregulated or IUU fishing, and seafood fraud is
6 the concept of commercial transparency.

7 This transparency can be addressed by
8 implementing traceability in the seafood
9 industry. The current lack of standard
10 informational requirements in seafood leads to a
11 lack of interoperability. This in turn reduces
12 transparency, and thus inhibits traceability.

13 This impacts business efficiency and it
14 enables the conditions that can lead to illicit
15 activity. The GFTC has found that traceability
16 strengthens commercial transparency in the supply
17 chain so that problems can be identified and
18 addressed quickly.

19 We would emphasize, however, that
20 traceability system also protects confidentiality
21 and commercial proprietary information.
22 Commercial transparency does not mean that

1 anybody can go hunting for sensitive data
2 whenever they feel like. The technology exists
3 to protect companies from data snooping while
4 still providing authorities with information they
5 need to protect public welfare.

6 Point two, whole chain traceability is a
7 proven tool in other industries and in other food
8 sectors, and it can be implemented in the seafood
9 industry. It already has proven benefits in
10 other industry sectors such as automotive,
11 pharmaceutical, electronics, aerospace, and on.

12 At first regulatory requirements may
13 cause adoption of traceability system in
14 practices, but it's the business and financial
15 benefits of traceability that actually drive and
16 sustain its use.

17 The recognition that modern information
18 technology and digital records can add value to
19 customers, help grow market share, while still
20 simultaneously delivering lower costs, has
21 revolutionized the role of information management
22 for decades. There is nothing that the GFTC has

1 observed to suggest that the food industry, or
2 seafood in particular, is any different.

3 Traceability works, it nourishes innovation and
4 improved business performance.

5 Point number three; seafood traceability
6 will provide both public good and commercial
7 benefits if industry, government, and other
8 stakeholders commit to collaboratively seeking
9 solutions. Seafood businesses that are committed
10 already to maximizing value they deliver to
11 customers are already using this kind of data
12 about their products to gain competitive
13 advantage and grow their business. They may use
14 it to win market share or reduce supply chain
15 costs, or have other objectives.

16 The point is, the traceability is not
17 just a cost of fulfilling a regulatory
18 requirement, but it's an investment in long-term
19 business viability. Traceability, of course, is
20 at the heart of food related emergencies like
21 food borne illness, and it does increase the
22 confidence that we have in the reliability and

1 relevance of the data that we need in the case of
2 seafood.

3 Point number four; the Global Food
4 Traceability Center welcomes the opportunity to
5 lead collaboration with all stakeholders,
6 including industry and government on this matter.
7 We suggest an approach in which seafood industry
8 and government collaborate to eliminate the
9 causes and incentives that drive bad behavior,
10 and find ways to positively reinforce good
11 behavior.

12 In our work we've seen that active
13 engagement and cooperation are the best practices
14 for addressing tough issues like IUU and fraud.

15 The GFTC is heartened by the steps that -
16 -

17 MR. LEANDRO: Thirty-seconds.

18 MR. STERLING: -- industry is already
19 taking in their agreement on voluntary
20 requirements for traceability. This is both
21 encouraging and an important first step. There
22 should be a concerted public private partnership

1 effort to solve the problems if IUU fishing and
2 seafood fraud, and we welcome the opportunity to
3 collaborate with all stakeholders on this matter.

4 Thank you very much for your time.

5 MR. LEANDRO: Thank you. Next we have
6 Phil Kline from Greenpeace.

7 MR. KLINE: My name is Phil Kline from
8 Greenpeace. Thank you for the opportunity to
9 speak with you today. I'm not going to go over
10 all the recommendations from the environmental
11 community, you have them well documented already.
12 I just wanted to point out a couple things.

13 One, RFMOs. The U.S. has huge
14 opportunities at RFMOs to really show leadership,
15 to put policies of accountability into the system
16 and hold other countries accountable. For
17 example, the West Central Pacific Fisheries
18 Commission has at least four major additional
19 water fishing powers that virtually report none
20 of their catch from their long line fleets.

21 This only serves to give cover to illegal
22 fishermen and muddies the water all the way

1 around. And so the U.S. can show the leadership
2 at the RFMOs because there's a lot of other
3 countries in these RFMOs that this is a big issue
4 they want to address too. And with the U.S. the
5 U.K., Australia, and some of the other leaders
6 proposing policies that will have true
7 accountability, I think you can make a lot of
8 headway at the RFMOs to account for their catch
9 and therefore isolate the illegal catch and
10 continue to work on the IUU problem.

11 The other point that I wanted to make is,
12 after you deliver your recommendations to the
13 White House in a very -- December, that's just
14 the beginning of this process. You're all going
15 to be involved in putting out the rule making and
16 moving to the regulation phase to implement what
17 is adopted from this process that you're involved
18 in. And I can only encourage that you are
19 actively involved and expeditiously get the job
20 done so that we actually implement the good stuff
21 that you're going to recommend coming out of this
22 task force and not have years of rule making and

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1 delays and regulatory processes as we've seen in
2 implementing our new Magnuson that we're all so
3 proud of. We don't want to have seven years of
4 rule making to start really going down the road
5 to address IUU in the way this country can.

6 Thank you.

7 MR. LEANDRO: Thank you, Phil. Next we
8 have Jake Jabru (sic) from the Inter-cooperative
9 Exchange.

10 MR. JACOBSEN: And I have really lousy
11 handwriting. My name is Jake Jacobsen.

12 MR. LEANDRO: I'm sorry.

13 MR. JACOBSEN: I was a fisherman in
14 Alaska for over 30 years. I fished crab in the
15 Bering Sea for 28 of those years. Currently I'm
16 the executive director of Inter-cooperative
17 Exchange.

18 Inter-cooperative Exchange is the largest
19 cooperative of Bering Sea crab fishermen. Our
20 boats harvest around 70 percent of the Bering Sea
21 crab quota.

22 The trade in IUU fish products has had a

1 devastating impact on honest fishermen all over
2 the world who play by the rules by fishing in
3 well managed sustainable fisheries. Here in the
4 U.S. the Bering Sea crab fishery is a prime
5 example of what can happen to the market when
6 it's flooded with IUU product. And I'm here to
7 explain how IUU crab from Russia enters the
8 global supply chain and hurts our domestic
9 fishermen.

10 In 2013 the Alaska Fishery brought
11 roughly 84 million pounds of live crab to market.
12 The official Russian harvest was 96.1 million
13 pounds that year. However, upon further
14 examination of the Russian trade data, it appears
15 that Russia actually exported closer to 196
16 million pounds that year. This 99 million pound
17 discrepancy is attributed to IUU production.

18 As a globally traded commodity the supply
19 chain for IUU Russian crab from harvest to point
20 of consumption is complex. There are essentially
21 two ways that IUU crab is harvested in Russian
22 waters. The first is through the gray market

1 where Russian flagged vessels that are legally
2 allowed to fish in Russian waters for a certain
3 species, cod fish for example, instead target
4 other species they're not allowed to catch. Or
5 crab vessels that exceed their allocated harvest
6 level.

7 The second way is the black market
8 fishery, where crab is illegally harvested in
9 Russian waters by vessels flying what are known
10 as flags of convenience.

11 Just this morning the Russian News
12 Service reported that Russian authorities have
13 apprehended a vessel illegally fishing crab, with
14 about 20 tons of crab on board. The vessel was
15 flagged in Togo. The owners were registered in
16 Belize, and the crew was 16 Russian nationals.

17 Though these vessels are not flying the
18 Russian flag they are typically crewed by
19 Russians, and often have ties to organized crime.
20 The crab is then often offloaded to transport
21 vessels at sea who deliver the crab to ports in
22 China, South Korea, or Japan, where it is

1 integrated into the supply chain.

2 Other times the crab is delivered
3 directly by the harvesting vessel to ports in
4 these countries. Along the way there are
5 multiple opportunities to obscure the legality of
6 this crab, either through fraudulent paperwork or
7 by comingling this illegal product with legal
8 product.

9 A comment was once made by someone who
10 participates in this industry, that the Kinko's
11 in Downtown Busan (phonetic) created better
12 export documents than Moscow.

13 The primary destination for this crab is
14 the United States, where it undercuts the hard
15 work and disrupts the market for Alaskan
16 fishermen who must compete with this cheaper
17 illegal product. I make it clear, we don't have
18 any problem competing with crab that's produced
19 by honest fishermen who abide by the rules in
20 Russia. But our problem is with illegal crab.

21 Alaskan crab is 100 percent legal and
22 sustainable. We are proud of the progress we've

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1 made and continue to work hard to be responsible
2 stewards of our fishery. We fund the Bering Sea
3 Research Foundation that contributes to science
4 based sustainable fisheries management. We fund
5 crab hatchery and propagation research.

6 Since 2005 we have reduced our carbon
7 footprint by two thirds. Our gear has an
8 insignificant impact on the sea floor, and in the
9 event that a crab pod is lost, biodegradable
10 twine prevents it from fishing as it returns to
11 nature.

12 Ten percent of our crab quotas are
13 allocated to coastal Alaskan communities to
14 provide jobs and create growth. We're kind of
15 like the Paul Newman salad dressing of the
16 seafood industry.

17 MR. LEANDRO: Thirty seconds.

18 MR. JACOBSEN: Our fishery is much safer
19 than in the past. In the early years and through
20 1999 crab fishermen experienced an astronomical
21 fatality rate, earning us the title of Deadliest
22 Catch. But no more. Since 2006 we've only lost

1 one fisherman.

2 We believe Americans have the right to
3 know if the seafood they purchase is from
4 responsible harvesters or is a product of
5 pirates. Thank you very much.

6 MR. LEANDRO: Thank you, Jake. And
7 apologies for butchering your last name. I
8 appreciate folks correcting me if I do
9 mispronounce your name because we want to make
10 sure we capture that accurately in the
11 transcription. So, thank you.

12 Next, we have Rebecca Lent from the
13 Marine Mammal Commission.

14 MS. LENT: Thank you. Thank you, Louis.
15 Good afternoon. I appreciate the opportunity to
16 make a comment. In case you don't know, the
17 Marine Mammal Commission is a government agency;
18 small, mighty, powerful. And as you can tell
19 from the title of my agency I'm going to talk
20 about marine mammals. I'm kind of surprised it
21 hasn't been brought up yet.

22 The main point I want to make is there is

1 a direct and substantiated link between IUU
2 fishing and marine mammal bycatch. That's the
3 main point I want to make. And there is a link
4 of course between the type of marine mammal
5 bycatch going on around the world, and the
6 seafood that we import. We've all heard again
7 and again about the seafood that we import.

8 Prime example is the Vaquita. Tiny
9 porpoise endemic to the upper Gulf of California.
10 It will be gone in two years because of illegal
11 fishing. We'll need your help on that.

12 So since much of our seafood is imported
13 that brings me to three key recommendations. The
14 first one is related to the guiding question no.
15 2; what are our existing authorities to deal with
16 IUU fishing?

17 There is a clause in the Marine Mammal
18 Protection Act, it's been there for over 42
19 years, that says we should ban imports of seafood
20 from countries whose marine mammal bycatch
21 measures are not up to U.S. standards. We've
22 heard a lot here today about U.S. standards and

1 what U.S. fishermen have to put up with -- sorry.
2 What U.S. fishermen get from those national
3 marine fishery service in terms of a sustainable
4 fishery in every aspect of that word.

5 But when that product comes to the U.S. -
6 - I'm sorry. When that product is competed in
7 the U.S. market with imported product then I
8 think people are concerned about leveling the
9 playing field. So we need that to be
10 implemented. That's existing authorities that
11 could go a long ways.

12 Guiding question no. 3 talks about taking
13 advantage of every multi-lateral opportunity.
14 Phil made the point, the regional fishery
15 management organizations, thanks to the FAO's
16 guideline on sea turtle by catch, we've been able
17 to make a lot of progress in our FMOs in taking
18 ideas like circle hooks that our long liners
19 developed with our scientists in the U.S., taking
20 that to other countries and implementing it. And
21 in making sure it gets implemented; making sure
22 it gets reported. Let's do the same thing for

1 marine mammals.

2 See, I'm already getting applause from
3 the room next door. That's great.

4 I'm happy to see that Barbara Best is
5 involved in this, USAID. Not just sticks, but
6 carrots. We need to provide the support so the
7 countries can implement this. Our fishermen can
8 tell you that it hasn't been easy and it hasn't
9 been cheap.

10 Final point is the Marine Mammal
11 Commission may be the only marine agency that's
12 not on the Task Force. But that's okay. The
13 instructions from the President are that the co-
14 chairs can designate other members from time to
15 time as needed for consultation. So, the Marine
16 Mammal Commission stands ready to be a part of
17 the Task Force. Thank you very much.

18 MR. LEANDRO: Thank you, Rebecca. Next
19 we have Captain Keith Colburn from the Bering Sea
20 Crabber.

21 MR. COLBURN: My name is Keith Colburn
22 and I'm a Bering Sea crab fisherman. You may

1 also know me from a television show called
2 Deadliest Catch on Discovery Channel. I'm here
3 to discuss the impact of pirate fishermen in
4 Russian waters on the impact on our fishing
5 communities and fishing in Alaska.

6 I started fishing in Kodiak, Alaska 30
7 years ago. I have fished as far north as Nome
8 and as far west as Adak, out on the Aleutian
9 Chain. From small coastal river fisheries to
10 offshore crab fisheries. I've fished
11 commercially for salmon, halibut, cod, herring,
12 crab, even Bering Sea snails.

13 Excuse me. State and federal fisheries
14 managers have worked with coastal communities and
15 fishermen to ensure the long-term health of our
16 marine ecosystems. Alaska fisheries are
17 recognized globally as the benchmark for
18 sustainable fisheries. This has been achieved
19 through legal, regulated, and reported fishing.

20 It is well known that illegal,
21 unreported, and unregulated trade results in
22 global economic losses of 10 to 23 billion

1 annually. But the impact of IUU is also felt
2 right here in the U.S. where hardworking American
3 fishermen who operate in strictly regulated
4 science based fisheries, are forced to compete
5 against those who don't play by the rules.

6 In 2013 almost 100 million pounds of crab
7 that Russia exported was illegally harvested.
8 That's 15 million pounds more than our entire
9 Bering Sea harvest. The resulting impact has
10 been costly to both the Bering Sea fleet and the
11 Alaska coastal communities.

12 The Bering Sea crab fleet has seen a 25
13 percent price decline because of illegally
14 harvested crab, which has resulted in over half a
15 billion dollar in losses to our Alaska crab
16 fishermen since 2000.

17 Additionally Alaska coastal communities
18 have lost millions in fishery, landing tax
19 revenue during the same period. It's difficult
20 for any legitimate industry to be successful if
21 one third of the products it competes with in the
22 global market place is illegal. I'm not here

1 because I'm afraid of the competition. I know
2 the handling, processing, and quality control
3 standards in U.S. fisheries is unrivaled; that
4 our Alaska product is superior. But, we need a
5 level playing field.

6 We need stronger mechanisms and better
7 information to track seafood imports in order to
8 prevent illegal product from entering our
9 markets. We need country of origin labeling so
10 consumers can make the choice if they want
11 Russian crab, or if they want crab caught by hard
12 working fishermen like the ones you see on the
13 television show.

14 Allowing illegally harvested crab to
15 enter the U.S. and compete with our products has
16 only encouraged destructive, unsustainable
17 fishing practices abroad. We need the decision
18 makers and politicians in D.C. to stand up for
19 U.S. fishermen, and I want to thank you for the
20 opportunity to speak today.

21 MR. LEANDRO: Thank you, Captain Colburn.
22 Okay, folks, we have three cards left. I would

1 like to take the opportunity at this point in
2 time to mention that if there are additional
3 comments, folks in the room that have not had an
4 opportunity to write their name and affiliation
5 on cards -- okay, great. I'm seeing additional
6 cards there. Fantastic.

7 So next speaker will be Beth Lowell from
8 Oceana.

9 MS. LOWELL: Thank you. I'm Beth Lowell
10 with Oceana, the largest international
11 organization working solely to protect the
12 world's oceans. Oceana strongly commends the
13 President for forming the Task Force and for all
14 the Task Force members for your hard work. We
15 look forward to provide more extensive written
16 comments to the Task Force on how the federal
17 government can use its tools to stop seafood
18 fraud and illegal, unreported, and unregulated
19 fishing.

20 I'm going to focus my comments mainly on
21 seafood fraud as we've heard a lot about IUU
22 earlier, although Oceana is very concerned about

1 IUU fishing and urge you to implement some of the
2 recommendations you've already heard to fight
3 that.

4 Seafood is one of the most popular foods
5 in the United States, yet consumers are routinely
6 given little or no information about where, when,
7 and how their seafood is harvested. Moreover,
8 the information that is provided on seafood
9 labels can be misleading or fraudulent.

10 With about 1,700 different species from
11 all around the world now available for sale in
12 the United States, it's unrealistic to expect the
13 average consumer to be able to independently and
14 accurately determine what fish they're actually
15 being served.

16 Seafood is traded internationally more
17 than any other food and the U.S. imports
18 approximately 90 percent of its seafood. Today's
19 seafood is flown around the globe for processing
20 after being caught or farmed, often crossing
21 several international borders before reaching the
22 end consumer. Increasing complexity and

1 globalization of the seafood markets have
2 exacerbated fraud as well as the unintentionally
3 selling of mislabeled seafood.

4 Seafood fraud is any attempt to
5 misrepresent seafood, including short waiting,
6 transshipping to avoid tariffs, over-treatment
7 and species substitution. Oceana has been
8 focused on species substitutions specifically.
9 It's done for any number of reasons from
10 substituting a lower cost, less desirable
11 product, to keeping consistent stock, or
12 laundering illegally caught fish into the legal
13 supply chain.

14 To help illustrate the amount of seafood
15 fraud occurring in the United States, Oceana
16 embarked on the largest seafood fraud study to
17 date where we went to grocery stores and sushi
18 bars and restaurants in 14 metropolitan areas
19 around the country. We tested 1,200 samples, and
20 examined them using DNA analysis, and found that
21 one third of those were mislabeled, where the
22 fish on the menu or the label was not the fish

1 that was sold or purchased.

2 In addition to the Oceana studies we also
3 reviewed over 100 studies that were done by other
4 scientists, journalists, academics, from around
5 the world in 29 other countries in every
6 continent except Antarctica. And all of those
7 studies, every one that looked to find seafood
8 fraud found it. It's a pervasive and global
9 problem.

10 Many substitutions in the Oceana studies
11 were clearly for economic gain where a high value
12 fish was listed on a menu, but a lower cost
13 version was sold to consumers. Beyond consumer
14 impacts Oceana testing also revealed some species
15 substitutions that can impact public health. The
16 Food and Drug Administration lists only four fish
17 that sensitive populations like pregnant women
18 and children should avoid all together. We found
19 three instances of those do-not-eat fish sold as
20 safer alternatives.

21 We found tile fish sold as red snapper
22 and halibut in New York City, and we found King

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1 make more informed decisions about the seafood
2 they purchase.

3 Fortunately the solutions to the IUU
4 problems and seafood fraud can be done utilizing
5 the existing authorities under the Federal
6 Fisheries, Food, and Wildlife Laws, and the
7 solutions are similar.

8 As the Task Force considers how best to
9 combat IUU and seafood fraud, we recommend the
10 following.

11 MR. LEANDRO: Thirty seconds.

12 MS. LOWELL: One, prevent illegally
13 caught fish from entering the U.S. by requiring
14 documentation that it came from a legal source.

15 Two, require that all seafood sold in the
16 United States be fully traceable from the final
17 point of sale, back to the point of harvest,
18 incorporating basic information about the who,
19 what, where, when, and how of fishing. Improve
20 consumer awareness by having more information
21 available of the seafood products origins
22 available to consumers, such as type of fish and

1 where it was caught.

2 Strengthen detection of IUU product.

3 That's number four. Including enhancing
4 inspections both at the border and random audits
5 of the supply chain.

6 Five, improve interagency cooperation and
7 planning, so you all who already do great things
8 can work better together.

9 We think that these recommendations will
10 help ensure that the seafood sold in the U.S. is
11 safe, legally caught, and honestly labeled, while
12 protecting honest fishermen and seafood
13 businesses that are competing with illegal and
14 fraudulent products.

15 We'll be submitting extensive comments to
16 the record on September 2nd, and thank you for
17 the opportunity to provide comments.

18 MR. LEANDRO: Thank you, Beth. So, we
19 have two speakers left and plenty of time for
20 additional comments. So if you would like to
21 make additional comment, or if you have not had a
22 chance and would like to give a comment, if you

1 just want to put your hand up we will pass you an
2 index card and those will be provided to me and I
3 will add you to the queue. Okay? So please
4 don't be shy, we have plenty of time.

5 Our next speaker is Gerry Leape from PEW.

6 MR. LEAPE: Thank you. My name is Gerry
7 Leape and on behalf of the PEW Charitable Trust I
8 want to thank you for the opportunity to provide
9 comments today, and thank you all for your work
10 and your continued efforts under this very tight
11 timeline.

12 PEW is pleased to know that the U.S.
13 government considers combating IUU fishing to be
14 an issue that warrants even additional attention
15 from the efforts you've already given. It's
16 estimated that illegal and unregulated and
17 unreported fishing is worth -- results in about a
18 catch between 11 and 26 million tons a year,
19 which is about 1,800 pounds every second. And
20 that one out of every five fish is caught outside
21 the law.

22 And as we heard earlier, 85 percent of

1 our seafood is imported and half of that is wild
2 caught, and a recent study estimated that a third
3 of those wild caught imports are caught
4 illegally.

5 And so the U.S. fishing industry, as we
6 know, supports nearly 1 million American jobs,
7 and foreign fishermen that engage in IUU fishing
8 undercut the U.S. market with cheaper, illegally
9 caught imports.

10 And so in addition, while there's an
11 impact in the U.S., illegal fishing also has a
12 devastating impact in other areas of the world.
13 In West Africa it's estimated that IUU fishing
14 accounts for 40 percent of the fish caught and is
15 up to a quarter of the region's employment is
16 linked to fisheries. It has the potential to
17 have a devastating impact, not only on the
18 economy, but on the diet which is largely
19 dependent on seafood.

20 And so needless to say, IUU fishing is
21 important and it needs to be addressed
22 immediately. And so we would like to urge the

1 Task Force to recommend the following actions and
2 a lot of our justification will be further
3 detailed in the written comments we'll submit on
4 the 2nd of September. I will just summarize them
5 here.

6 First, we would like to see continued
7 work on application of the IMO numbers. That has
8 been a tremendous success, initial success over
9 the last year due to the hard work of many of you
10 in the room. And we believe that that will be an
11 essential tool with effective traceability. And
12 now we not only want to build on that through
13 working at the other four that didn't agree to
14 them this past year, but also working on
15 harmonization of vessel lists, which I know is
16 something that's a priority for some of you in
17 this room.

18 And also, as we work towards
19 implementation of the IMO numbers, that they're
20 marked. Not only on the hull, but internally in
21 terms of ports -- so when vessels are inspected
22 it's clearly visible.

1 Second, building on the continued work
2 that many of you have done in terms of working
3 towards final ratification of the Port State
4 Measures Agreement. This is a critical
5 international legally binding treaty and
6 hopefully we can get it done this year through
7 passage of the implementation legislation. But
8 then the U.S. can take even more of a leadership
9 role and we would urge you to recommend that in
10 terms of encouraging other important market
11 states to also ratify, because that's going to be
12 the key to the success of this treaty, which
13 needs 25 ratifications to enter into force.

14 Third, we would like to see a greater
15 encouragement for requirement to carry
16 transponders on all fishing vessels. In order to
17 really get a handle on this problem, we need to
18 know where the fishing vessels are. We've made
19 some progress in this area, but where we have VMS
20 and AIS, we need to work to have the smarter VMS
21 that we've started to implement in many of our
22 fisheries, but have that be more of a standard.

1 And so we can have access to the information
2 that's crucial and there's an opportunity to work
3 on that this fall through the annual meeting to
4 the RFMOs that many of you will have go to, and
5 I'm sorry for that.

6 Furthermore we'd like to see development
7 of the global record of fishing vessels, which I
8 know is something that was brought up by the U.S.
9 at COFI and we would like to support that effort.

10 In addition we'd like to see the U.S.
11 government address the issue of transshipment.
12 In many regions of the world it's a vehicle; it's
13 a primary vehicle for IUU fishing. And some
14 regional agreements have started to take action,
15 but much more needs to be done and we'd like to
16 see that be a recommendation from the Task Force.

17 And finally the -- not finally, but
18 almost finally. We'd like to see the U.S.
19 continue to support the work through Interpol.
20 There is an exciting new venture through the
21 Environmental Crimes Unit where the U.S. has been
22 supportive --

1 MR. LEANDRO: Thirty seconds.

2 MR. LEAPE: -- of the fisheries crime
3 task, and we think that we've already seen some
4 successes and we'd like to see that continue.

5 We'd like to see you be a champion for
6 human rights. As you heard earlier, it's a
7 transnational crime. Money laundering, human
8 rights would be one that the U.S. could be a real
9 leader on.

10 We'd like to see, also, a consideration
11 to have the U.S. consider abandoned fads to be a
12 form of unregulated fishing and marine debris.
13 Those are fish aggregating devices.

14 And then obviously, finally, it's
15 updating measures on coordination, which I know
16 will be an essential part of your discussions.

17 Thanks for the opportunity.

18 MR. LEANDRO: Thank you, Gerry. Next we
19 have Peter Engel.

20 MR. ENGEL: Engle.

21 MR. LEANDRO: Engle. Thank you, Peter.

22 MR. ENGEL: Thank you very much. Good

1 afternoon. I'd like to start by thanking the
2 National Ocean Council for your good work on
3 behalf of the environment and our economic
4 interests.

5 My comments pertain to traceability
6 challenges as they apply to both IUU and seafood
7 fraud, so guiding questions 6 and 7.

8 I'm from SICPA, which is a global
9 company. We annually mark more than 70 billion
10 products a year around the globe, and we track
11 and trace tens of billions of those products for
12 both federal and state governments. That's the
13 end of my shameless pitch.

14 So as we all understand, food supply
15 chain and risk management is enormously complex,
16 and I guess one of the advantages of being late
17 in the agenda is a lot of folks have already said
18 what I intended to say. So I'd like to emphasize
19 the comments of Bob DeHaan of NFI. Traceability
20 systems should not be monolithic, and the
21 standards and requirements must accommodate the
22 variety of seafood in the market. Our experience

1 has shown that a one-size-fits-all approach to
2 traceability systems creates opportunities for
3 bad actors to apply their trade by leveraging
4 gaps in the requirements for their specific
5 purposes.

6 Having said that, I don't think we need
7 to reinvent the wheel. Existing traceability
8 systems can be adopted to IUU, and I urge the
9 council to recommend standards and requirements
10 for traceability systems and by that I mean
11 labeling tags and marks, and these can contain
12 both overt and covert mechanisms to convey data.
13 I know there are concerns on the part of industry
14 as far as privacy goes. And standards should
15 also apply to comprehensive data and data
16 structures, and to the IT systems to communicate
17 that data.

18 Somebody mentioned the integrative trade
19 data system and I'd also like to call out CVP's
20 single window development program, which is
21 having a great effect in global trade.

22 Traceability has been proven to drive bad

1 actors from the market and enhance public health
2 and the economic interests of both government and
3 industry, and I would recommend that the council
4 work with other federal agencies that are
5 developing traceability requirements. They may
6 be known in other contexts as supply chain risk
7 management. Some examples are DOD and GSA are
8 working very hard in an anti-counterfeiting
9 context. FDA, likewise, is working hard in both
10 pharmaceutical track and trace and medical device
11 context. And it may not seem like a direct
12 corollary, but TSA has developed very
13 sophisticated systems for tracking checked
14 baggage and cargo.

15 I would argue that the traceability
16 system doesn't really care what's moving through
17 it. But the principles carry over.

18 I'd also like to echo the comments of
19 Michelle Kurik to leverage work of others, and
20 add that in the E.U., particularly Italy and
21 Portugal are developing fish traceability
22 systems.

1 And having said that I'd like to thank
2 the Administration for their attention to these
3 critical issues and also for the opportunity to
4 speak this afternoon. Thank you.

5 MR. LEANDRO: Thank you. Okay. I've got
6 one speaker left so, again, please identify --
7 just put your hand up if you'd like to provide
8 additional comments and we'll collect -- provide
9 you in the next card and put you back on the
10 queue.

11 So our last speaker is John Webb from the
12 Advisory Council Presidential Task Force on
13 Wildlife Trafficking.

14 MR. WEBB: Well, good afternoon. I just
15 wanted to let everybody know that the Advisory
16 Council for the Presidential Task Force and
17 Wildlife Trafficking is involved in IUU fishing,
18 because I'm personally involved in it. I want to
19 make that part of the agenda for the Task Force
20 on Wildlife as well.

21 What I've heard so far today makes me
22 want to comment from my 25 years experience as a

1 prosecutor with the U.S. Department of Justice
2 prosecuting wildlife crimes, including crimes
3 involving IUU fishing. And at one point Eileen
4 Sobek, who is now wearing her NOAA hat, was my
5 supervisor. So I don't know if that's good or
6 bad.

7 So anyway, what I wanted to mention is,
8 you know, too often times when we get into these
9 kind of meetings we talk about sort of immaculate
10 enforcement. And so one of the questions that I
11 want you to be concerned about is who is going to
12 be the officials who are going to conduct your
13 investigations of IUU fishing, and what crimes
14 are they going investigate?

15 Right now, probably the most effective
16 U.S. tool that we have to address IUU fishing, of
17 course, is the Lacey Act. One of the questions
18 that I would present to the Task Force is, look
19 at the exceptions found at the very tail end of
20 that statute in Section 3377, and ask if there's
21 still relevant exceptions that we need to carry
22 forward, or whether or not we improve our

1 enforcement capability by eliminating them.

2 You also need to ask yourself whether or
3 not we improve our IUU enforcement regime by
4 eliminating NOAA special agents and substituting
5 dockside enforcement officers. I would say we
6 don't.

7 We also need to make sure that we have
8 the capability to address the logistical issue of
9 illegal fishing when you get literally tens of
10 tons of product coming in flash frozen, and
11 you've got to be able to move it, store it while
12 you await enforcement proceedings, whether they
13 be criminal prosecutions or forfeiture
14 proceedings.

15 So you have a whole enforcement mechanism
16 you've got to be able to integrate into your IUU
17 approach, and the Department of Justice is using
18 not only the traditional wildlife offenses like
19 the Lacey Act, but also incorporates all the
20 Title 18, more general criminal offenses like
21 conspiracy, money laundering, smuggling, on and
22 on and on, as part of the tool kit that

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1 prosecutors are using.

2 One of the features in the Lacey Act
3 that's never been used is called demand
4 authority. I just note simply that the Lacey
5 Act, since 1981, has authorized the Agency's
6 enforcing the statute to demand the production of
7 any documents and permits required by the country
8 of natal origin, birth, or re-export of the fish
9 or wildlife. And that's never been done.

10 And I think you can use that demand
11 authority in a very creative way to target
12 problem countries, target problem species,
13 develop expertise in how to identify the most
14 effective investigative techniques that can be
15 used to target IUU fishing.

16 At the end of the day you also can look
17 at things like Pelly Amendment sanctions for
18 those countries that are not effectively
19 enforcing international fishery agreements.
20 Piggybacking that, of course, with what we heard
21 about was capable of being employed through the
22 Marine Mammal Protection Act against bycatch.

1 There's a whole lot of tools out there, but at
2 the end of the day we've got to be able to deter
3 and punish people that are involved in IUU
4 fishing. And you only do that through effective
5 investigations and effective prosecutions and
6 effective enforcement. You've got to have the
7 personnel on the ground, ready to conduct the
8 investigations, and you have to have the
9 personnel in your courthouses ready to prosecute
10 the offenders. Thank you.

11 MR. LEANDRO: Thank you. Gerry. Well, I
12 think that's it for cards, but we still have time
13 so if anyone would like to give more comments or
14 perhaps if you felt like you did not have enough
15 time to provide all the remarks you'd like, I
16 think we have a little bit of flexibility and
17 just please stand up and we'll pass you the mic.

18 This is last chance. Go ahead, please,
19 Gerry.

20 MR. LEAPE: Well, that last speaker did
21 spur to mind something that I did forget, which
22 is we'd urge you to take a look at what's

1 happened to the Office of Law Enforcement. The
2 special agents have been a critical part of the
3 effort to combat IUU fishing. And if there's
4 anything you can do to try and reenergize them,
5 you know, it would be especially helpful and we'd
6 be happy to give you whatever support you need in
7 that regard. Thank you.

8 MR. LEANDRO: Thank you. Anybody else?
9 Okay. So before I pass the microphone to Russell
10 Smith for some closing remarks, just two quick
11 reminders. Again, if you brought a written copy
12 of your comments, it's helpful for us to have
13 those so we can ensure that those get
14 incorporated. And the second reminder is please
15 do go to the website and still provide your
16 comments. The same ones or similar ones you
17 provided today through the Federal Register. And
18 again, you can find the link with all the
19 information at the NOAA International Fisheries
20 Affairs Office.

21 Thank you. And with that I would like to
22 introduce Russell Smith, Deputy Assistant

1 Secretary for International Fisheries for NOAA.

2 MR. SMITH: Thank you, Louis. And I'd
3 like to see if -- well, then on behalf of -- if I
4 may, on behalf of Undersecretary Novelli and
5 behalf of Undersecretary Sullivan I'd like to
6 thank everybody for their participation here, for
7 your contributions. We've been listening
8 intently and we are very interested in seeing
9 what people have to offer in their written
10 comments as well.

11 If Luis could put up the web page for a
12 second. Again, NOAA does have this web page,
13 which he mentioned, and comments are available.
14 We're soliciting comments through the federal
15 register process, through regulations.gov, up
16 until September 2nd. So we encourage
17 contributions through that mechanism as well.

18 We will be carefully evaluating what's
19 been presented here, what's being presented in
20 the federal register notices, and developing
21 recommendations over the next couple of months
22 that will go to the precedent for his

1 consideration and his reaction. And we'll also
2 be looking for other opportunities to -- as we go
3 through the process of eventually implementing
4 these recommendations, of reaching out of getting
5 public input of engaging with you because I think
6 that in order for these efforts to be successful
7 on combating IUU, on combating seafood fraud, it
8 needs to be a whole of the United States; a whole
9 of all of us coming together to combat these
10 issues and to collaborate, and to figure out how
11 to best address these issues.

12 So, thank you for your time. Look
13 forward to continuing to collaborate with you.

14 MR. LEANDRO: Thank you, Russell. The
15 meeting is adjourned. Thank you again for your
16 cooperation today.

17 (Proceedings concluded at 2:22 p.m.)

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