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U.S. Pacific Tuna Fishery Trade Issues for October 2024 CCC Meeting

The Hawaii longline fishery is a niche fresh fishery with short trip lengths to maintain product quality. Hawaii bigeye and yellowfin tuna landings serve primarily poke and sashimi markets, with the majority of the product sold in restaurants. Hawaii longline tuna products are never frozen or altered chemically. The American Samoa tuna economy supports 5,000 jobs in the territory as the largest private employer. It is highly dependent on tuna processing, with the majority of the skipjack tuna supply coming from U.S. flagged purse seiners that are based there.

Competing Foreign Fishery Products and Unfair Market Practices and Uneven Playing Field

The Hawaii longline fishery competes with imports primarily from Vietnam and Indonesia that are previously frozen and typically adulterated with coloring or with carbon monoxide to enhance its color. Gas treated tuna misleads consumers to believe they are consuming a fresher, higher quality product. The process changes a low-quality tuna, brown in color, into a higher quality, seemingly fresher product. The cannery in American Samoa competes with shelf stable tuna products from other domestic canneries and with imported tuna products. The other domestic canneries process their tuna from frozen cooked and cleaned tuna loins produced in low label cost countries, mostly in Southeast Asia.

The volume imported sources drives down revenues that U.S. tuna vessel operators and others in the fishing industry can maintain by driving down ex-vessel prices. Furthermore these competing fisheries do not operate at the same management and regulatory standard:

- Lack of equivalency to Marine Mammal Protection Act (MMPA) and Endangered Species Act (ESA), leading to 'transferred effects' with negative conservation consequences when U.S. products are supplanted in the market.
- Heavily subsidized – China is reported to have approximately \$7 billion in fisheries subsidies, most of which are deemed 'harmful'
- Little controls on fishing capacity and lack of domestic mechanisms like the Magnuson-Stevens Act (MSA) to develop science-based conservation measures
- Uncertainty in labor standards
- Less monitoring, surveillance, and compliance compared to U.S. fisheries
- The U.S. duty on imported frozen cooked and cleaned tuna loins is \$.10 per kg, roughly 3% ad valorem. The duty on imported canned tuna is 12.5% for tuna in water and 35% in oil
- Previously frozen foreign tuna not marketed with origin and often marketed as 'local product' once cut, cubed, and sold as poke in Hawaii retailers

Possible Remedies for U.S. Pacific Tuna Fisheries

- Controlled or reduced volume of imported frozen tuna into Hawaii
- Better traceability and origin labeling of tuna through supply chain to the marketplace
- Duties on imported frozen tuna that may offset countervailing measures or possible dumping
- Duty on frozen cooked and cleaned tuna loins should be increased from the current \$.10 per kg to 12.5% as it is for canned tuna packed in water or 35% for canned tuna packed in oil.
- Canned tuna produced in American Samoa that use frozen cooked and cleaned tuna loins identified to be as products of American Samoa.
- Enforcement and implementation of Marine Mammal Protection Act MMPA import provisions to restrict the entry of products that do not have similar conservation standards
- Binding labor standards within regional fishery management organizations to curb forced and cheap labor that often drives down production costs and comes with social consequences
- Reducing tuna products from entering the U.S. market known to be beneficiaries of harmful subsidies