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TESTIMONY OF

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BEFORE THE

U.S. HOUSE OF REPRESENTATIVES NATURAL RESOURCES COMMITTEE SUBCOMMITTEE ON FISHERIES, WILDLIFE, OCEANS AND INSULAR AFFAIRS APRIL 3, 2014

Thank you for the courtesy of your invitation to testify. I am Michael Kraft, Vice President of Sustainability for Bumble Bee Foods, LLC. Today, I will present our company's views on the need for this committee to approve H.R. ______, a bill to prevent, deter, and eliminate illegal, unreported, and unregulated fishing through the Port State Measures Agreement (PSMA); and H.R. 69, the Illegal, Unreported and Unregulated Fishing Enforcement Act of 2013. H.R. 69 also contains provisions implementing the Antigua Convention which is of particular importance to the U.S. tuna industry.

Bumble Bee Foods, LLC was founded in 1899 by a handful of dedicated fishermen. Today, privately held and headquartered in San Diego, Bumble Bee Foods is North America's largest branded shelf-stable seafood company, offering a full line of canned and pouched tuna, salmon, sardines, and specialty seafood products marketed in the U.S. under leading brands including Bumble Bee®, Brunswick®, Sweet Sue®, Snow's®, Beach Cliff®, Wild Selections®, Bumble Bee SuperFresh®, and in Canada under the Clover Leaf® brand.

The healthy profile of Bumble Bee's product portfolio affords us a strong basis from which to support and encourage healthy consumer lifestyles. The health benefits of seafood are widely known and, at a time when the USDA is urging Americans to include more seafood in their diets, we are proud to offer millions of Americans healthy, nutritious sources of lean protein at an affordable price, while also encouraging them to take simple steps to live a healthier lifestyle through such programs as our signature Bee Well for LifeTM program, designed to encourage a more holistic approach to active living and good nutrition, and through our participation as a founding member of the Healthy Weight Commitment Foundation – a first-of-kind initiative in the United States involving a coalition of over 140 retailers, non-profit organizations, and food and beverage manufacturers aimed at reducing obesity, particularly among children, by encouraging behavior change and providing consumer tools in the marketplace, at work and in schools.

Sustainability

As a seafood company that relies upon our oceans for a supply of natural resources critical to our business, it is imperative, and in fact inherent to our mission, that we adhere to practices and policies that ensure long term sustainability of our fisheries resources that enable us to provide an affordable, nutritious lean source of protein for people today and help feed a future population expected to grow to 9 billion by 2050.

No single aspect is more important, or more central, to Bumble Bee's sustainability program than ensuring the responsible harvesting and management of fisheries from which we source—this is not only important to the environment and our consumers, but for our business as well. Our corporate sustainability platform, adopted in 2005, has become a key focal point driving internal behavior and how we conduct business across the globe.

Science is at the core of our approach to fisheries management; independent, science-based stock assessments are a key component in ensuring the sourcing of sustainable seafood. We have engaged third party experts to assess our various fisheries to determine if they are being managed in a sustainable manner. Our assessments are based on the scientific stock assessments completed by various national and international research bodies. In addition to our internal efforts, Bumble Bee actively participates in a broad range of fishery management organizations. These organizations include the four Regional Fishing Management Organizations (RFMO's) for tuna, the New England and Mid-Atlantic Fishery Management Councils, the National Fisheries Institute, and the Fishery Council of Canada. Bumble Bee is also a Food Marketing Institute Sustainable Seafood Working Group supplier advisor.

In 2009, Bumble Bee became a proud founder of the International Seafood Sustainability Foundation (ISSF). ISSF is a global partnership among scientists, the World Wildlife Fund (WWF), and tuna processors who represent more than 75% of the world's shelf stable tuna production. This unique combination of industry, science, and environmental community is committed to driving positive change in tuna fisheries through direct action of its participants.

The ISSF mission includes undertaking science-based initiatives for the long term sustainability of tuna stocks, reducing by-catch and promoting ecosystem health. The strategy and focus of ISSF addresses the major sustainability challenges facing the global fishery through applied science, advocacy and direct action. Since its 2009 inception, ISSF and its participants have committed to a number of actions aimed at ensuring long term sustainability of tuna including: agreement to traceability standards from capture to plate; not sourcing tuna caught with large scale drift nets or from IUU fishing; sourcing from boats with unique vessel identifiers; funding and supporting a multitude of sea turtle conservation projects; funding at-sea research programs to mitigate by-catch in purse seine fishing.

Lastly, Bumble Bee became a founding member and supporter of the Congressional Oceans Caucus Foundation. Our purpose in joining was to help ensure that responsible oceans conservation and fisheries sustainability legislation was enacted by the U.S Congress on issues that should enjoy bipartisan support.

IUU Threat to Sustainability

IUU fishing is the greatest single threat to both our industry's and our nation's efforts to promote sustainable harvest of the world's marine resources. Make no mistake about it, IUU fishing is a multibillion dollar industry fueled by the overall increase in fish prices and dwindling global fish stocks. The exact extent of IUU fishing remains unknown, but it has been estimated in recent years that worldwide IUU fish harvests are worth between \$10 billion and \$23.5 billion annually, and represents between 11 million and 26 million tons. ¹ It's worth noting that the upper limit of 26 million tons of IUU fish is six times more fish than the entire annual catch of the U.S. commercial fishing industry. Some of the biggest culprits involve fishing vessels flagged from Asian and developing nations including Korea, Taiwan, China and Belize.

So what exactly is "IUU fishing"? The term describes a range of fishing activities, including the failure to report or the misreporting of catches; fishing without the permission of a coastal nation; the reflagging

¹ David J. Agnew et al., Estimating Worldwide Extent of Illegal Fishing, PLoS ONE, Feb. 2009 at 4.

of vessels to countries that are unable or unwilling to adequately control their fishing activity; and noncompliance with fishing gear and fishing area rules. Worldwide, the amount of IUU fishing has been increasing as fishermen attempt to avoid stricter fishing rules created to address declining fish stocks. Preventing IUU fishing on the high seas is extremely difficult due to the vast areas of ocean to monitor, enforcement resource limitations, and a high volume of operating fishing vessels.

The United States has long been a global leader in effectively fighting IUU fishing. Domestically, we have some of the strongest laws aimed at curtailing IUU fishing and ensuring IUU fish do not enter our markets. Under the High Seas Driftnet Fishing Moratorium Protection Act, as amended, the United States lists nations identified as having vessels engaged in IUU fishing and can both deny port privileges to IUU vessels and prohibit the import of fish products from IUU nations. Additionally, the Magnuson-Stevens Act includes some of the strictest enforcement measures and penalties to deter U.S. fishermen from engaging in IUU fishing.

At this point I would like to commend the United States Coast Guard, the National Marine Fisheries Service and their parent agency NOAA for doing an excellent job in enforcing our domestic laws. Through their diligence, they have ensured IUU fishing is not an issue within the U.S. and have done the best they can with the tools they have to prevent IUU fish from coming into our markets

Internationally, the U.S. has also taken a leadership role. Through the various RFMO's, the United States has pushed for stronger measures to detect and deter IUU fishing, including adoption of IUU vessel lists, market-related measures, vessel monitoring and surveillance programs and prohibiting the transfer of catch at sea. Unfortunately, as is the case with most international fishery organizations—which rely on the member nations to enforce the rules on their own fishermen—application and enforcement of these measures remains mixed at best.

H.R. 69- Title I: IUU Fishing Enforcement Act of 2013

H.R. 69 is a bipartisan bill that amends various existing international fisheries statutes to simplify, streamline and strengthen existing enforcement protocols. The overall goal of the bill is to improve the capabilities of U.S. law enforcement to detect, track and prosecute foreign IUU fishing activity.

Today, the United States enforces international fishery agreements to which we are a party under 11 or more separate fisheries statutes. These laws were developed over time and took divergent approaches in establishing enforcement protocols and penalties. Additionally, these statutes are not always consistent with the Magnuson-Stevens Act, the centerpiece of our nation's fishery conservation and management laws. As a result, U.S. international fisheries enforcement efforts are carried out under a patchwork of different standards and authorities. H.R. 69 will harmonize and strengthen U.S. fisheries enforcement authorities and capabilities across various fisheries statutes in order to better combat and deter foreign IUU fishing activities. Doing this will also likely increase the ease and improve the efficiency with which the Coast Guard executes its' at-sea fisheries enforcement activities. This is a particularly important aspect considering the Coast Guard's difficult budget situation and the many missions to which they are tasked.

The Senate Committee on Commerce, Science, and Transportation has already approved S. 269, the companion bill to H.R. 69. Our company actively participated in suggesting some practical changes to that bill to avoid potential budget scoring issues and to ensure that penalties were consistent with the Magnuson-Stevens Act.

We encourage this Committee to work closely with the Senate Committee to develop a text that can pass both chambers and be signed into law. For the many reasons mentioned above, it's imperative that this legislation be enacted this year!

Title II: Implementation of the Antigua Convention

Title II of H.R. 69 amends the Tuna Conventions Act of 1950 to implement the Antigua Convention. The Antigua Convention strengthens and replaces the 1949 Convention establishing the first ever RFMO, the Inter-American Tropical Tuna Commission (IATTC). The IATTC has competence over highly migratory species of tuna and tuna-like species in the Eastern Tropical Pacific Ocean. The United States and the U.S. tuna industry have long been a leader in the IATTC. The United States signed the Antigua Convention in November 2003 and the Senate gave its advice and consent to enter into the Convention in 2005. Although the Convention entered into force in 2010, the United States must still conform its domestic statutes before we can deposit the instrument of ratification and accede to the Convention. The provisions in H.R. 69 do this; they make the necessary changes to our domestic laws that will allow the United States to finally accede to this important fishery conservation Convention. The entire U.S. tuna industry strongly supports the Convention, and we encourage the Committee to approve this legislation expeditiously.

H.R.: A bill to Implement the Port State Measures Agreement to Prevent, Deter and Eliminate IUU Fishing.

The Port State Measures Agreement (PSMA), adopted by the United Nations Food and Agriculture Organization in November 2009, establishes the first global agreement focused on IUU fishing. The U.S. was one of the principal architects of the Agreement which is modeled after our own domestic IUU fishing laws. The PSMA is built on the simple premise that IUU fishing can be reduced and possibly eliminated if IUU fish can be prevented from entering global commerce, and the most effective way of accomplishing this is to make it extremely difficult for IUU fish to be offloaded in a port. In this regard, the PSMA establishes the first global standards to control port access from foreign fishing vessels that illegally engage in IUU fishing. These standards include mandating parties (port states) to require prior notice of a foreign fishing vessel's arrival in their port, restricting port entry and port services to foreign vessels known or suspected of IUU fishing, adopting minimum dockside inspection and training standards, and the sharing of information about IUU vessels with the appropriate RFMO's. Perhaps what is most critical about the PSMA is that it creates an obligation of the signatory nations to apply and implement these measures; in other words, these anti-IUU measures are to be enforceable, not merely aspirational. The sad truth is many coastal nations are simply not as rigorous in enforcing the rules as the United States.

H.R. ___includes the necessary revisions to U.S. law to implement the PSMA. The Senate companion bill S. 267 has already been approved unanimously by the Senate Committee on Commerce, Science and Transportation and is now awaiting floor action. Because the PSMA is viewed as a fisheries treaty, it requires Senate Advice and Consent. Encouragingly, on March 11, 2014 the Senate Committee on Foreign Relations passed a favorable resolution of Advice and Consent to the ratification of the Agreement by the President. We've been advised that full Senate will soon consider the Agreement and that a favorable outcome is expected.

As mentioned earlier, IUU fishing is a multi-billion dollar industry that threatens the health and sustainability of our global fishery resources. Unfortunately, the IUU epidemic is spreading and action must be taken now before it's too late. Bumble Bee encourages this Committee to quickly approve these two critical pieces of legislation, designed to prevent, deter and eliminate IUU fishing.