The Chairman, Heads of Delegations, Observers, other participants, good morning. Before anything else I would like to express in behalf of the Philippine Delegation, our appreciation and gratitude to the Government of Guam, USA for hosting this 4th Regular session of the WCPFC, in this very peaceful and beautiful venue.

The Philippines strongly support a reduction in fishing effort (CMM 2005-01) and rational use of FADs (CMM 2006-1). However, we feel that the proposed measures on transshipment and FAD fishing, as drafted, disproportionately penalize the Philippine fleets. Compared to capital-intensive modern vessels, the Philippine purse seiners are older, smaller and less efficient and labor intensive. These vessels must rely on FAD fishing and transshipment to operate successfully.

With regard to the proposed three-month annual ban on FAD fishing in EEZs and high seas, the major impact will be on small and medium Philippine purse seiners and ringnetters which provide fresh fish to the wet market. These vessels fish in the Celebes sea and the high seas east of the Philippines. This proposed regulation will not only affect the economics of the vessels, but will also affect the flow of an important protein source to Filipinos throughout the country.

We understand that the proposed FAD closure intends to reduce, in part, the effort of the Philippine-Indonesia purse seine fishery because of the perception that this fishery has a great impact on bigeye and yellowfin resources. With regard to this conclusion, the Philippine Government commissioned an independent scientist who concluded that prior to 2000 statistical data underestimated actual landings by 60%, while post-2003 catches were overestimated substantially. In fact this study showed a decline in both fisheries effort and catch since 2000. For example, the 2005 data states handline landings of almost 70,000 mt yellowfin and 11,000 mt bigeye. The recent analysis of data revised the total handline catch to below 30,000 mt, of which less than 1,000 mt is bigeye. We suspect similar problems with the ringnet catches. Some of the problem stems from the sampling regime which counts all landings in Philippine ports, even those from foreign vessels. We would point out that the provisional 2006 handline fleet catches of yellowfin and bigeye are even more flawed, since the handline fleet declined from 3,000 vessels to less than 1,500 in the past two years due to high cost of fuel cost. We suspect that a correction in the yellowfin and bigeye catch data may result in different conclusions regarding most effective management measures.
The point here is that the Philippine-Indonesia fishery was at its peak long before yellowfin and bigeye resources became over-stressed, and perhaps we should be looking at recent expansion by other countries as the real cause of excess fishing effort. The Philippines is concerned that management measures that have a disproportional effect on its fleet do so without regard to historical considerations.

We note that, in part, the proposed FAD closure was selected because it will have the least economic impact on the Island States of the four effort-reduction measures under consideration. The Philippines will be undertaking a similar study to determine economic impact of the proposed FAD closure, and would favor alternative proposals until the study is completed.

The Philippine Government is aware of the negative impact of catching small juveniles around FADS. This is a major problem in the Celebes Sea, a yellowfin and bigeye spawning area that has a preponderance of small juveniles. The Philippines, through its National Tuna Management Plan, is introducing several measures that will lead to increased escapement of juveniles out of the Celebes Sea. However, if we are doing our part as responsible resource managers to increase escapement to other fisheries, we would ask for a system of *quid pro quo*, perhaps preferential access to these fish as they grow older.

With regard to transshipment, we favor a system of regulated at-sea transshipment. Virtually the entire Philippine tuna fleet operates as group seiners with one or more carriers servicing each catcher vessel. This is necessary because the catchers are small, old, and not very fuel-efficient. The only significant problem with transshipment at-sea is the possibility of under-reporting of landings and an unacceptable stress on tuna stocks. We believe this problem can be solved by a combination of partial observer coverage and careful monitoring of carrier offloadings, and have made submissions to this effect at the TCC meetings. Although this puts more burden on the Flag State than does in port transshipment, the Philippines will undertake this at-sea monitoring to assure accurate reporting. We feel we have no choice since we will not subsidize the fuel costs of the Philippine tuna fleet nor will we subsidize the building of high-capacity purse seiners.

We further point out that the Convention, in Article 29 (5), allows the Commission to make specific exemptions to the ban on at-sea transshipment to reflect existing operations. The Philippine purse seine fleet certainly qualifies for such an exemption as at sea transshipment as been a standard practice for the past thirty years, and in fact the Philippines has been granted a temporary exemption. We ask that this exemption be regularized.

As a final note, we emphasize that the convention, in Article 5 (b), states that “such measures are based on the best scientific evidence available and are designed to maintain or restore stocks at levels capable of producing sustainable yield, as qualified by relevant environmental and economic factors, including the special requirements of developing states. We believe that the measures so far proposed will unfairly impact on the Philippines, and that alternative proposals should be considered.