

**REPORT OF THE MEETING OF THE CDS INFORMAL GROUP**

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(Hobart, Australia, 17 and 18 October 2002)

On 17 and 18 October 2002, discussions between States were held in Hobart regarding the operation of the Catch Documentation Scheme for *Dissostichus* spp. (CDS). Participating Parties comprised Australia, European Community, Japan, New Zealand, Seychelles, South Africa and the USA (Attachment A).

2. Discussions were based on the work undertaken by the intersessional contact group (ICG), established by SCOI, to address issues to improve the functioning of the CDS.
3. The CDS Informal Group met in Hobart and was chaired by Mr E.S. Garrett (USA). The group prioritised the issues developed by the ICG. The Agenda is attached (Attachment B).
4. Presentations were made by Mr I. Hay and Mr J. Davis (Australia) on a proposal for a centralised vessel monitoring system (VMS) (CCAMLR-XXI/BG/19), by Mr Garrett on the status of the US Patagonian Toothfish Import Control Program and by Ms K. Dawson (USA) and Mr T. Pedersen (Secretariat) on a proposal for an electronic web-based CDS for *Dissostichus* spp. (CCAMLR-XXI/18 and BG/24).
5. A summary of the conclusions and recommendations drawn from the group's discussions on the agenda items follow.

#### CDS Data Analysis

6. The group agreed that it was useful for the Secretariat to continue providing a summary of CDS data, and recommended that the current format be adopted as the standard for reporting. The group suggested adding a table on the location of the catch (i.e. Exclusive Economic Zone (EEZ) versus high seas) and the percentage of harvest by product type along with the standard conversion factors. The group agreed that the current conversion factors should continue to be used until additional research is available.
7. It was noted that the FAO statistical subarea or division was often missing from the *Dissostichus* catch document (DCD), although this is required by Conservation Measure 170/XX, and the group observed that this was important information. The group noted that a distinction also needed to be made on the DCD between catches originating from the high seas and elsewhere.
8. Concern was expressed about the potential for commercially confidential data to be revealed, noting that such data may be protected by national legislation. It was agreed that it was necessary to continue providing this information to the Secretariat and Members, for internal CCAMLR use; but it would only be released to the public in aggregated form, which does not reveal commercially sensitive data (see paragraph 9).

## Data Access

9. The group was mindful of the confidentiality requirements in data and information transfer or release to the public. It was agreed that public release of data should only be in aggregated form. The group recommended that SCOI consider developing a standard set of CDS data which could be annually compiled by the Secretariat and published, e.g. as part of the CCAMLR *Statistical Bulletin* or placed on the CCAMLR website. It was also recommended that before agreeing on a standard set of CDS data to be released to the general public, international organisations were to be consulted in order to get their views on the type of data which could be required for their work.

## Cooperation with International Organisations

10. The group recommended that cooperation between CCAMLR and international organisations with potential to assist the Commission be supported as a general principle. For instance, there could be utility in CCAMLR being represented at the meetings of the WTO/CTE, COFI, CITES and WCO. It was recognised that this list is not exhaustive. While Member countries often attend these meetings from a national perspective and can represent CCAMLR, Secretariat staff should attend the most important meetings that relate to the CDS.

11. Further, a purpose of participation by Secretariat staff could be to represent CCAMLR, for professional development, or for the opportunity to learn the different operating environments that deal with world trade.

12. It was recommended that CCAMLR Members work with WCO to develop harmonised tariff codes for *Dissostichus* spp. for fresh, frozen, and two fillet products – in sections 0302 (fresh), 0303 (frozen), 0304 (fillets – fresh and frozen) of Chapter 3 of the Harmonised System. All members of WCO would then have the possibility to adopt the same codes, thus facilitating the work of CCAMLR's CDS.

13. It was further recommended that the Commission continue to cooperate with FAO and regional fishery management organisations (RFMOs) to develop harmonisation efforts for catch documents, including for *Dissostichus* spp., taking particular note of confidentiality considerations.

## Conversion Factors

14. It was recommended that SCOI again request countries to provide conversion factors, and information on whether permitted food additives are used on toothfish products to increase moisture content for food technology purposes.

15. The group agreed that conversion factors need to be employed with caution until such time as better precision can be gained, and encouraged research into approved food additives and how these affect conversion rates for processed products. Until better precision can be gained, it is recommended that the current CCAMLR conversion factors be employed (see paragraph 6).

## Differences between Weights of Fish Exported and Landed

16. Given the difficulty of this issue, it was recommended that the Secretariat and inspectors continue to investigate weight differences on a case-by-case basis. It should be noted that such differences provide a potential for laundering catches, and therefore this issue is not trivial.

## Multiple Transshipments

17. It was recommended that multiple transshipments at sea be prohibited until a standard procedure can be developed to prevent fraud and accurately account for catch movements.

## Definitions

18. It was concluded that the definitions section needs further refinement, e.g. exporter, re-exporter, export reference number and landings relative to free trade zones.

## Use of Observers

19. The group agreed that in the absence of an RFMO outside the Convention Area, observers should be used for all high seas areas, and be subject to the same standards as those used for the CCAMLR Convention Area.

20. The group also agreed that the use of independent scientific observers (i.e. independent of the Flag State, as occurs with observers appointed under the CCAMLR Scheme of International Scientific Observation) on vessels fishing on the high seas outside the Convention Area would improve the consistency and standard of validation of DCDs.

## Verification Procedures

21. The group noted discussions and action by the Commission at CCAMLR-XX, including the adoption of Resolution 17/XX, to address the misreporting of *Dissostichus* spp. catches from inside the CCAMLR Convention Area as having been taken from Area 51. The group noted that the WG-FSA report for 2002 indicated that the problem of misreporting continued, including in other statistical areas, such as FAO Area 57. The group agreed that the majority of the catches' origins were being falsely reported.

22. It was noted that Resolution 17/XX, paragraph 2, urges States participating in the CDS to take various actions in order to verify the accuracy of DCDs specifying toothfish caught in Area 51.

23. It was noted that the Scientific Committee has been asked by the Commission to provide advice again this year on the status of toothfish populations on the high seas. Several Members expected that the advice would again reflect the lack of commercially viable populations in most areas outside the Convention Area or EEZs.

24. The group agreed that DCD validation and verification measures must be strengthened. The group agreed that, as a matter of principle, standard procedures for all types of data and validation and verification processes relating to the harvesting of *Dissostichus* spp. are needed, and should be used by every State that validates and verifies DCDs, regardless of whether the area fished is outside or inside the Convention Area. In that regard, the group agreed that accurate VMS and observer data are not only essential for validation and verification decisions about every DCD, but also for reasons of transparency and CCAMLR credibility.

#### Proposal for Centralised VMS

25. The group noted the proposal by Australia for a centralised VMS to be operated by the Secretariat and for data from that VMS to be integrated into CDS validation procedures. Such a system has a range of benefits, including uniformity of vessel monitoring standards, greater transparency of monitoring arrangements and more efficient reporting of vessel movements in the Convention Area, improving the credibility of the Commission.

26. The group recommended that SCOI recommend to the Commission that it adopt stronger measures to prevent such misreporting and trade in misreported catches, including:

- (i) by requiring all vessels fishing for toothfish on the high seas inside or outside the Convention Area and wishing to participate in the CDS, to carry independent scientific observers;
- (ii) by requiring those same vessels to be monitored by a centralised VMS that complies with the standards described in Conservation Measure 148/XX, operated by the Secretariat; and
- (iii) by taking WTO-consistent trade-related actions to prevent trade in toothfish, caught in an IUU manner, from entering the markets of CCAMLR Members. Such measures would aim to identify those States or companies undermining the effectiveness of CCAMLR and to take action to prevent their catches being imported into Members' markets or otherwise being traded under the CDS.

27. Japan reserved its position in regard to centralised VMS because, in Japan's view, the proposed centralised VMS seems too costly for its foreseen effectiveness. Japan also reserves its position on the use of independent scientific observers outside the Convention Area.

#### Verification of Catch and Landing Procedures

28. It was noted that the CDS could be significantly improved to facilitate trade and reduce opportunities for fraud if the Commission would implement a centralised VMS, web-based electronic CDS, and standardisation of all validation and verification procedures. It was recognised that other measures, such as trade sanctions, could also be used.

29. It was further noted that standardised verification of the following was needed at landing:

- (i) species landed (*D. eleginoides* or *D. mawsoni*);
- (ii) location of harvest;
- (iii) accurate weight; and
- (iv) import validation – based on observer and VMS documentation.

30. It was recommended that standardisation should occur throughout the CDS, and that the different responsibilities of the Flag and Port States should be incorporated into the CDS guide.

#### US Presentation on Toothfish Import Control Program

31. The utility of compliance analysis was noted, and it was agreed that it would be beneficial if other States, importers, exporters and Flag States involved in the toothfish trade would conduct an evaluation of how well the scheme is working. Japan and the European Community indicated their willingness to undertake this. An electronic based system could significantly assist in resolving problems highlighted in the compliance analysis. The group recommended that SCOI consider implementing this as the next step in resolving these issues.

#### Electronic Web-based CDS

32. The USA and the Secretariat gave a detailed presentation to the group of a concept and model of an electronic web-based CDS (CCAMLR-XX, Annex 5, paragraphs 2.95 and 2.96). The presentation covered the financial, procedural, security, legal and other aspects of the model.

33. The main benefits of an electronic web-based CDS include:

- (i) monitoring and verification of data in real time;
- (ii) limiting access to CDS data to only that needed for the functions of each user (there can be several categories of users);
- (iii) reducing opportunities for fraudulent DCDs, missing information, unreadable data and reporting errors;
- (iv) issuing of permits in real time and providing market States with notice of movements in trade before consignments reach their territories; and
- (v) reducing time-consuming paperwork, and thus saving in administrative costs for states and fishers participating in the CDS.

34. Overall, the electronic system would significantly facilitate trade of toothfish and would significantly reduce the opportunities for fraud.

35. The group noted the overwhelming benefits of an electronic system and recommended to SCOI that a trial commence as soon as possible, with a view to the progressive implementation of such a system by CCAMLR-XXII (2003).

36. The pilot project should include all sectors that participate in the current system, i.e. Flag States, Port States, vessels, transhippers, exporting and importing countries etc. The electronic certification pilot project should mirror the current paper system, and the advice from representatives of the aforementioned sectors should be sought prior to initiation of the project.

37. The group discussed elements to consider during the development of the electronic-based CDS, including:

- (i) zero tolerance (all fields must be completed, or the generation of the DCD is blocked; and
- (ii) logic checks on entered data (DCD would only get certified if it met these tests).

#### OTHER MATTERS DISCUSSED

38. The group noted the need to further consider how to identify vessels, nationals and States that do not comply with CDS requirements, and what measures or sanctions should be applied in the event of such non-compliance. The group recommended that these matters be further considered by SCOI and at future meetings of the CDS Group.

39. The group noted that Australia is preparing a paper on a proposed informal intersessional dispute-settlement mechanism to augment Article XXV of the Convention.

40. The group recommended that SCOI set up an ad hoc informal CDS Group in the margins of SCOI to develop a list of issues that the pilot project should address, such as data security, data access, levels of user and State access to data and electronic evidence. Consideration should be given to the participants in the pilot project.

41. Noting the large number of useful ideas at the meeting of the CDS Group, it recommended that there should be a three-day meeting of the group in the 2002/03 intersessional period. Consideration should also be given to holding this meeting earlier than immediately prior to CCAMLR-XXII and in a more central location than Hobart.

**LIST OF PARTICIPANTS**

Meeting of the CDS Informal Group  
(Hobart, Australia, 17 and 18 October 2002)

GARRETT, E. Spencer (Mr) – Convener	USA
BRYDEN, Grant (Mr)	New Zealand
CHEW, Roberta (Ms)	USA
CLARK, Beth (Ms)	USA
DAVIS, John (Mr)	Australia
DAWSON, Kim (Ms)	USA
DOMINGUE, Gerard (Mr)	Seychelles
GONZALES, Mike (Mr)	USA
GOTO, Satoru (Mr)	Japan
HAY, Ian (Mr)	Australia
KOPLIN, Steve (Mr)	USA
MATSUDA, Ryota (Mr)	Japan
ORITZ, Paul (Mr)	USA
PEDERSEN, Tim (Mr)	Secretariat
ROHAN, Geoff (Mr)	Australia
SABOURENKOV, Eugene (Dr)	Secretariat
SHIMIZU, Ichiro (Mr)	Japan
SLICER, Natasha (Ms)	Secretariat
VERGINE, Jean-Pierre (Mr)	European Community
WATKINS, Barry (Mr)	South Africa



**AGENDA**

Meeting of the CDS Informal Group  
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1. Adoption of Agenda and nomination of rapporteurs
2. Discussion of CDS intersessional items
  - (i) CDS data analysis
  - (ii) CDS data access
  - (iii) Cooperation with international organisations
  - (iv) Conversion factors
  - (v) Differences between weights of fish exported and landed
  - (vi) Multiple transshipments
  - (vii) Definitions
  - (viii) Use of observers
3. Proposal for a centralised VMS
4. Verification procedures
5. US presentation on status of CDS Import Program
6. Proposal for an electronic web-based CDS
7. Demonstration of a prototype
8. Recommendations to SCOI
9. Adoption of the report.