

**DAVE BARD TELECONFERENCE WITH
THE NATIONAL ENVIRONMENTAL TRUST
ON THURSDAY, OCTOBER 19, 2006
AT 10:30 A.M. E.T.**

OPERATOR: This is a recording of the Dave Bard teleconference with the National Environmental Trust, scheduled for 10:30 am Eastern Time on Thursday, October 19th, 2006.

Excuse me ladies and gentlemen. Thank you for your patience in holding. We now have our speakers in conference. Please be aware that each of your lines is in a listen only mode. At the conclusion of the presentation we will open the floor for questions. At that time instructions will be given as to the procedure to follow if you would like to ask a question.

I would now like to turn the conference over to Jerry Leap, so you may begin.

JERRY LEAP: Thank you, good morning. My name's Jerry Leap and I'm Vice President for Marine Conservation for the National Environmental Trust and I would like to welcome you to today's press conference. I will say a few a words and then turn it over to our key speakers, after which I will summarize and then open it up for questions.

We are here today to talk to you about the upcoming meeting of CCAMLR, the Commission for the Conservation of Antarctic Marine Living Resources. CCAMLR is a convention with 24 parties and is celebrating its 25th anniversary this year. Its charge is to manage all extracted activities except for whaling in the seven oceans, waters around Antarctica. As there is only one non-governmental organization recognized to observe at the meeting, many NGOs, as we call them, attempt to get on country delegations so that they can be inside the meeting for the discussion. One of our speakers, Mark Stevens, will be on the US delegation, and members of ASOC, the Antarctic and Seven Ocean Coalition, will be present on 11 or 12 of the 24 countries presented at the meeting. The Antarctic and Southern Ocean Coalition was a global coalition that was founded before CCAMLR began in 1978. It's the only recognized NGO to represent the (inaudible) perspective during the treaty meeting. Today we

are here to highlight the objective for the meeting at two of the primary issue areas for ASOC, toothfish, or Chilean sea bass as we know it in the US, and the impact of IUU fishing, and krill.

Our two speakers today are directing the campaign for the environmental community on each of these issues. Mark Stevens of NET directs the Chilean sea bass IUU fishing campaign, and you can find out more about that campaign at www.net.org. Mark has been working on environmental issues for more than a decade, and is a seven-year veteran of CCAMLR meetings. Mark.

MARK STEVENS: Great, thanks Jerry. As you said, my name is Mark Stevens. That's Mark with a "K" and Stevens with a "V". My cell number is 202 297 5037, and that number will be working while I'm in Hobart for the next two weeks.

First of all I'll say just a few words about Chilean sea bass, in case some of you aren't familiar with it. It's better known as toothfish. It's not a sea bass, and most of it does not come from Chile. The deep living, slow growing, long lived predator fish found in the Southern Ocean around Antarctica is also found off the coast of Chile, Argentina, and Peru, and around the Antarctic island territories of the United Kingdom, South Africa, France and Australia. In addition to being a nice white tablecloth fish here, it is an important food source for Weddel seals, that's W-e-d-d-e-l, killer whales and sperm whales.

Pirate fishing for Chilean sea bass started in the mid-90s, so CCAMLR has been struggling to put an end to pirate fishing for over a decade now. Over the years the regulations adopted by CCAMLR have moved the pirate fishery rather than stopped it. They've moved further south, and into areas that are rarely, if ever, patrolled, which lets them fish largely undetected and unchallenged. Because this area is un-patrolled and it's so hard to stop them while they're catching the fish, what we're calling for are measures that make it as difficult as possible for them to sell the fish. Pirates risk the rough seas around Antarctica, and possible arrest, because they can sell the fish and make really good money at it. But the fish, before it

gets to market, has to go through a port. So if these pirates can't find a willing port to take their ill-gotten goods, they can't make any money and likely will stop fishing.

We know who the pirates are and we know the countries that allow them to operate outside the law, so now we must implement trade related measures, such as refusing port access to the pirates and refusing access to boats from the non-contracting countries, and that's what we'll be pushing for this year down at CCAMLR. Jerry?

JERRY LEAP: Thank you Mark. Second Speaker is Cliff Curtis. He's been an environmental advocate in Washington DC for more than three decades and is a director of two charitable trusts, Antarctic Krill Conservation Project. The Antarctic Krill Conservation Project has a new website: www.krillcount.org, where you'll find a primer on krill that not only details what krill are, the importance of healthy krill stocks to the Southern Ocean food web, the threats facing krill, and the reforms that are needed; Clif.

CLIF CURTIS: Thanks Jerry, again, my name is Clif Curtis, that's Clif with one "F" c-u-r-t-i-s. As Director of the Antarctic Krill Conservation Project, I'm extremely excited about the opportunity that we have in front of us to engage CCAMLR governments on krill these next two weeks, in Hobart. We'll do that along with a number of non-governmental colleagues from numerous countries around the world.

Eco-system management and precaution are the two core principles of CCAMLR, found in article three. They provide the framework for the actions we're calling for. In principle, member countries are committed to those two tenets, but they still need to be effectively implemented. Governments need to walk the talk. We've got a two page solutions paper on our Krill Count web site that summarizes the actions that CCAMLR members need to take. They focus on, first, krill fishery controls, with the priorities being international scientific onboard observers, and mandated vessel monitoring systems. The second, dealing with eco-system

management, calls for the setting of catch limits for small-scale management units that will help ensure that localized depletion doesn't harm predators of the eco-system.

There are two reasons for urgency, for action now. First is the rapid growth in the use of krill as fishmeal for aqua-culture, especially farmed salmon, and the second involves the entry of new vessel technology for catching krill, technology that continuously vacuums and sucks up the krill on to the vessel. A half dozen or so key member states support krill reforms, among them Australia, New Zealand, The U.K., Chile, the US, Norway, South Africa, while the fishing nations could potentially block action. Those include Japan, the Ukraine, Russia, South Korea, possibly Poland.

The reforms we're calling for aren't new. They've been on the table before our project got started through discussions and proposals put forward by supportive countries. One key process point that deserves mention, consensus decision making is the rule, so decisions need to be supported or not opposed by all member nations. With the fishing nations we believe a strong case for the reforms can be made from a scientific and information gathering perspective. Again, precaution is key. The guiding principle that means you don't wait until you've got a problem; act now, help insure long term sustainable practices. That's a core message we'll be carrying with us to Hobart, and we look forward to engaging on this issue there. Thank you.

JERRY LEAP: Clif, would you like to give them where to contact you for the remainder of the day before you leave tonight?

CLIF CURTIS: Sure. I can be reached up until 2:30 pm Eastern Standard Time in my office at 202 552 2171, and while in Hobart I'll have my international cell-phone, which is 202 664 4504.

JERRY LEAP: Thank you Clif. Well in closing, these campaigns are both high priorities for the Antarctic and Seven Ocean Coalition. In the case of toothfish, or Chilean sea bass, the

campaign had to work for reform in a fishery that had been severely over fished. With krill we have the chance to make those reforms and get management measures in place before that happens. After this call, a recording of the press conference will be posted on the Krill Project web site www.krillcount.org.

Now I'd like to open it up for questions operator.

OPERATOR: Ladies and gentlemen, if you would like to ask a question please press the star key, followed by the one key on your touchtone phone now. Questions will be taken in the order in which they are received, and if at any point you need to remove yourself from the questioning queue, press star-two. Again, to ask a question, press the star key, followed by the one key, on your touchtone phone now.

Our first question comes from Deborah Zabarenko, with Reuters. Please go ahead.

DEBORAH ZABARENKO: Hi, I guess this question is, well I guess I have one for Clif and one for Mark. For Clifton, what's, to get my readers' attention, I need to know what the worst case scenario is. What if you don't get what you want in Hobart and, you know, krill goes the way of the Buffalo? So what kind of environmental impact are we talking about around these Antarctic waters?

CLIF CURTIS: There's a very intricate predator/prey relationship in the Southern Ocean, with krill at the center. Below krill there's the primary production, phyto plankton, on which krill depends, but above and surrounding krill are squid, fish, birds, fur seals, crab eater seals, baleen whales, leopard seals, toothed whales, a multitude of species whose dietary needs for survival depends on krill.

We're not saying that the fishery is about to collapse today. Current fishing is well below the catch limits they've set, but the problem with those catch limits is that they're set at a macro

level, and they're not broken down into smaller scale management units that take into account the risk of localized depletion adjacent to rookeries, to where young need to have access to the krill, along with their parents. So over the next few years, with a strong set of measures in place, we can ensure that sustainable fishing will continue, and that there won't be a collapse; that there will be continued food, an abundance of krill, available to continue to ensure that species in the Southern Ocean thrive.

JERRY LEAP: Well, in addition, there is going to be a growing demand for krill from the farmed salmon industry. There is, the supply of fish meal and fish oil has leveled off, and many believe may be declining, and many of these farmed salmon companies are looking to the Southern Ocean to catch krill and process krill as a food source, and with countries like Chile, that have announced that over the next five years they want to double their production, we need to get these management reforms in place to ensure that it's done in a sustainable manner.

DEBORAH ZABARENKO: Okay, and if I may, just one for Mark. You say you know who the pirates are and which countries allow them to sell their catch. If you'd like to divulge those here, I'd be happy to hear it.

MARK STEVENS: Sure, I'm happy to. Again, this is Mark Stevens, Mark with a "K", Stevens with a "V". The CCAMLR every year adopts a list of IUU vessels, illegal, unrecorded, unrelated, unregulated, sorry, so from that list of vessels we know which are the pirates and which we need to be keeping out of port. Those, the way we know the countries is the flag that the vessels are flying, which essentially means the countries where they're registered, and these countries don't enforce CCAMLR's laws and they're not CCAMLR members. The countries change over time, but now the most common countries are Togo; new this year is North Korea,

we haven't seen them flagging pirate vessels before, but now they are; Equatorial Guinea. Those are the three big ones.

DEBORAH ZABARENKO: Okay, I don't, I'm not the biggest, I don't have the best global knowledge but these sound like three very poor, fairly isolated countries. It can't be a pleasure cruise going down there and making these illegal catches. They must be highly motivated by the price. Is there any thought of, you know, is there any way of keeping down the price that they can get for these catches?

MARK STEVENS: Well, typically you're right. They are poor or developing countries, and practically speaking there's no real connection between the country and the vessel. The vessels just get a registration there, the country gets, you know, \$500 or whatever it is, and they go, as you said, they go so far because they can make so much money. One way to get at that is to reduce demand. That's why we still ask people in the US to take a pass on Chilean sea bass, and as I said before, in addition to reducing consumer demand, making it difficult for them to land the catch in ports, closing the ports to the illegal operators, will also help get at that.

DEBORAH ZABARENKO: Okay, thank you very much.

MARK STEVENS: Thank you.

OPERATOR: Thank you for your question, and our next question comes from Allison Freeman with Greenwire. Please go ahead.

ALLISON FREEMAN: Hi, thanks. This is just a, if you could give a little process explanation for someone who has never followed or thought about CCAMLR before. Like who is there, and how do the, how do the resolutions work?

MARK STEVENS: I can start on that one. This is Mark Stevens again. As Jerry mentioned, there are 24 member countries of CCAMLR including Australia, Argentina, Brazil, Chile; I'm not going to name them all; Russia, South Korea, New Zealand, Australia, US, UK. They meet once a year. Always in Hobart, that's where the secretariat is, and as Clif mentioned, all decisions are taken by consensus, which means 100% yes.

There are two ways to make proposals. Papers are due about sixty days before the meeting, and countries will put their proposals there. What happens more often is policy is made on the fly in Hobart. The countries arrive with a portfolio within which they can operate and support and oppose certain measures, but a lot of the actual policy making is horse trading in Hobart the final week. So it's important for us to be flexible when we're down there.

CLIF CURTIS: This is Clif Curtis. Let me just add a couple of points. The way the two weeks are structured for this meeting, there's a scientific committee that meets all of next week, from Monday through Friday. At the same time, the commission begins meeting next Monday as well, October 23, and it continues on through the second week, and it's the commission where the results coming out of scientific committee, as well as process, procedural matters solely within the province of the commission, would be dealt with.

They're, this is very heavily scientifically oriented in terms of bedrock kind of thinking that is based on numbers being brought together dealing with monitoring controls and surveillance measures related to extraction of fisheries, and it's that scientific mindset that is taken very seriously in CCAMLR. We on the NGO side have put forward a number of technical papers on krill and other issues to contribute to that discussion. We'll be working with the scientists, and we'll be working with the political heads of their delegations who are in the commission segment of the meetings.

Final point, Mark mentioned that all countries under consensus have to do a yes vote. It's slightly different. They can abstain. Not everybody has to positively affirm. They can be out of the room, they can just be quiet. We just don't want any opposition to the proposals we're putting forward.

OPERATOR: Does that answer your question Miss Freeman?

ALLISON FREEMAN: Yes, thanks.

OPERATOR: Thank you. Again ladies and gentlemen, if you would like to ask a question please press the star key followed by the one key on your touchtone phone now. Again, that's star, followed by the one on your touchtone phone now.

Our next question comes from Bob Bkacz with News Magazine.

BOB BKACZ: I'm sorry, did you mean Bob Bkacz with Fisherman's News Magazine?

OPERATOR: Yes I did.

BOB BKACZ: Oh, that's me. Thank you. On sea bass, you mentioned the offending countries but you didn't mention the ports where they're landing. Do you know what those are and could you give us some numbers of the, what you think are the, is the illegal harvest volume please?

MARK STEVENS: Sure, this is Mark Stevens again. As with the countries that allow their boats to fish, it changes all the time as they're embarrassed and the good guys crack down. Currently Singapore, Indonesia, they've attempted in South Korea but South Korea did the right thing. They figured out that the toothfish, 255 tons, had come from a vessel called "The

Hammer” which is on the IUU vessel list of CCAMLR so they confiscated the toothfish and are trying to figure out how their laws and CCAMLRs laws fit together. But they did the right thing by not allowing the toothfish into market. Namibia is sometimes a port. Mauritius used to be a port but they have received training from other CCAMLR members like Australia and are really trying to do the right thing now.

The estimate of IUU fishing that CCAMLR does every year is based on actual sightings of pirate vessels and then there’s a formula with which they extrapolate actual numbers. Over the past couple of years about half of the global catch is illegally caught. We expect the estimate to go up this year as more vessels are heading outside of areas of national jurisdiction into the high seas, in particular an area known as the Banzare Bank, B-a-n-z-a-r-e, and we expect estimates from that area to skyrocket this year.

Does that answer your question?

BOB BKACZ: Yeah, but could you tell us when the South Korean incident was and where the Banzare Bank is located more or less?

MARK STEVENS: Sure, the South Africa incident was, I believe, in May.

BOB BKACZ: South Korean?

MARK STEVENS: Yeah, what did I say?

BOB BKACZ: South Africa.

MARK STEVENS: Sorry, South Korean, was in May. The Banzare Banks - this may or may not be helpful - are south and a little bit east of the Heard and MacDonald islands, which are

Australian territory, and Heard and MacDonal are about, I believe, 3000 kilometers east - west and south of Australia.

BOB BKACZ: Has the MSC network been any help in addressing the pirate fishing in the, on the sea bass?

MARK STEVENS: By MSC Network, do you mean Marine Stewardship Council, or the Monitoring, Control, and Surveillance...

BOB BKACZ: MCS Network, Monitoring, Control and Surveillance.

MARK STEVENS: No. CCAMLR has not been very involved with the proceedings of the MCS, even though the US has been very involved and I believe chairs the activities, but there hasn't been much collaboration with CCAMLR, although I believe there will be a proposal this year at CCAMLR for an authorized vessel list that will feed into an authorized vessel list proposed by the MCS Network.

BOB BKACZ: Thank you.

MARK STEVENS: Sure.

OPERATOR: Thank you for your question sir. Again ladies and gentlemen if you would like to ask a question please press the star key, followed by the one key on your touch tone phone now.

We have another question from this gentleman. Sir, please go ahead.

BOB BKACZ: Thank you, on krill, could you give us some statistics on the harvest of krill, and I'd like to know how much goes to human consumption and if you expect to see human consumption increase, as opposed to use for farm feed?

CLIF CURTIS: Good question. This again is Clif Curtis. Let me just say, as an introductory point, relative to this point and a couple of earlier questions. On the home page of krillcount.org, there is featured a new report or booklet that we've put out a couple of weeks ago called Krill Count. It's a sixteen-page booklet. For example at the end note number 28, it lists all 24 of the member countries. Jerry Leap in the intro referenced the scope of this booklet in the context of the web page.

As for the level of fishing effort, in the '80s or so, when Russia was still a conglomerate, prior to it's falling apart in '91, they had a heavy subsidized fleet down there and krill fishing was somewhat higher, but in the last 15, 16 years the average annual catch has been in the 100,000 to 130,000 tons. For the last fishing season, 2005-6, the total catch level was around 130,000.

BOB BKACZ: Are you saying the final product level? I understand they have to take about 30 tons of krill to come up with about, I forget the number, but the reduction...

CLIF CURTIS: That's the final product. This is wet, on board, the tonnage that's brought onto the vessel before it's dried out and the final product. The issue of, there are catch limits at a higher level, set by CCAMLR at 620,000 tons total allowable catch in the areas where krill fishing occurs, so this is well below that level, but again a point I made earlier about the need to address localized depletion, and that is the reason that there's this critical need for small scale management unit catch levels to be put in place. There are no hard figures on levels of human consumption. There is an interest from Norway's Acres Seafood's in increased catch for human

consumption going forward with their new vessel technology, the pumping technology I mentioned earlier.

There's some limited human consumption that Ukraine is undertaking with its catch. Japan, South Korea, the same. It's not substantial, but there is human consumption, and with regard to your aqua-culture point, as Jerry Leap indicated following one of my earlier answers, there's rapid increase in the use of krill as fishmeal. It's uncontaminated, it's high in protein, it's also pinkish in color, so that you don't need to dye species like salmon if you're using krill as the fishmeal to give them that pinkish fleshy color.

We're trying to get a better handle on that going forward. We're doing some market surveys to look at projected trends, looking outward, and we hope to have a report from that sometime in the first or second quarter of 2007.

MALE SPEAKER: Does that answer your question, or do you have a follow up?

BOB BKACZ: It answers my question. I have more if no one else does.

OPERATOR: There are no questions in the queue at this point sir, please go ahead.

BOB BKACZ: Okay, it doesn't sound like you have as difficult a task regarding krill if the catch level is so far below the tack. What is the opposition to having localized catch limits, as opposed to just an overarching one that can be used wherever people want?

CLIF CURTIS: This is Clif Curtis again. The opposition is more one of saying well we've set the catch limit, 620,000, and unless or until we hit that limit we don't feel we need the more detailed measures in terms of fisheries controls like on-board scientific observers, vessel monitoring systems. On the eco-system base management front, there are disagreements over

what the specific numbers should be at the smaller scale levels. There is, within the scientific committee, a process for arriving at those numbers and we're hopeful that it will occur sooner rather than later. Left to its own devices it could still be several years, as modeler's disagree on what those numbers might be. But we feel from a precautionary perspective, sooner rather than later is by far the preferred way forward.

BOB BKACZ: Well would localized catch limits be within some countries' national waters, or would they still be within, out in the international sea?

CLIF CURTIS: Well there are no sovereign seas. All of the countries who have staked claims have suspended exercise of sovereignty, but within the areas where they have exercised claims, near shore, there are some of these small scale units. They're subject to the same measures that exist outside of those claimed areas.

MARK STEVENS: This is Mark Stevens. If I can add, hopefully briefly, a little bit to the opposition to further dividing the catch limit. One argument we often hear is comparison of the krill fishery to the toothfish, or Chilean sea bass fishery. They say the krill fishery is not in nearly as much trouble as the toothfish fishery so we don't need to do anything, and that's the point we're making. This is a really unique opportunity for us to put these rules in place before, rather than playing catch-up, and further the 100, the majority of the 120,000 tons, about two thirds of it comes from one small area, and near that area penguins and seals are already competing with fishing operations for krill and some penguin species are showing difficulty in reproducing and rearing their young. So that's, even though it seems like a tiny bit of the total catch, most of it is coming from one small area, and that's a serious problem.

OPERATOR: Thank you for your questions sir. There are no further questions in the queue.
Mr. Leap, please go ahead with your closing remarks.

JERRY LEAP: Thank you and I want to thank our speakers for their presentations, but also you reporters for getting on the phone call, some of which had to get on very early this morning. You have the contact information for the speakers for the remainder of the day, and also the web site. So once again those web sites are www.net.org, and www.krillcount.org.

Thanks for joining us today and have a good rest of your day. Thank you.

OPERATOR: Thank you ladies and gentlemen; this does conclude today's teleconference.
You may now disconnect.

MALE SPEAKER: Thanks Lindsay.

OPERATOR: Thank you.