



Herb Pollard, Chair
Pacific Fishery Management Council
7700 NE Ambassador Place, Suite 101
Portland, Oregon 97220

RE: Briefing on September 2016 Transfer Effect Workshop: Understanding True Conservation Costs in a Globalized Economy

Dear Chairman Pollard,

As you know, the Pacific Council has responsibility for managing species that range well beyond the US Exclusive Economic Zone. Those and other pelagic species are impacted by international fishing activities, virtually all of which are not as well-regulated as the US fishing industry and whose products end up supplying our markets. Under these circumstances, US regulations to protect endangered species (such as sea turtles) can result in increased fishing pressure from foreign fleets that ultimately have adverse effects on the very species intended for protection. This 'transfer effect' may impact highly migratory species (HMS) management objectives outlined by the Council, including reducing protected species bycatch while allowing for a viable domestic swordfish fishery.

In order to better understand the science behind the transfer effect, Environmental Defense Fund (EDF) and the Bren School co-hosted a Transfer Effect Research Workshop held on the University of California Santa Barbara (UCSB) campus in late September 2016. Approximately 30 participants from academia and government sectors representing fishery economics, management and policy expertise gathered along with EDF and Bren staff. The goal of the workshop was to further our collective understanding of the transfer effect concept, share current methodologies and applications, build new collaborations to further research, and identify how transfer effect research can inform policy to improve US and global conservation goals.

The agenda consisted of several presentations followed by open discussion. Because this work is of particular importance in US HMS fisheries, case studies from the West Coast, Atlantic and Hawaii swordfish fisheries were presented, as well as a presentation on global timber harvesting. The second day we discussed methodological and other challenges, as well as regional and national policy implications. Key takeaways include:

- ❖ A transfer effect (TE) arises when a policy:
 - has impacts beyond the immediate (targeted) area/group/location/species and those additional impacts are potentially important in determining the effectiveness of the policy/program/initiative in meeting its goal(s)
 - the effect can be positive, negative, or neutral (zero)

- ❖ Domestic regulations that restrict harvest can result in the following:
 - Increased impacts on protected species
 - Decrease in domestic production
 - Increase in price
 - Increase in foreign production
 - Increase in imports to the US
- ❖ Factors affecting TE vary widely and thus are case-specific; researchers must identify and account for first and second order variables appropriately
- ❖ Case studies on timber regulations, which are more advanced than TE work in fisheries, suggest that forest conservation efforts in developed countries can result in transfer effects (i.e. deforestation) to mostly developing countries. This is exacerbated by illegal timber markets, lack of enforcement, and other market/non-market factors
- ❖ Unilateral conservation efforts, like those under the ESA and MMPA, may result in unintended transfer effects that undermine conservation goals through international trade of TE implicated products
- ❖ Some transfer effects may be unavoidable, but integrating consideration of transfer effects in decision-making will result in better awareness of tradeoffs resulting from changes to domestic regulations that may decrease production
- ❖ Additional information/research needed:
 - The relative impacts of resource extraction both in the US and globally
 - Documentation of our reliance on domestic versus international products
 - Seafood consumption trends/data on species of interest
 - Minimum thresholds and magnitude of the transfer effect in a system
 - Means to evaluate full seafood supply chain to determine causality
- ❖ There is a need to tackle domestic and international policy/regulations together to achieve maximum conservation benefit with respect to endangered or sensitive marine species

We were pleased at the breadth and depth of topics covered, the productive conversations, and the resulting synergies and connections leading to next steps for this area of research, including two papers that were inspired by discussions at the meeting. We are currently working on a meeting summary and transfer effect compendium that will serve as an information source for fishery managers, scientists, fishermen and others who wish to better understand the transfer effect in a fisheries-focused context. We would be pleased to share with you as it becomes available.

Sincerely,



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