

### Statement before the

### U.S. Senate Committee on Commerce, Science, and Transportation's Subcommittee on Coast Guard, Maritime, and Fisheries

# *"Finding Nemo's Future: Conflicts over Ocean Resources"*

A Testimony by:

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Chairman Sullivan, Ranking Member Blunt Rochester, distinguished Members of the Subcommittee, I am honored to share my views with you on the topic of illegal, unregulated, and unreported (IUU) fishing as a national security threat. CSIS does not take policy positions, so the views represented in this testimony are my own and not those of my employer. In my testimony, I would like to reflect on the direct and indirect ways in which IUU fishing undermines national security, the scale of IUU – particularly by Chinese-owned vessels – in the Pacific, and the resources the U.S. has to confront this challenge.

IUU fishing is most often treated as an economic and environmental challenge but it is also an underappreciated nontraditional security threat. IUU fishing affects national security in two ways. First, it directly supports illicit networks engaged in the trafficking of narcotics, weapons, wildlife, and people, along with other maritime crimes. Second, IUU fishing deprives coastal and small island developing state governments of desperately needed revenue while undermining local livelihoods and food security. This combination creates more fertile recruiting grounds for piracy, organized crime, armed insurgency, and terrorism, and increases vulnerability to economic coercion and elite capture by depriving officials of viable economic alternatives. This is a particular concern in the Pacific, where China seeks to use economic leverage to increase access and affect local decisionmaking.

#### **Support for Illicit Networks**

IUU fishing supports, both directly and indirectly, non-state actors engaged in organized crime, piracy, and armed insurgency and terrorism. It has become a part of the portfolio of illegal criminal organizations, directly and indirectly supporting their other illicit activities. Since 2009, the UN General Assembly has expressed "concern about possible connections between transnational organized crime and illegal fishing."<sup>1</sup> This linkage between IUU fishing and other criminal activities has given rise over the last decade to the concept of "fisheries crime," or illegal fishing combined with "crimes such as tax evasion, human rights abuse, including human trafficking, drug, wildlife, diamond and arms smuggling, fraud and pollution."<sup>2</sup>

Nearly a decade ago, Cathy Haenlein of the Royal United Services Insitute explained the inevitability of illicit actors becoming more involved in IUU fishing:

As demand increases and supplies dwindle, the corresponding rise in profits explains a further set of drivers...Indeed, the vastness of the high seas and law-enforcement capacity mean that the chances of being apprehended are low, while fish can be laundered easily into legitimate catches. Even where enforcement is effective, penalties are small...The result is a low-risk, high-reward environment perfectly tailored to the interests of criminal actors.<sup>3</sup>

<sup>&</sup>lt;sup>1</sup> UN General Assembly, Resolution Adopted by the General Assembly on 4 December 2009, A/RES/64/72, 19 March 2010, para 61.

<sup>&</sup>lt;sup>2</sup> Stop Illegal Fishing, 'FISH-i Africa," 13, cited in Cathy Haenlein, *Below the Surface: How Illegal, Unreported and Unregulated Fishing Threatens Our Security* (London: Royal United Services Institute, 2017), 14.

<sup>&</sup>lt;sup>3</sup> Haenlein, *Below the Surface*, 8.

One of the most infamous examples comes from 2016, when Italian authorities arrested a crime boss known as "Fish King" Franco Muto and 56 others for organized crime. Muto controlled most of the fishing vessels along Italy's Tyrrhenian coast but also engaged in drug trafficking, extortion, and robbery. And in 2014, TRAFFIC International alleged that coastal South Africa had "transformed from a network of small fishing communities, [t]o outposts of international organized crime battling for the opportunity to harvest and export abalone," which in many cases local gangs traded to Chinese triads for drugs, guns, and other contraband.<sup>4</sup>

The connection between IUU fishing and human trafficking has been widely documented and, while reliable statistics are impossible to come by, the scale of the problem is clearly enormous. Modern slavery is pervasive and hard to combat among IUU fishing fleets because many vessels stay out at sea for months, illegally transferring catches without ever entering a port to avoid scrutiny, hide the source of their catches, and keep crews in often-brutal conditions without any hope of escape.<sup>5</sup> dThe Thai fishing industry became the poster child for modern-day slavery in 2015 when the AP undertook a series of investigations into the Thai fishing industry, which earned the paper the Pulitzer Prize. The AP documented how Thai fishing vessels relied upon migrants from neighboring Southeast Asian states tricked on board with promises of productive employment and then kept in modern day slavery.<sup>6</sup> The outcry from the AP investigations led to the eventual release of more than 2,000 slaves.<sup>7</sup> The United States and European Union threatened sanctions against imports of Thai seafood unless authorities acted to crack down on human traffickers and better regulate the fishing industry, which proved a successful intervention as Bangkok has vastly improved oversight of its fishing industry and cracked down on abuses ove the last decade, though plenty of work remains to be done. Unfortunately the problem remains pervasive among global fleets, and especially China's distant water fishing vessels, as evidenced by Customs and Border Protection's recent banning of the Zhen Fa 7 from U.S. ports for forced labor abuses after a years-long investigation by Ian Urbina's Outlaw Ocean.<sup>8</sup>

IUU fishing vessels also play a significant role in other forms of trafficking, particularly of drugs. The UN Office on Drugs and Crime (UNODC) and the U.S. Justice Department have documented numerous cases of illicit fishing ships involved in trafficking cocaine from South American to the United States, as well as heroine and cannabis.<sup>9</sup> In addition to organized crime, trafficking, and modern slavery, IUU fishing has been used to support insurgent and terrorist groups. For example, during the Sri Lankan civil war in the 1990s and 2000s, the Liberation Tigers of Tamil Eelam, which the U.S. government labeled a terrorist organization, used IUU

<sup>&</sup>lt;sup>4</sup> Kimon De Greef and Serge Raemaekers, *South Africa's Illicit Abalone Trade: An Updated Overview and Knowledge Gap Analysis* (Cambridge: TRAFFIC International, 2014), cited in Haenlein, *Below the Surface*, 28.

<sup>&</sup>lt;sup>5</sup> Haenlein, Below the Surface, 26.

<sup>&</sup>lt;sup>6</sup> Robin McDowell, Margie Mason, and Martha Mendoza, "AP Investigation: Slaves May Have Caught the Fish You Bought," AP, March 25, 2015, <u>https://www.ap.org/explore/seafood-from-slaves/ap-investigation-slaves-may-have-caught-the-fish-you-bought.html</u>.

<sup>&</sup>lt;sup>7</sup> Haenlein, *Below the Surface*, 26.

<sup>&</sup>lt;sup>8</sup> Ian Urbina and Austin Brush, "Federal Authorities Take Action on China's Fishing Fleet," Outlaw Ocean, May 29, 2025.

<sup>&</sup>lt;sup>9</sup> UNODC, Transnational Organized Crime, cited in Haenlein, Below the Surface, 27.

fishermen who were already adept at avoiding the authorities to smuggle contraband through Indian and Sri Lankan waters.<sup>10</sup>

#### **Undermining Governance; Facilitating Threats**

IUU fishing deprives governments in coastal and small island developing states of funds needed for social services, infrastructure, and other necessary spending.<sup>11</sup> At the same time, it undercuts local livelihoods leading to economic displacement and desperation. The combination of these two effects directly undermines stability and security, and indirectly contributes to the spread of threats from non-state actors.

Tens of millions of people work in the fishing industry worldwide, mostly in developing Asia and Africa, and more than 1 billion people, clustered disproportionately in coastal regions, rely on fish as their primary source of animal protein. Communities that have traditionally relied on the fishing industry often have few options to replace their damaged livelihoods, leading to the kind of desperation on which pirates, criminal gangs, terrorist groups, and other nefarious non-state actors thrive.<sup>12</sup>

An academic study of 2,600 piracy incidents reported to the International Maritime Bureau between 2004 and 2013 found that "states with reduced values of fisheries production are more likely to experience piracy," suggesting that "changes in labor opportunities in the fishing section—driven primarily by overfishing—increases the number of potential pirate recruits."<sup>13</sup> For example, a surge in illegal fishing by Chinese trawlers in the Gulf of Guinea since 2008 has made it difficult for local fishermen to make a living. Attacks on fishing boats, tankers, and cargo ships in the gulf soared in the 2010s and remain a persistent problem.<sup>14</sup>

Some studies have also suggested a more direct, and ironic, link between IUU fishing and piracy in the case of Somalia. According to a 2016 report from the U.S. National Intelligence Council,

IUU fishing also contributed to the increase in piracy off Somalia in the 2000's because many Somali fishers, who had learned to seize vessels in order to prevent illegal fishing in their historic fisheries transferred these initially defensive skills to piracy, according to scholars. As Somali fishers' incomes decreased as stocks diminished, they applied their newfound ship-seizing skills to piracy.<sup>15</sup>

The Pacific Islands region is likely second only to West Africa in the proportion of seafood catch via IUU fishing, and this is driven almost entirely by distant water fleets. China is the predominant distant water fishing actor both globally and in the region, and is the worst offender for IUU fishing according to the Global Illegal Fishing Index. IUU fishing by Chinese vessels

<sup>&</sup>lt;sup>10</sup> U.S. National Intelligence Council (NIC), "Global Implications of Illegal, Unreported, and Unregulated (IUU) Fishing," September 19, 2016, 14.

<sup>&</sup>lt;sup>11</sup> Haenlein, *Below the Surface*, 36.

<sup>&</sup>lt;sup>12</sup> NIC, "Global Implications of IUU Fishing," 9, 12, 14-15.

<sup>&</sup>lt;sup>13</sup> Ibid, 16.

<sup>&</sup>lt;sup>14</sup> Ibid, 16-17.

<sup>&</sup>lt;sup>15</sup> Ibid, 17.

and to a lesser degree those of other states primarily take the form of illegal transshipment of catch. Transshipment vessels are large, refrigerated motherships which operate under flags of convenience and through which smaller vessels offload their catch to be shipped into port. Transshipment vessels are highly associated with IUU fishing, and provide an opportunity to bypass international and federal fisheries management, import, and trade regulations. Transshipment is in most cases prohibited by the management guidelines of the Western and Central Pacific Fisheries Commission (WCPFC), which covers the exclusive economic zones (EEZs) and high seas of the Pacific Islands, focused primarily on the lucrative tuna fisheries. Nevertheless, utilization of transshipment vessels via loopholes in the WCPFC rules has become the de facto method of distant water fleets landing their fish catch in the Pacific, as this allows the fish to be shipped into ports of convenience which have less regulatory and enforcement capabilities to comply with domestic and international law.

All transshipment vessels operating in the WCPFC area must be registered with the commission and report each time they take on catch from another vessel. But research by Pew has shown that far more transshipment occurs than is reported to the commission.<sup>16</sup> This is particularly true in the high seas pockets between EEZs. These transshipment hotspots are vast and under the rules of the WCPFC responsibility for monitoring and enforcement within them is divided up among the neighboring small island states, which have little hope of enforcing the law within them. IUU fishing destabilizes the region, both in terms of sustainability and security. Many of these islands rely on their fisheries as a primary source of protein, therefore IUU fishing in these regions jeopardizes their fisheries management and food security.

The small-islands states of the Pacific are more reliant on well-regulated fishing than anywhere else on earth. For most, with the exceptions of Papua New Guinea and Fiji, local economies and government revenue rely overwhelmingly on tourism (including ocean tourism) and fishing or the sale of fishings rights to distant water fleets. Communities rely on fish catch for a huge proportion of animal protein. And Pacific Island governments view IUU fishing and fisheries crime as the second most important national security challenge they face, trailing but interconnected with climate change. This was codified in the 2018 Boe Declaration, in which the leaders of all Pacific Island states included human security, environmental and resource security, and transnational crime as top priorities.

The United States is a resident power in the Pacific Islands – the state of Hawaii and the territories of Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands are home to millions of American citizens. Most of the U.S. EEZ and continental shelf are in the Pacific, including areas bordering on the WCPFC waters being pillaged by overfishing. The United States is a party to the South Pacific Tuna Treaty which was just renewed last year with the Pacific Island Forum Fisheries Agency, and the U.S. fleet follows the rules therein. The United States of Palau, the Marshall Islands, and the Federated States of Micronesia. The other major resident powers of the Pacific Islands – Australia, New Zealand, and France – are U.S. treaty allies, as is Japan, traditionally a major external partner and donor.

<sup>&</sup>lt;sup>16</sup> Pew Charitable Trusts, "Transshipment in the Western and Central Pacific," September 12, 2019, <u>https://www.pew.org/en/research-and-analysis/issue-briefs/2019/09/report-finds-transshipments-in-western-and-central-pacific-likely-underreported</u>.

China, by contrast, is a newcomer in the Pacific Islands. It has growing leverage thanks to its checkbook diplomacy and has used that for political ends, including peeling away several of Taiwan's remaining diplomatic allies in recent years (the Solomon Islands, Kiribati, and Nauru), and to seek logistical access as it builds out a blue water navy. The most worrying example of the latter is the Solomons, where a 2023 security agreement gives Chinese law enforcement and potentially military vessels access to the country's land and waters. China has also tried, so far unsuccessfully, to secure access to military or dual-use infrastructure in Papua New Guinea, Fiji, Vanuatu, and reportedly Kiribati, which approaches closest to Hawaii and in which foreign military access should be constrained by the 1979 U.S.-Kiribati Treaty of Tarawa. In each of these cases, China relies in part on elite capture, using economic inducements to leverage local government, business, and thought leaders to fulfill Beijing's wishes. This is effective in the Pacific Islands because of the severe resource constraints facing regional governments and societies; resource constraints that are made worse by the signicant IUU fishing, primarily by Chinese-owned vessels, across the region.

#### U.S. Tools to Meet the Challenge

The United States is not without considerable resources to confront the challenge of IUU fishing, especially in the Pacific. Three types of U.S. tools are of particular importance: military/law enforcement, diplomatic, and commercial.

The United States has the most advanced naval and coast guard capabilities in the world and has leveraged them particularly well in partnership with Pacific Island states. This is an enormous comparative advantage for the United States in the strategic competition with China. By supporting maritime domain awareness (MDA) and patrol capabilities in the region, the United States presents itself as a partner in what regional states have identified as one of their top national security challenges, and it allows those states to identify the bad actor, which tend to be Chinese vessels, thereby undermining trust in Beijing.

The U.S. has negotiated ship rider agreements with nearly every state in the region, allowing the U.S. Coast Guard to assist with fisheries patrols and interdiction by putting local law enforcement officers aboard USCG vessels on patrol. The Navy has also leveraged its assets through the Oceania Maritime Security Initiative, by which Navy vessels transiting the Pacific also take on shipriders and engage in fisheries patrol. And the United States has over the last decade invested considerably in the capacity of local partners through efforts like provision of the U.S. Navy/Department of Transportation's SeaVision platform for maritime domain awareness (MDA) and the deployment of U.S. MDA experts to Fiji and Papua New Guinea to assist local officials. The deployment of USCG national security cutters to Guam is further enhancing U.S. capabilities both within its own EEZ and those of its partners. But there is more that can be done. In particular, the effort to work with Australia, Japan, and India to provide more space-based MDA capabilities through the Indo-Pacific Partnership on Maritime Domain Awareness has so far produced little results in the Pacific Islands.

On the diplomatic front, the United States has been a champion of global efforts to combat IUU fishing, including by being an early adopter of the Port State Measures Agreeement (PSMA) and

lauching the annual Our Oceans Conference. PSMA has been particularly important as the only global treaty specifically targeting IUU fishing, and today it has more than 100 party states (the European Union having acceded on behalf of all its members). The treaty reached a major milestone in April when China finally became a party. But there is reason to be skeptical that Beijing will fully implement the terms of the treaty. PSMA is mainly seen as a way to prevent foreign vessels from offloading illegally caught fish in port, but China's ports almost exclusively offtake fish from Chinese-flagged vessels, including much of its distant water fleet. PSMA does include provisions requiring flag states to investigate and punish their own vessels suspected of engaging in IUU.<sup>17</sup> But China has not been proactive in enforcing its flag-state obligations, as evidenced by that fact that it still operates the largest IUU fleet in the world. The United States and partners should leverage Beijing's entry into PSMA to ratchet up the diplomatic pressure on China to get its own house in order.

Commercially, the United States has power courtesy of its vast market. U.S. consumers account for a significant portion of global consumption and that gives the United States leverage to set terms in the global seafood market. U.S. consumers would much rather purchase sustainably and legally caught seafood, but must be empowered to do so through clear tracing and labelling. This was the impetus for the Seafood Import Monitoring Program. And though that program has been criticized as ineffective, it can be built upon to ensure that U.S. consumers know what lands on their plates. Removing the profit motive from IUU fishing is ultimately the only way to solve the problem and secure U.S. economic and national security interests.

<sup>&</sup>lt;sup>17</sup> Elaine Young, "China Joins Treaty to Fight Illegal Fishing, a Major Milestone for Ocean Governance," Pew, April 17, 2025, <u>https://www.pew.org/en/research-and-analysis/articles/2025/04/17/china-joins-treaty-to-fight-illegal-fishing-a-major-milestone-for-ocean-governance</u>.