



UNCLASSIFIED

March 15, 2012

MEMORANDUM FOR THE PRESIDENT

FROM: Hillary Rodham Clinton *HRC*
 John Bryson *JEB*

SUBJECT: Actions Taken in Response to Pelly Certification of Iceland

On September 15, 2011, you directed departments and agencies to take a number of actions in response to the certification of Iceland by the Department of Commerce under section 8 of the Fishermen's Protective Act of 1967, as amended (the "Pelly Amendment") (22 U.S.C. 1978) that nationals of Iceland are conducting whaling activities that diminish the effectiveness of the International Whaling Commission (IWC) conservation program. You further directed us to report to you in six months on the actions taken to urge Iceland to cease its commercial whaling activities. Our report of the specific actions we took over the past six months is attached to this memorandum.

The Government of Iceland (GOI) has not changed its whaling policies since certification under the Pelly Amendment. It continues to engage in international trade of whale meat and is likely to continue to permit Icelandic companies to harvest whales for commercial purposes. While the sole company harvesting fin whales did not harvest any in 2011 (probably due to damage to their processing facilities in Japan caused by the April 2011 tsunami), the company has publicly stated that it will resume hunting in the summer of 2012.

In September and October of 2011, Iceland issued permits to export 257,190 kg of whale meat and other whale products to Japan. For 2011, these permits totaled more than 941,581kg. In January 2012, Iceland issued permits to export 129,540 kg of whale products. In October, minke whale meat was found to be for sale at the duty free shop at Keflavik International Airport. The United States quickly alerted the authorities that importation of marine mammal products into the United States, even as personal effects, violates the Marine Mammal Protection Act, the Endangered Species Act and contravenes the Convention on International Trade in

UNCLASSIFIED

Endangered Species and Wild Fauna and Flora (CITES). In October 2011, the U.S. CITES Management Authority (within the Department of the Interior) sent a letter to the Icelandic CITES Management Authority, urging them to remove such products from the duty free shop, in accordance with CITES recommendations. Icelandic officials subsequently removed these products from the shelves of Icelandic duty free shops.

On January 1, 2012, the GOI went through a reorganization that included the replacement of the Minister of Fisheries and Agriculture and the appointment of a new chairman of The Icelandic Marine Research Institute (MRI). The MRI provides scientific advice for Iceland's fishing and whale quota management. These organizational changes are expected to facilitate Iceland's European Union (EU) accession negotiations, which will include a discussion of the EU's objection to Iceland's whaling policies, but are unlikely to change Iceland's whaling policy in the near term. Iceland continues to assert that the whale quotas it sets are sustainable, as they are based on input from the MRI. Even if the moratorium on commercial whaling is lifted, these quotas far exceed the advice of the International Whaling Commission's Scientific Committee.

Apart from the Department of Commerce's Pelly certification of Iceland for undermining the effectiveness of the IWC, the Department of the Interior was petitioned by several non-governmental organizations to certify Iceland under Pelly for undermining the effectiveness of the CITES. Its review is ongoing and expected to be concluded soon.

We have emphasized, and the Icelandic officials understand, that the Administration continues to monitor Iceland's whaling activities and its international trade in whale products, particularly as we approach the start of the 2012 whaling season this summer.

Attachment:

Report on Actions Taken in Response to the Certification of Iceland for Undermining the Effectiveness of the International Whaling Commission

UNCLASSIFIED

Report on Actions Taken in Response to the Certification of Iceland for Undermining the Effectiveness of the International Whaling Commission

On September 15, 2011, the President directed departments and agencies to take a number of actions in response to the certification of Iceland under section 8 of the Fishermen's Protective Act of 1967, as amended (the "Pelly Amendment") (22 U.S.C. 1978). The President directed:

- (1) relevant U.S. delegations attending meetings with Icelandic officials and senior Administration officials visiting Iceland to raise U.S. concerns regarding commercial whaling by Icelandic companies and seek ways to halt such action;
- (2) Cabinet secretaries to evaluate the appropriateness of visits to Iceland depending on continuation of the current suspension of fin whaling;
- (3) the Department of State to examine Arctic cooperation projects, and where appropriate, link U.S. cooperation to the Icelandic government changing its whaling policy and abiding by the IWC moratorium on commercial whaling;
- (4) the Departments of Commerce and State to consult with other international actors on efforts to end Icelandic commercial whaling and have Iceland abide by the IWC moratorium on commercial whaling;
- (5) the Department of State to inform the Government of Iceland that the United States will continue to monitor the activities of Icelandic companies that engage in commercial whaling; and
- (6) relevant U.S. agencies to continue to examine other options for responding to continued whaling by Iceland.

The President directed relevant departments and agencies to report through the Departments of State and Commerce on the actions taken to urge Iceland to cease its commercial whaling activities within six months.

Diplomatic engagement with Iceland on Whaling:

Senior Administration officials have raised our concerns on whaling with Icelandic Government officials at every opportunity. The U.S. Ambassador to Iceland raised the issue of Iceland's commercial whaling activities at meetings with Iceland's Prime Minister, Foreign Minister and Fisheries Minister as well as with Iceland's

representative to the International Whaling Commission (IWC). Moreover, the U.S. Ambassador to Iceland regularly articulates the U.S. position in his public remarks and in media interviews. Deputy Assistant Secretary of State for European and Eurasian Affairs Marie Yovanovitch raised our concerns with Icelandic officials during her visit to Iceland in October. She and Deputy Assistant Secretary of State for Oceans and Fisheries David Balton discussed the issue on multiple occasions when they met with several of Iceland's high-level officials in Washington. In January, Assistant Secretary of State for European and Eurasian Affairs Phil Gordon set forth our concerns with the Icelandic Foreign Ministry Permanent Secretary, as did the Department of Energy with Icelandic President Grimsson in Abu Dhabi at the World Future Energy Summit. Finally, high-level officials from the Department of State and Department of Defense raised the issue of Iceland's commercial whaling during the U.S.-Iceland strategic dialogue and throughout a two-day series of meetings with Icelandic officials. In particular, we underscored the requirement to examine the appropriateness of cooperating with Iceland on Arctic initiatives in light of Iceland's current commercial whaling activities.

The GOI's response to our actions has been consistent: insisting that the whale quotas it sets are sustainable and asserting that it will not prohibit commercial whaling so long as it deems the catch limits sustainable.

Cabinet Secretary visits to Iceland:

No Cabinet Secretaries have visited Iceland since September.

Arctic Cooperation:

The Department of State continues to examine the appropriateness of cooperating with Iceland on Arctic projects, in light of its commercial whaling activities. As noted above, this issue has been raised in our strategic dialogue discussions with Iceland.

Consultation with other International Actors:

The Departments of Commerce and State have reached out to officials of the European Commission to discuss our joint concerns with Iceland's commercial whaling activities, its continued international trade in whale products, as it regards Iceland's possible accession to the European Union (EU). EU member states have

publically indicated that they expect Iceland to adhere to the EU's anti-commercial whaling policy as a condition for entry.

The U.S. delegation to the International Whaling Commission (IWC) continues to work bilaterally and multilaterally with other IWC delegations on potential future actions and efforts to facilitate the end of Icelandic commercial whaling. The U.S. delegation will express our opposition to commercial whaling and our continued support for the IWC moratorium on commercial whaling at the July 2012 IWC annual meeting.

Inform Government of Iceland of U.S. Monitoring:

As noted above, the U.S. Ambassador in Reykjavik informed the Government of Iceland that we continue to monitor the activities of the companies engaged in commercial whaling activities. In 2011, Iceland issued permits to export more than 941,581 kg of whale meat and other whale products to Japan, including 257,190 kg following Pelly certification. In January 2012, Iceland issued permits to export 129,540 kg of whale products, with additional permits likely to follow. We do not have data regarding the amount of whale products imported into Japan.

In October, minke whale meat was found to be for sale at the duty free shop at Keflavik International Airport. The United States quickly alerted the authorities that importation of marine mammal products into the United States, even as personal effects, violates the Marine Mammal Protection Act, the Endangered Species Act and contravenes the Convention on International Trade in Endangered Species and Wild Fauna and Flora (CITES). In October 2011, the U.S. CITES Management Authority within the Department of Interior sent a letter to the Icelandic CITES Management Authority, urging them to remove such products from the duty free shop, in accordance with CITES recommendations. Icelandic officials removed these products from the shelves of Icelandic duty free shops.

Other U.S. Agency Response:

The Department of the Interior is completing a review of Iceland's activities to determine if they are undermining the effectiveness of the Convention on International Trade in Endangered Species and Wild Fauna and Flora (CITES). Its review is ongoing and expected to be concluded soon.